Sterlite Technologies Limited

Annual Report 2017–18

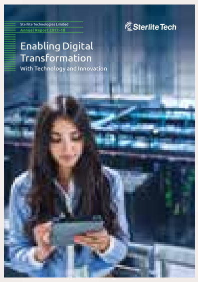
Sterlite Tech

Enabling Digital Transformation

With Technology and Innovation

Forward- Looking & Cautionary Statement

Certain words and statements in this report concerning Sterlite Technologies Limited and its prospects, and other statements relating to Sterlite Technologies' expected financial position, business strategy, the future development of Sterlite Technologies' 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 Sterlite Technologies Limited, 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 Sterlite Technologies' present and future business strategies and the environment in which Sterlite Technologies Limited 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 Sterlite Technologies' 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 Sterlite Technologies' control, include, but are not limited to, those risk factors discussed in Sterlite Technologies' various filings with the National Stock Exchange, India and the Bombay Stock Exchange, India.



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

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Chairman's Message

Anil Agarwal
Chairman, Board of Directors

Dear Shareholders,

It is with great pleasure that I present to you Sterlite Tech's 18th Annual Report. We had an excellent FY18 both in terms of our financial performance and in our continued overall impact on the digital ecosystem in India and globally.

We are a technology-led global company, with an expanding footprint in over 100 countries, where our network technologies are enabling ultra-high speed 4G, 5G and FTTx networks to millions of homes and businesses.

At the same time, we are very fortunate to be able to play a role in driving India's economic development by enabling the world's largest digital inclusion, making in India, creating jobs and skilling.

All this while, we built a culture of learning and mutual respect for employees and serving local communities.

Partnering with Global Customers

Telecom service providers and governments globally are committed to 5G and taking high-speed broadband to millions of homes through fibre technology. We play a part in this ecosystem by partnering with our customers in over 100 countries to bring smarter digital networks to all parts of the world. Our global versus India revenue share stands at about 50% each, even as the revenue pie grows at a healthy pace. We are truly a global technology company.

Leading with Technology

Today's research drives tomorrow's impact. Continued investment in research and innovation for fibre and smarter networks is critical. We have set up several platforms and Centres of Excellence to enable this. We are also innovating for customer needs and have seen our patent portfolio grow over the years. We have also recently invested in research for heterogeneous networks which combine the best of wireline and wireless technologies.

Steering the World's Largest Digital Inclusion

We are committed to driving global digital inclusion and playing our role in the nation building process. Through our integrated play of optical communication products, system-integration services and telecom software, we are steering India towards rapid digitalisation through rural broadband (BharatNet), Smart Cities, secure networks for the Indian Defence, last-mile connectivity and much more.

Learning and Growing with Employees

We believe an open, learning environment that respects diversity of ideas, people and working styles is healthy for both individuals and the business. As we transition to a solutions company across all our offerings, and become more global, we are consciously driving a culture that helps us hire and grow the best talent. We deliver on and live our values of: Hunger to learn; Respect and empathise; Promises delivered; and Keep it simple.

Creating Shared Value with Communities

We believe in leveraging our core competency of digital technology to ensure holistic development of communities through our sustainability and corporate social responsibility efforts. We work with local communities in areas of health, education and women empowerment to create shared value, and have so far impacted over six hundred thousand lives.

I would like to thank you for your ongoing support as we continue to work towards transforming everyday living by designing, building and managing smarter networks.

As a technology-led company that enables ultra-high speed networks for millions of homes and businesses, we are fortunate to be able to impact lives globally.

Anil Agarwal,
Chairman, Board of Directors

Letter to the Shareholders

Pravin Agarwal
Vice Chairman and Whole-time Director

Dr. Anand Agarwal
CEO and Whole-time Director

Dear Shareholders,

We are delighted to present to you Sterlite Tech's Annual Report for FY18. Last year was the best-performing year in the Company's history, with several long-term contracts, the highest-ever order booking, and sustained financial performance quarter on quarter.

This was made possible with our laser-sharp focus on technology innovation; process enhancement; culture shift and capability building; and customer engagement. At the same time, the Company continued to use its strength in core technology to serve communities around the world.

Best-performing Year in the Company's History

Long-term Contracts and Growing Order Book

Sterlite Tech ended FY18 with an ever-strong open order book of ₹ 5,223 crores (73% y-o-y growth). This is a direct result of several long-term contracts signed with key customers. Some of these included partnering with British Telecom to enable ultra-high-speed broadband to the last mile for over 12 million homes and businesses in the UK; enabling UAE based du Telecom to roll out smarter networks; and designing, building and managing the Smart City of Kakinada in Andhra Pradesh.

The Company continues to be uniquely positioned to meet the growing demand for fibre. It set up a glass-manufacturing and fibre-draw tower in Shendra, Aurangabad to take its current capacity of 30 million fkm to 50 million fkm by June 2019. This project was inaugurated by our Chairman, Anil Agarwal, and is on track.

Sustained Financial Performance

The Company has been witnessing sustained growth for several years. Revenue growth saw a three-year CAGR of 19%, EBITDA of 29% and PAT of 47%. At the same time, the balance sheet for the last three years was also extremely healthy, with improving ratios.

FY18 was no different. Revenues for FY18 stood at ₹ 3,205 crores (up 24% from FY17), EBITDA at ₹ 789 crores (up 45% from FY17) and PAT at ₹ 334 crores (up 66% from FY17). ROCE and ROE for the business at the end of FY18 stood at 30% and 28%, respectively, while Net Debt to Equity was at 0.7x.

While the Company maintained its leadership position in India, it continued to grow both in India and internationally, with exports accounting for 54% of FY18 revenues. The Company's international revenues more than tripled from ₹ 537 crores in FY16 to ₹ 1,735 crores in FY18, up by 81% against FY17.

Last year was the best-performing year in the company's history, with several long-term contracts, the highest-ever order book, and sustained financial performance quarter on quarter.

Made possible by strong business and operations fundamentals

Technology Innovation

At the core of this scale and growth is technology-led innovation. As in the past, the Company innovated across the value chain, and ended the year with 189 patents (up from 146 at the end of last year), offering strategic competitive advantage and higher realisation from new products, which accounted for 14% of revenues.

Sterlite Tech is one of fewer than 10 companies globally that manufacture their own preform, and the only company in the world to be fully integrated from silicon to software (silicon→preform→fibre→cable→deployment→system integration→telecom software).

The Company had in the past invested in a Centre of Excellence (CoE) for core research in optical-fibre technology and in the Centre for Smarter Networks (CSN) for innovation and applied technology for future networks. The CoE is differentiated by deep knowhow of interdisciplinary technologies such as glass science, wave optics and application engineering, while the CSN is working on networking technologies such as Software Defined Networks (SDN), wireless connectivity, and Internet of Things (IoT), among many other applications.

During FY18, the Company also set up Sterlite Tech Academy to focus on deployment best practices. The Academy is invested in training 10,000 semi-skilled workers in optical-fibre cable deployment each year.

Process Enhancement

Sterlite Tech recognises that for it to lead transformation externally, it needs to transform internally. As such, it became one of handful of companies in India to set up the position of Chief Transformation Officer last year. This function is committed to digital transformation, process excellence, data analytics, and programme management.

It has been leading projects on scrap reduction, waste management, Six Sigma and Lean in manufacturing and data-driven decision making, among others.

Culture Shift and Capability Build

A shift in culture that values disruption, innovation, passion, openness, and diversity is critical for any progressive company to attract talent and to grow. Sterlite Tech is committed to making this culture shift and has launched several initiatives to drive this across its corporate offices, plants, and project sites. One such initiative is diversity and inclusion, with a focus on women in leadership, which aims to hire and grow talented women.

Building capability is another arm of change that the Company believes is the key to internal transformation. It is running several programmes to recognise and train high-potential talent, hire from the best MBA and engineering schools and from disruptive technology companies.

Customer Engagement

The Company is committed to partnering with its customers for success. Its marketing and sales strategy is focused on key-account management that allows it to partner across functions and levels with all its key customers to deliver value. As Sterlite Tech enters into long-term partnerships with customers, this strategic approach will be even more critical.

At the same time, the Company continues to work very closely with government bodies and industry associations. As a key player in the ecosystem, with deep understanding of the technology landscape and customer needs, the Company is well positioned to take leadership in policy and advocacy.

With Full Responsibility towards Communities

The Company is fully committed to sustainability and Corporate Social Responsibility (CSR), and believes in leveraging its core competency of technology to enable holistic development of communities. Through these efforts, it has impacted over six lakh lives till date.

It has been running several sustainability projects for a few years and continued to do so this year. Project Zero Waste to Landfill, for instance, focuses on actively reusing by-products generated during the glass manufacturing process.

At the same time, the Sterlite Tech Foundation continued to drive community initiatives in the areas of education, women empowerment, environment and health. Its flagship projects of Virtual Classrooms and Mobile Medical Units leverage the Company's technology capability to impact education and health in the hinterlands of the country, while Jeewan Jyoti is focused on empowering women with employable skills.

In Closing

We would like to thank all shareholders for believing in the Company, and for their continued support. We had a strong year and look forward to your continued support in FY19 and beyond.

Together, we will continue to transform everyday living by delivering smarter networks.

It is our responsibility to enable digital transformation. What is good for human kind, is good for us.

Pravin Agarwal,
Vice Chairman

Dr. Anand Agarwal,
Chief Executive Officer

Sterlite Tech in the News

During FY18, the Company's progress on technology innovation, consistent accomplishments in designing, building and managing smarter networks and strong results in all quarters kept it in news. Here are snapshots of major news items that ensured from last year.

Industry Opinions

Enabling the World's Largest Digital Inclusion

Today, India has an opportunity to leap and bring affordable high-speed connectivity to its billion citizens using next-generation web-scale networks.

Designing, Building & Managing the World's Largest Rural Network

With its potential to bring one billion people online, BharatNet will enable access to quality education, healthcare, and government services in the remotest parts of the country. Sterlite Tech has demonstrated technology capability in building a Digital India through BharatNet Phase-I.

Fibre Investments Key to Success of 5G in India

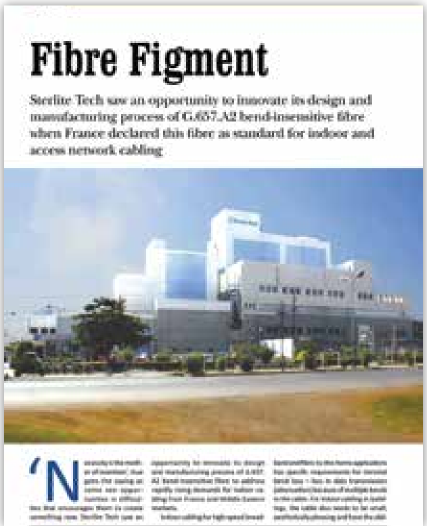
In the wake of growing awareness around IoT and the use cases it presents to Indian businesses and consumers, 5G will open a new era of opportunities for telecom operators and ecosystem partners in the country.

₹ 1,200 crore Investment for New Plant

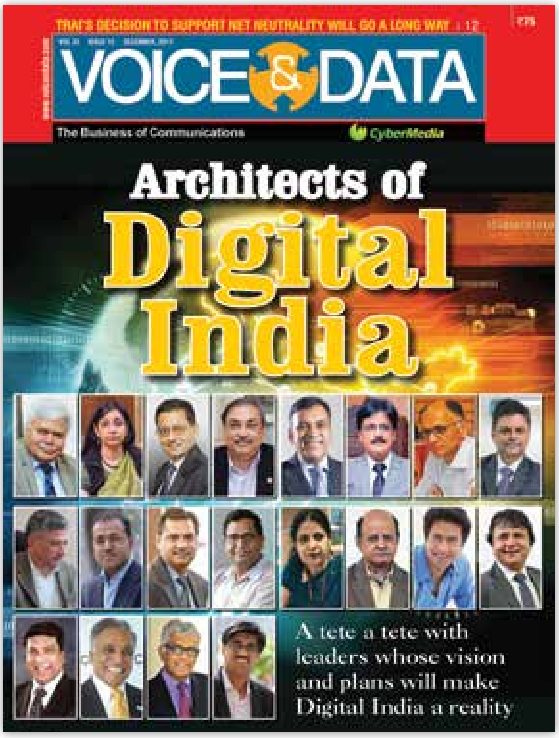
Buoyed by the growth in net profit, Sterlite Tech is on the track to expand its optical fibre manufacturing to 50 million fibre km with an investment of up to ₹ 1,200 crores spread over two years.

Britain takes on the Full Fibre Broadband Challenge

The UK has never seen such energy and activity in deploying full fibre networks as it has in 2017. But ambitious plans are one thing, delivering on them is quite another. Fibre Systems TV asked Sterlite Tech how optimistic they are about when, and even whether, the UK will achieve its full fibre ambition.


Fibre Figment

Sterlite Tech saw an opportunity to innovate its design and manufacturing process of G.657.A2 bend-insensitive fibre when France declared this fibre as standard for indoor and access network cabling



Mega Order Wins

Building Indian Navy's Communications Network

Project: Won an advance purchase order of ₹ 3,500 crores to design, build and manage Indian Navy's communications network. This will give the Indian Navy digital defence supremacy at par with the best naval forces globally.

Scope: Sterlite Tech will lead the planning and designing of a converged Multi-Protocol Label Switching (MPLS) infrastructure on a two-layered centrally-managed Internet Protocol (IP) backbone.

Highlight: This is the first time that an integrated naval communications network at such a scale is being built in India and will provide a secure and reliable digital highway to the Indian Navy for administrative and defence operations.

Advancing UAE-based du's Data Communications Infrastructure

Project: Sterlite Tech will enable telecommunications service provider 'du' to roll out futuristic networks, Internet of Things (IoT)and fibre-to-the-home (FTTH) services through its smarter network technologies, over the next three years.

Scope: As part of the agreement, Sterlite Tech will supply smarter optical fibre cables for outdoor and indoor requirements.

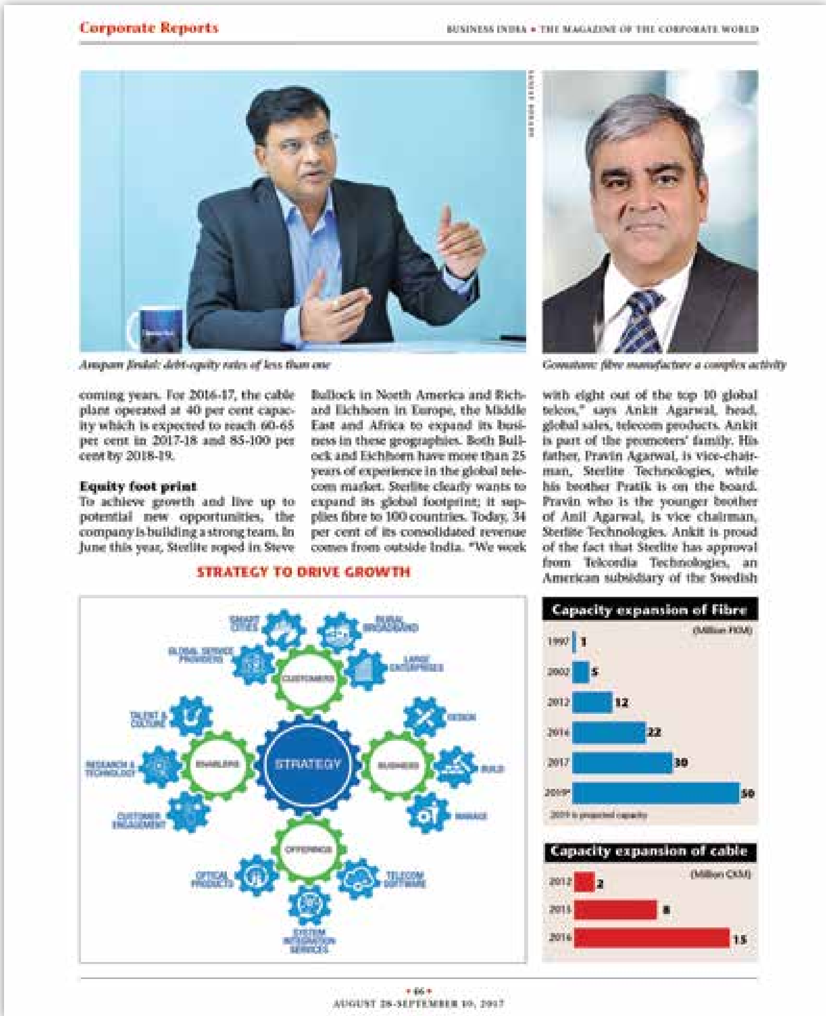
Highlight: The Company will help du to bring the next revolution in telecommunications through service innovation and improve agility through a future-proof digital infrastructure.

Transforming Kakinada through Smart City Solutions

Project: Sterlite Tech to implement Smart City solutions in Kakinada, Andhra Pradesh, India.

Scope: The project aims to bring transformational changes in the everyday living experiences of over 3.25 lakh citizens of Kakinada, through real-time governance and efficient delivery of citizen services. As part of the project, Sterlite Tech will design, build and manage the Kakinada Smart City for the next six years.

Highlight: The strategic aim for Kakinada is to improve mobility, improve situational awareness, enhance public safety and security, and introduce data-driven decision-making.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Anupam Jindal: debt-equity ratio of less than one

Gonsalves: fibre manufacture a complex activity

coming years. For 2016-17, the cable plant operated at 40 per cent capacity which is expected to reach 60-65 per cent in 2017-18 and 85-100 per cent by 2018-19.

Equity foot print

To achieve growth and live up to potential new opportunities, the company is building a strong team. In June this year, Sterlite roped in Steve Bullock in North America and Richard Eichhorn in Europe, the Middle East and Africa to expand its business in these geographies. Both Bullock and Eichhorn have more than 25 years of experience in the global telecom market. Sterlite clearly wants to expand its global footprint; it supplies fibre to 100 countries. Today, 34 per cent of its consolidated revenue comes from outside India. "We work with eight out of the top 10 global telcos," says Ankit Agarwal, head, global sales, telecom products. Ankit is part of the promoters' family. His father, Pravin Agarwal, is vice-chairman, Sterlite Technologies, while his brother Pratik is on the board. Pravin who is the younger brother of Anil Agarwal, is vice chairman, Sterlite Technologies. Ankit is proud of the fact that Sterlite has approval from Telcordia Technologies, an American subsidiary of the Swedish

STRATEGY TO DRIVE GROWTH

Capacity expansion of Fibre (Million fKM)

1997	1
2002	5
2012	12
2016	22
2017	30
2019*	50

*2019 is projected capacity

Capacity expansion of cable (Million fKM)

2012	2
2015	8
2016	15

• 66 •
AUGUST 28-SEPTEMBER 10, 2017

Technology & Innovation

Smarter Optical Communication Products Qualified with Europe's CPR

Technology: Sterlite Tech's high-quality smarter optical fibre cables qualified with harmonised European EU305/2011 Construction Products Regulation (CPR).

For: Leading global telecom operators, ISPs and municipalities to realise the European Commission's aggressive targets to create a Gigabit society through ultra-fast internet access by 2025.

Use: This new range of optical communication products improves safety in buildings and civil engineering works, while ensuring long-lasting performance, efficiency, and scalability.

Bouquet of Smarter Network Offerings

Technology: Sterlite Tech unveiled new optical communication technologies - FTTx Smarter Network Kit, Indicium Lite Cable, Atlas Lite Cable, Olympus Lite Cable at ANGA COM 2017.

For: Global telecom operators in Europe, the Middle East, Latin America and Asian markets

Use: FTTx Smarter Network Kit provides fastest connectivity to the last-mile revenue generating users in hours, instead of days.

Indicium Lite Cable is suitable for outdoor FTTH deployments in less densely populated areas. This solution helps in efficient deployment with zero fibre cuts.

Atlas Lite Cable features ultra-compact, light-weight cable designs, containing maximised fibre capacity. This product family finds application across access, FTTx, Drop and/or fibre to the desk links.

Olympus Lite Cable is suitable for hazardous or heavy construction zones including heavy traffic area, wind farm developments, railway networks, pipelines, oil and gas fields and heavy industrial sites.

Smarter FTTH Plug & Play Technology

Technology: Launch of smarter Fibre-to-the-Home (FTTH) solutions, along with latest innovations in high-bandwidth, Telcordia certified optical fibre and cables for 5G, IoT applications and data centres at 2018 Optical Networking and Communication Conference (OFC 2018) at San Diego, United States.

For: ISPs and global telecom service providers.

Use: With fibre moving closer to the point of consumption, FTTH deployments in North America are growing at record speeds. The Company's Smarter Plug and Play kit provides industry leading implementation speeds and reliable connectivity at the lowest total cost of ownership. The breakthrough FTTH Plug and Play solution has a fully modular design. The solution can be customised to enable both centralised and two-stage splitting architecture.

5G Ready Smarter Network Technology

Technology: A high-speed indigenously developed 5G ready network solution named Flash*FWD* launched at India Mobile Congress (IMC, 2017).

For: Customers across North America, EU, the Middle East and India who needed high fibre counts to transition their network from 3G/4G to 5G.

Use: 5G Ready Flash*FWD* technology enables data intensive low-latency solutions such as Cloud Computing, Augmented Reality, Driverless Cars, IoT and much more through the highest fibre density in the most compact cable package possible.

Dense Network 1152F Cables for Mobile Backhaul

Technology: All new Flash*FWD* 5G Solution with 1152F variant cables launched at India Mobile Congress (IMC2017).

For: Government of India's objectives of Digital India, BharatNet and major optical fibre project roll outs in the country.

Use: With efficient use of limited duct space, the 1152F cable features a rugged design that protects the network in harsh weather and impact situations, increasing life expectancy to at least double the current average lifetime with lowest carbon-footprint. With 50 times the capacity of the currently deployed cables, this cabling solution is extremely future proof for the next 20 years.

BSS of the Future for Rapid Digitalisation of CSPs

Technology: A platform that enables the digital transformation of communication service providers (CSPs) to digital service providers (DSPs).

For: CSPs and end-users

Use: BSS platform enhances end-user experience and brings scale, efficiencies and monetisation benefits to CSPs. The newly architected platform powered by DevOps, open APIs and data science, enables CSPs to rapidly and effectively go digital.


INTERVIEW

'Demand for High-fibre Count Access Cable is on the Rise for 5G'

—Dr Badri Gomatam
CTO, Sterlite Tech

FTTH can ride all futuristic technologies, including virtual reality, augmented reality and is fully scalable to future connectivity speeds. In a chit-chat with Voice&Data, Dr Badri Gomatam, CTO, Sterlite Tech, talks about the changing trend in FTTH and where does India stand when it comes to optic fibre rollout.

Financial Ratings

CRISIL Upgrades Long-term Rating Outlook to CRISIL AA-/ Positive

Sterlite Tech received CRISIL's rating upgrade to CRISIL AA-/Positive on its long-term bank facilities while reaffirming the rating at 'CRISIL AA-'. The rating on the Company's commercial paper programme was reaffirmed at 'CRISIL A1+'.

Moody's B1 Corporate Family Rating

Sterlite Tech was assigned Moody's Investors Service's (Moody's) B1 Corporate Family Rating (CFR). This was the first time that Moody's assigned a rating to Sterlite Tech, with a stable outlook.

Creating Shared Value for Society

Advanced Mobile Medical Unit for Tribals

Service to society: Sterlite Tech Foundation, the CSR arm of Sterlite Tech launched its newly modernised Mobile Medical Unit, in collaboration with the Red Cross Society, at Silvassa.

Why: Dadra and Nagar Haveli's tribal population were unable to access quality healthcare due to absence of medical facilities in this region. Addressing this, Sterlite Tech has been running its primary healthcare programme since 2006, impacting over 2 lakh tribals. Under the programme, the Company provides free health check-ups to tribal villages, site visits by qualified doctors and a mobile dispensary with free prescribed medicine distribution through a Mobile Medical Unit.

What: With an aim to serve over 16,000 patients every year, the modernised Mobile Medical Unit will be visiting 24 villages in tribal regions to provide quality healthcare access every week. The new Mobile Medical Unit has been equipped with state-of-the-art medical equipment, free medicines, a qualified doctor and nurse to address tribal health issues.

Building Capabilities

Strategic Advisor for Telecom Software Business

Role: Anshoo Gaur will guide the software leadership team to help define the next phase of value creation.

Responsibility: Anshoo will help enable the journey of digital transformations by leveraging the Company's smarter and sustainable capabilities in the monetisation of data networks. Anshoo brings over 25 years of experience in building world-class organisations, mentoring entrepreneurs on leadership, innovation and technology.

Building Global Leadership Team

Role: Sterlite Tech strengthened its global leadership team with the appointment of Steve Bullock in North America and Richard Eichhorn in Europe, the Middle East and Africa to lead and strengthen its business initiatives in these geographies.

Responsibility: Steve is enabling Sterlite Tech's engagement with leading telecom, internet and CATV service providers in North America. He brings 25 years of experience in telecom and technology sectors.

Richard is strengthening Sterlite Tech's presence in Europe, the Middle East and Africa. With 28 years of experience in ICT, structured cabling, datacom, telecom cables, network equipment, hardware and services.

Leadership Appointments to Drive Growth

Role: Sterlite Tech solidified its leadership team with the appointment of Nischal Gupta as Chief Transformation Officer, Manish Sinha as Chief Marketing Officer and Sanjeev Bedekar as Chief Delivery & Technology Officer, Telecom Services.

Responsibility: With over 20 years of experience in transformation, strategy, process excellence, technology integration and programme management, Nischal leads the Company in its transformation journey by bringing in world-class practices, technology and processes, to operate in a fast-paced digital world.

As Chief Marketing Officer, Manish brings over 20 years of experience as an innovative business leader who has marketed and built brands, driven win-win deals and run businesses from start-up to stabilised growth. He drives exponential customer engagement for the Company.

Sanjeev drives the service delivery and technology portfolio for Sterlite Tech's Network Services business. He brings over 30 years of experience in IT and Telecom with leadership positions in the fields of technology, customer experience and business development.

Media Coverage

CNBC TV18, ET NOW, Business Standard, Financial Express, Mint, Bloomberg Quint, Reuters, Outlook India, BTVi, ET Telecom, Total Telecom, Fibre Systems, Business World, Money Control, Business India, Data Quest, Voice&Data, CIO&Leader, Tele.net and VARIndia

Awards that Reinforced our Capabilities

During FY18, Sterlite Tech received several awards for technology innovation, customer obsession, manufacturing excellence, corporate best practices and sustainability and community efforts. These awards reinforced the Company's capabilities as a provider of integrated products, services and software to design, build and manage smarter networks.

Technology Innovation

- Telecom Leadership Forum award for Network Innovation - **Building the world's largest intrusion-proof network** for the Indian Defence (Network for Spectrum project)
- Telecom Leadership Forum award for Process Innovation - **A2 bend insensitive fibre for FTTx**
- Aegis Graham Bell award for Innovative Technology Solutions - **Smarter FTTH plug and play solution**
- Gartner's Magic Quadrant - **Visionary** for second consecutive year, for Integrated Revenue and Customer Management
- Telecom Asia Readers' Choice award - **BSS innovation of the year**

Customer Obsession

- Wireless Broadband Alliance and Smart City India Expo awards - **Successful deployment of India's first smart city of Gandhinagar**
- CII award for Customer Obsession - **Smarter optical fibre manufacturing, Aurangabad**
- My India Wi-Fi India award - **Best Wi-Fi OSS/BSS provider**
- TelecomLead OSS/BSS Company of the Year award - **Exceptional support to Indian telecom industry**

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Manufacturing Excellence

- Golden Peacock National Quality award - **Innovative quality management at Silvassa fibre cable plant**
- F&S and FICCI India Manufacturing Excellence Gold award - Engineering sector, **Large Business for Waluj**
- International Quality Circle Competition award - Fibre cable manufacturing for driving change and **sustainability through Quality Circles**

Corporate Best Practices

- Golden Peacock award - **Excellence in corporate governance**
- CPO Forum India awards - **Excellence in risk mitigation**
- TISS award - **Best induction training programme**

Responsible to Communities

- CII-ITC Sustainability award - **Excellence in CSR** for projects in e-education, healthcare, women empowerment and environment management
- United Nations Global Compact Network Certificate of Merit - Among **the first 10 Indian companies** recognised for best practices in advancing sustainable development goals
- India International CSR Excellence award - CSR Project of the Year for **Jeewan Jyoti, a women empowerment initiative**
- FICCI CSR award - Large-scale **impact in water management** in the drought-hit Aurangabad region
- Bombay Chamber of Commerce Civic award - **High-impact CSR initiatives** in Mumbai, Aurangabad, Silvassa and Pune

1. Golden Peacock Award for excellence in corporate governance
2. Wireless Broadband Alliance award for successful deployment of India's first smart city of Gandhinagar
3. Telecom Leadership Forum award for building the world's largest intrusion-proof network for the Indian Defence (Network for Spectrum project)
4. Golden Peacock National Quality award for innovative quality management at Silvassa fibre cable plant
5. CII-ITC Sustainability award for excellence in CSR


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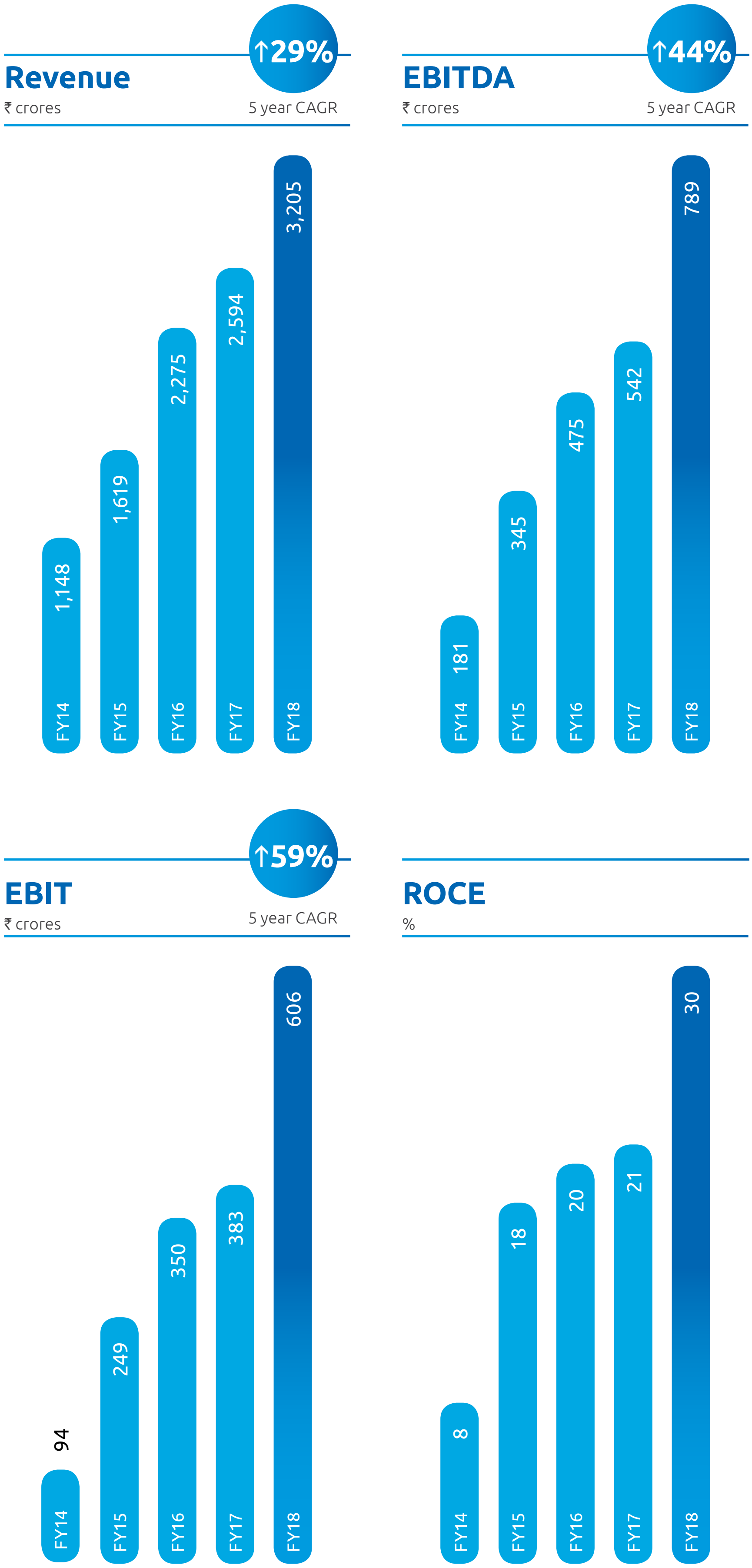
Financial Highlights

FY18 was the best-performing year in Sterlite Tech's history. It saw the highest-ever order book, and sustained performance on all key financial metrics quarter on quarter.



NOTE : Financial highlights for 5 years relate to Telecom business performance . (Sterlite Tech and Sterlite Power business demerged effective 1st April 2015)

Consolidated Numbers

	Unit	FY14*	FY15*	FY16	FY17	FY18
Net Revenues	₹ crores	2,670	3,270	2,275	2,594	3,205
Growth	%	(16)	22	NA	14	24
EBITDA	₹ crores	298	512	475	542	789
EBIT	₹ crores	165	327	350	383	606
PBDT	₹ crores	118	185	357	419	685
PAT (After minority interest)	₹ crores	(36)	(3)	154	201	334
Diluted EPS		(0.90)	(0.07)	3.82	4.98	8.25
Net Revenues	$ million	410.8	503.1	350.0	399.0	493.1
EBITDA	$ million	45.8	78.8	73.1	83.4	121.3
EBIT	$ million	25.3	50.3	53.8	58.9	93.3
PBDT	$ million	18.2	28.5	54.9	64.5	105.4
PAT (After minority interest)	$ million	(5.5)	(0.5)	23.7	31.0	51.4
Capital Employed	₹ crores	5,793	7,270	1,791	1,844	1,993
Return on capital employed	%	2.8	4.5	19.5	20.8	30.4
Ratios						
EBITDA Margin	%	11.2	15.7	20.9	20.9	24.6
EBIT Margin	%	6.2	10.0	15.4	14.8	18.9
PBDT Margin	%	4.4	5.7	15.7	16.2	21.4
PAT Margin	%	(1.3)	(0.1)	6.8	7.8	10.4
Effective Tax Rate	%	NA	NA	29.0	15.4	26.5

Conversion Rate 1 US $ = 65
* Consolidated financials for 2014 & 2015 are for Telecom + Power businesses
(Sterlite Tech and Sterlite Power business demerged effective April 1, 2015)

Financial Discussion and Analysis

Sterlite Tech recorded a strong performance in FY18 that improved each quarter. The Company reported 66% growth in PAT and an all-time high order book of ₹ 5,223 crores in FY18.

The telecom sector is witnessing positive trends that are propelling the demand for optical fibre and for network-related services and software. Driven by technology trends in the domestic and international markets, the demand for data is expected to grow at an exponential rate. As a result, the demand for fibre, system and network integration services and software will only increase.

Mobile wallets and Aadhar-led payment mechanisms, riding on 3G/4G networks, are enabling people to transact in the digital economy. As the digital economy grows, there will be an increasing need for a strong fibre-enabled infrastructure.

At the same time, Reliance Jio's offers for 4G services drove data consumption of ~10 GB per user per month on paid user basis; data consumption for other operators also improved from 1 GB to about 5 GB per user per month. Yet, these services are still riding on a limited fibre infrastructure. Driven by the strong demand for data combined with competition from players like Reliance Jio, operators in India are expected to increase their investments in fibre. Hence, for operators to remain competitive as well as protect their existing ARPUs, it is essential that they make extensive investments in fibre.

Globally, the densification of 4G network and trials for 5G networks are leading to the creation of the newer fibre-network deployments.

Financials at a Glance

	2016-17	2017-18	Growth Y-o-Y
Gross Revenue (₹ crores)	2,594	3,205	24%
EBITDA (₹ crores)	542	789	45%
Net Profit (₹ crores) after minority interest	201	334	66%
EBITDA Margin (%)	21%	25%	
EPS (₹)	4.98	8.25	66%
ROCE (%)	21%	30%	
Net Debt (₹ crores)	920	884	
Debt Equity Ratio	1.0	0.7	

Gross Revenues

Sterlite Tech recorded its highest ever revenues of ₹ 3,205 crores during the year under review, higher than ₹ 2,594 crores in 2016-17, showing a 24% year-on-year improvement. The revenue growth was secular, driven by all product lines/business units.

Exports for the year increased to ₹ 1,735 crores against ₹ 957 crores in FY17, registering a growth of 81%. Exports as a percentage to the overall revenue were 54% in FY18 as compared to 37% in FY17.

Profitability

Earnings before interest, tax, depreciation and amortisation (EBITDA) of the Company show a robust growth of 45%, from ₹ 542 crores in FY17 to ₹ 789 crores in FY18. In terms of percentage, this translated into an EBITDA margin of 25% in FY18, which is 400 basis point higher when compared with 21% margin for FY17.

The interest costs reduced from ₹ 123 crores for FY17 to ₹ 104 crores for FY18. This was mainly due to cash generation in the core businesses coupled with better utilisation of low cost funding.

Depreciation for the year was ₹ 182 crores compared to ₹ 159 crores in the previous year. The increase in depreciation was mainly due to capitalisation of expansion projects executed during the year.

Tax expenses for the year were ₹ 133 crores, which was higher compared to FY17 on account of higher profits. Tax expense for FY17 were ₹ 40 crores, and include one-time gain of ₹ 32 crores on account of proposed de-merger of a part business of Speedon Networks Ltd. Adjusted with this, tax expenses for FY17 was ₹ 72 crores. The effective rate of tax for FY18 stood at 26%, which is lower when compared with adjusted effective rate of tax of 28% for FY17.

The net profit after tax after minority interest for the year is ₹ 334 crores, compared to ₹ 201 crores for last year showing growth of 66%.

Dividend

In continuation of the progressive dividend policy, the Board of Directors has recommended final dividend of ₹ 2/- per equity share subject to the approval of shareholders.

Balance Sheet

Gross Block and Capital Work-in-progress

The Company has been expanding its facilities to meet the increasing demand in telecom sector. As a result, gross block increased from ₹ 2,304 crores as on March 31, 2017 to ₹ 2,392 crores as on March 31, 2018.

The capital work-in-progress stood at ₹ 357 crores at the end of FY18 as against ₹ 66 crores at the end of FY17.

Borrowings, Cash and Bank Balance

The gross debt of the Company increased from ₹ 1,092 crores as on March 31, 2017 to ₹ 1,178 crores as on March 31, 2018. The total cash and bank balance, coupled with current investments at the end of FY18, was ₹ 293 crores as against ₹ 172 crores at the end of FY17.

The net debt reduced slightly from ₹ 920 crores as on March 31, 2017 to ₹ 884 crores as on March 31, 2018. This results in reduction in net debt by ₹ 34 crores after funding payments for capital expenditure and dividend including taxes in FY18.

The Company has a long-term debt of ₹ 631 crores in FY18 against ₹ 427 crores for FY17.

The Net Debt-Equity ratio of the Company stood at 0.7 as at end of FY18 compared to 1.0 a year ago.

Working Capital

(₹ crores)

	Mar'17	Mar'18
Inventories	333	338
Trade receivables	691	871
Current Investment	35	155
Cash and Bank Balances	137	138
Others including Loans & Advances	321	482
(A)Total Current assets	**1,518**	**1,985**
(B)Total Current liabilities	**893**	**1,277**
Working Capital (A)-(B)	**625**	**708**

Current ratio of the Company stood at 1.6 times in FY18 compared to 1.7 times in FY17.

Return on Capital Employed and Capital Structure

The ROCE in the current financial year improved to 30% compared to 21% a year ago. ₹ 2,141 crores was employed in business as on March 31, 2018 against ₹ 1,845 crores as on March 31, 2017.

Total equity of the Company as on March 31, 2018 stood at ₹ 1,257 crores against ₹ 925 crores as on March 31, 2017.

Management Discussion and Analysis

Increased data usage, shifts in the the Information and Communication Technology (ICT) industry, and emerging network technologies are creating increased opportunities for all areas that Sterlite Tech is invested in – optical fibre; system-integration services and software; and web-scale, open, agile networks

Artificial intelligence, virtual reality, block chain are no longer catchphrases. Their applications are rapidly becoming mainstream, with the potential of having transformational impact on societies and economies. From headphones that translate in real time and delivery drones to city surveillance and agriculture sensors, technology is connecting people and helping them by solving real-life challenges.

In India and globally, efforts towards identity and financial inclusion, digital citizen services, e-education and e-health are being made. These efforts are all attempts at solving the challenges of environment sustainability, rural to urban migration, urban crime, equitable pricing for agricultural produce and others.

Digital technology is at the forefront of these changes, transforming everyday living and bridging gaps across generations and economies.

Simply put, digital inclusion is good for all.

This digital ecosystem is growing rapidly, driven by changes in data consumption, industry transformation and new network technologies. As such, this management discussion and analysis is divided into the following sections:

- **Section 1:** Data usage is growing exponentially
- **Section 2:** The ICT industry is transforming, with existing service providers embracing digital and new players (governments, OTTs) emerging
- **Section 3:** New network technologies, such as SDN and 5G, are emerging to support users' need for high bandwidth and low latency for data-hungry applications
- **Section 4:** These set a positive environment for Sterlite Tech, with a rise in demand for optical fibre; system-integration services; and web-scale, open and agile networks

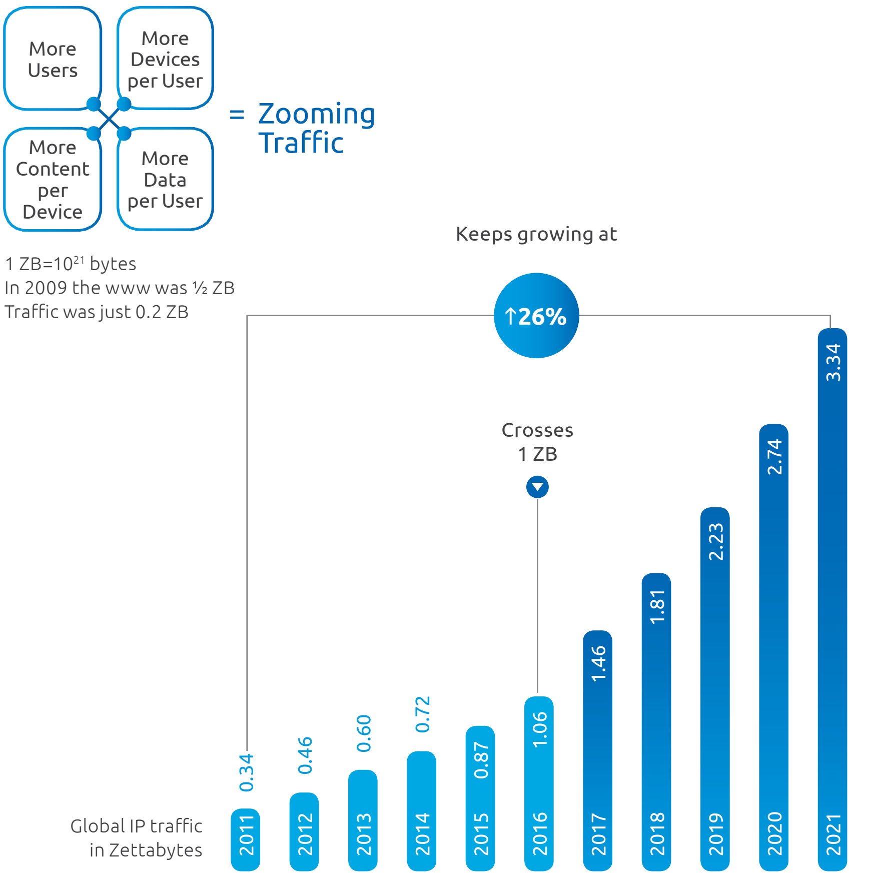
Section 1: Data usage is growing exponentially

Today end users and enterprises generate and consume more data than an entire city would do till almost a decade ago!

This is driven by the multiplier effect of four 'mores'.

- **More users:** Today, almost half the world's population is connected to the internet. Whereas once consumers were the primary creators and users of data, by 2025 this would have changed, with enterprises creating 60% of the world's data.
- **More devices per person:** There are already more devices connected to the internet today than the entire human population, and by 2020, 25 billion devices – 'things' – are expected to be connected to the internet (Internet of Things), according to Gartner.
- **More content per device:** While traditionally voice was the only type of content, digital has brought with it varied content, such as video, geospatial and mixed reality. Smart City applications such as sensors, smart signalling, parking systems, air and water quality monitoring sensors and city surveillance are only increasing this data consumption.
- **More data consumption per user:** Already, the annual global IP traffic has crossed 1 Zettabyte (ZB) and is expected to exceed 3 ZB by 2021 (1 ZB = 10^{21} bytes). Per capita data consumption is set to multiply nearly five times in the next three years!

We have entered the Zettabyte Era !



Sources: Ericsson, BCG and Cisco reports

Exponential data growth in India

- **Networks in India carry 2.1 exabytes of data per month** (1 exabyte = 1 million terabytes). **This is among the highest data volumes in the world!**
- **In the last one year, data consumption by an average Indian increased five times**
- **Data costs are at an all-time low, having fallen from ₹ 12/GB to ₹ 5/GB after the entry of Reliance JIO**

Source: Jefferies

Section 2: The ICT industry is transforming

As technology shifts drive unprecedented data consumption, the ICT industry as we know it is transforming. New business models and new players are emerging as a result of mobile data services being progressively used for both data upload and download. Indeed, 48% of global revenue of the ICT industry is today coming from data, compared to only 22% five years ago.

Some key transformational trends in the industry are:

- **New business models are emerging, as Communication Service Providers (CSPs) embrace digital and transform to Digital Service Providers (DSPs).** This is accompanied by shifts from proprietary to open network systems and wireless to wireline capital expenditure (capex) shift
- **New players are coming up, such as citizen networks driven by governments, defence, OTTs and data centres**
- **The ecosystem of governments, telcos, and partners is getting ready for 5G and FTTx with deep fiberisation**

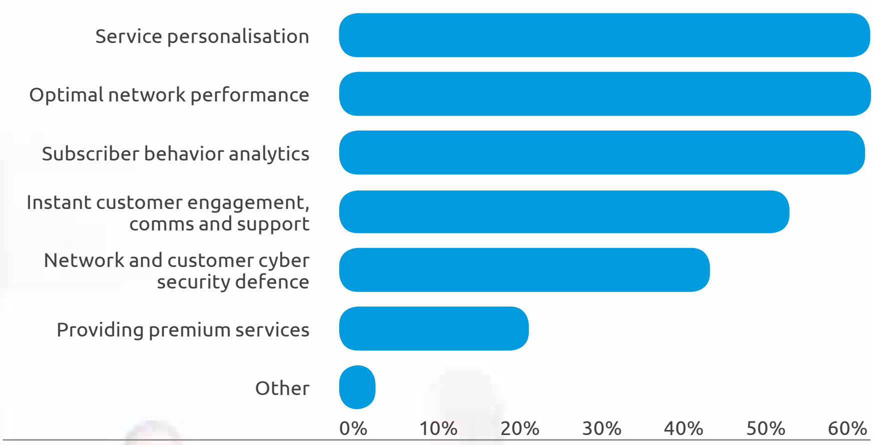
New business models are emerging, as CSPs embrace digital and transform to DSPs

Traditional CSPs are transforming to DSPs to cater to the future demands of consumers and enterprises. They are enhancing their ability to accelerate digital experiences and monetisation through service personalisation, subscriber behaviour analytics, customer engagement, premium services, and more.

Industry players are shifting from current proprietary, closed systems to open, agile and web-scale networks and components to remain agile and flexible.

At the same time, there is a capex shift from wireless to wireline networks, and the two capital expenditure are now beginning to merge. For example, Verizon is converging many of its wireless and wireline operations and investing in fibre to support both networks. The same fibre will be used to support its small cell networks to bring high-speed broadband to enterprises and municipalities. AT&T, too, plans to allocate a large portion of its two-year capex budget of $40 billion to invest in integrated wireless and wireline solutions for its business customers. There is also emphasis on deep fiberisation, especially in the context of 5G and FTTx, with CSPs upgrading their fibre networks for both back-haul and front-haul.

Telco Priorities - Important Aspects in Improving Online Experience



Source: "Broadband outlook 2016" Telecoms Intelligence

New players are emerging, with governments, defence, OTTs and data centres investing in networks

Large enterprises, such as Defence

The Indian Defence is in a 'network build cycle', with the Army, Navy, Air Force, Border Security Force all building intrusion-proof networks. These are large-scale and extremely mission-critical infrastructure investments.

Sterlite Tech has received the advance purchase order to be the lead system integrator for the Navy's communications network. This has been envisioned as a smarter network infrastructure with enhanced throughput, high-quality secure services and ease of network management. Post project completion, Navy will have a centralised control through proper monitoring and configuration of NCN network. It will link multiple Indian naval sites and India-administered islands.

Citizen networks

- **Rural networks:** Globally, governments are investing in rural broadband and in building smart cities. At the same time, they are emerging as broadband and network service providers in their own right. In the UK, for example, the government has already ensured superfast broadband (speeds of 24Mbps or more) coverage for over 95% of UK premises and has provided universal access to basic broadband (speeds of at least 2Mbps). Being a long-term partner of British Telecom, which is leading this roll out, Sterlite Tech has played a key role in domain. In India, too, BharatNet is a key initiative of the government, with plans to link 2,50,000 gram panchayats with fibre-based internet.
- **City networks:** At the same time, global spending on technologies that enable smart cities is forecast to reach $80 billion in 2018, with key investments in fibre infrastructure creation, intelligent transportation systems, data-driven public safety, and resilient energy and infrastructure.

OTTs and data centres

Another key segment is that of OTTs, who are building their own data centres and sub-sea cable networks. According to Cisco while the world has 259 hyperscale data centres, another 225 are expected to be built by 2020, accounting for 47% of total installed servers and 53% of data-centre traffic by 2020.

For example, Amazon Web Services continued to expand its infrastructure in 2017, launching new AWS regions in France and China. It currently operates 52 availability zones across 18 regions globally, and plans to open 12 more zones by 2019. Google, too, is looking to bring more Indian telecom operators on board its Software Defined Networking (SDN) platform and has already collaborated with Bharti Airtel and South Korea's SK Telecom.

This growth is creating demand for disaggregated and open networks. For enhanced experience of high bandwidth and low latency, edge data centres are decentralising, and coming closer to the end users with storage on the cloud. Such edge data centres require high-speed fibre connectivity.

The ecosystem is getting ready for 5G and FTTx, with significant investment in deep fiberisation by telcos, OTTs and governments

Telcos and OTTs investment in fibre

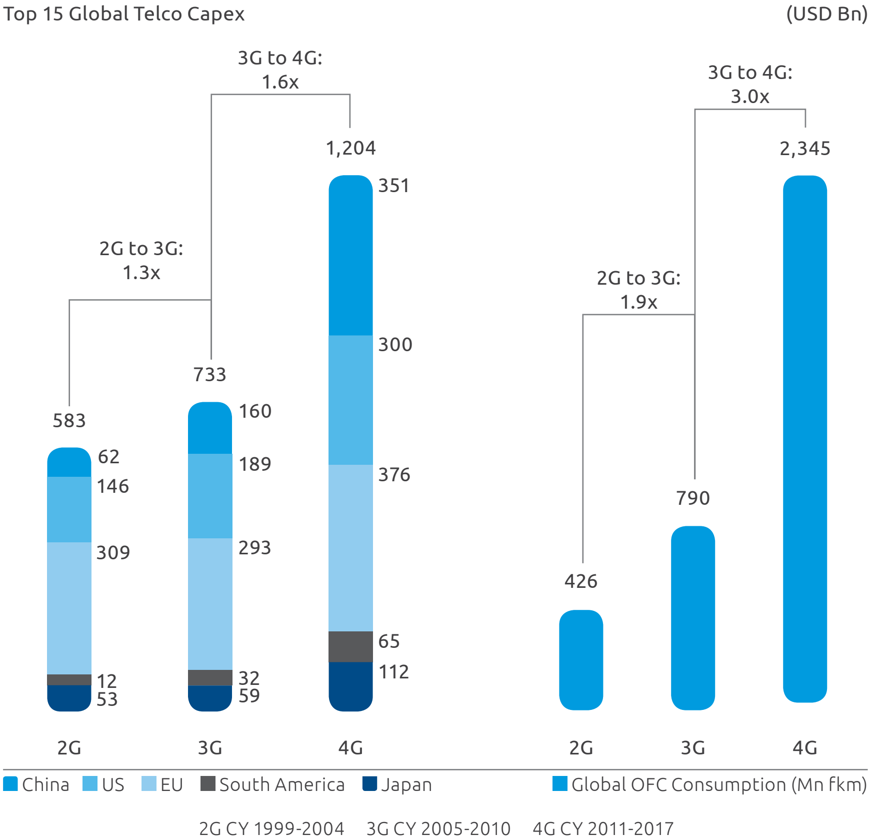
Ubiquitous, high speed and low latency networks will require deep fiberisation and high densification. The number of network end points will surge due to increasing FTTx penetration, 5G (10-20x small cells per macro cells) and IoT (up to 10 devices per person). All this will require significant network creation with deep fiberisation and high densification.

Every network generation has required higher capex by telcos; yet, the increase in fibre capex was disproportionately higher, almost three times, from 3G to 4G generation change. The trend clearly reflects the changing constitution of capex, tilting towards fibre-led infrastructure and increasing 'softerisation' of networks.

The upcoming 5G technology will be an exponential shift from the previous generations. It will support a multitude of new applications, requiring higher peak and user data rates, reduced latency, enhanced indoor coverage and better leveraging of existing infrastructure through greater energy and spectral efficiency. These goals will primarily be met by taking fibre deeper into the network supported by the combined use of more spectrum, higher spectral efficiency and densification of cells.

The 5G network increases the front-haul bandwidth requirements due to the introduction of massive Multiple Input Multiple Output (MIMO), tighter inter-site radio resource coordination, and wider spectrum allocations. Horizontal networks will have an increased need for high fibre-count cables to support the increased density of the antennas, while vertical networks will require hybrid cables, containing both copper for the power and fibre for the signal.

Capex and Fibre Consumption Cycle: Network Gen Evolution



Sources: Factset and CRU

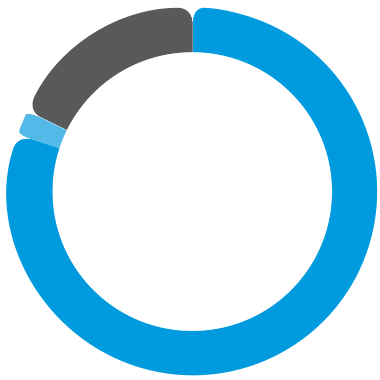
At the same time, the Fibre to the x (FTTx) market globally is set to grow significantly. For example, AT&T is on track to reach 22Mn business and residential premises with fibre by July 2019. It already claims that around 8 Mn business customer locations in the US are within 1,000 feet of its fibre. Deutsche Telekom plans to connect 30 million households in 2018, and already have 9.6 million households.

Governments' commitment to fiberisation

Globally governments are creating the foundations for unprecedented social and economic progress with National Broadband Plans. For example:

- **India:** The Digital India vision, BharatNet (connecting 1,20,000 gram panchayats with optical fibre) and the government's support for 5G has been tremendous. The recent Draft National Digital Communications Policy has set the stage for achieving full digital inclusion by declaring broadband for all, fibre first, and fibre as a critical public utility.
- **UK:** Last year, the UK achieved its target of superfast broadband (speeds of 24Mbps or more) coverage to 95% of premises. It has now set itself the target of at least 100Mbps to all UK premises.
- **USA:** The Rural Infrastructure Fund is a $1.5 trillion plan to modernise America's broadband infrastructure to increase economic opportunity for rural Americans.
- **Spain:** At an investment of EUR 525 Mn, 'Plan 300x100' aims at least 300 Mbps fibre optic broadband access to 95% population by 2021.
- **Saudi Arabia:** 'Vision 2030' calls for developing the digital infrastructure to activate economic sectors. One target is to achieve 80% fibre coverage in densely populated urban areas and 55% in other urban zones by 2020.
- **Russia:** Has been consistently implementing measures to increase fiberisation, the most prominent one being the ongoing laying of 215,000 km of fibre.
- **Uganda:** Internet Now! programme has been set up to connect 100 villages with high-speed fibre-optic connections.

By 2017, 156 countries had a national broadband plan



Without	35	18%
Planning to introduce a plan	4	2%
With a plan	156	80%

Source: ITU

Section 3: Network technology is enhancing

As data continues to explode and the ecosystem transforms, there is a need for significant network creation and upgradation globally.

Some key transformational trends in the networking industry are:

- **The modern network: Web-scale, open and agile**
- **5G networks**

The modern network: Web-scale, open and agile

A paradigm shift in network technology is about designing telecommunications networks on the scale of the World Wide Web, with operational and capital efficiencies that such network designs offer. Open and flexible technologies, such as SDN and Network Function Virtualisation (NFV) are now considered a more flexible and scalable way to respond to the demand for more bandwidth and new services – and to manage these services while significantly lowering operational expenses.

The shift from function-specific proprietary devices to software-enabled commodity hardware is the key to deliver more agile and innovative services, in a shorter time to market, with lower capex and opex. An ecosystem of available SDN and NFV based solutions has grown and is now accelerating through an active participation and a closer collaboration among the standard development organisations, industry groups, global service providers and open-source projects.

The motivation for agile service creation, open networks and lowered cost of ownership, have resulted in innovations using SDN and NFV, leading to fundamental reconsideration on network architectures. According to Gartner, it is expected that over 40% of enterprises will have web-scale networking by 2020. Sterlite Tech is fully invested in these technologies and is building capability on SDN and NFV.

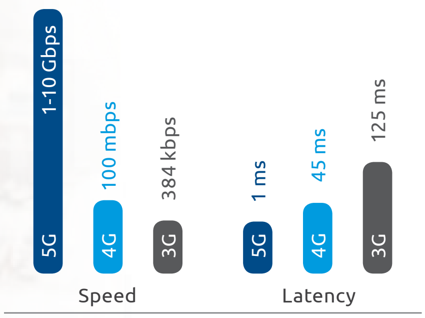
Markets such as India are poised to lead in web-scale, open and agile networks, marking for the first time a technology adoption cycle that appears to be convergent across both developed and developing countries.

5G networks

The 5G network will provide wireless connectivity for a wide range of new applications. These applications will have different characteristics and requirements, many of them new. The use of 5G will bring forth smarter homes, smarter cities, advanced traffic safety and control, industrial processes and ultra-high speed media, to name a few. It is expected that 5G must provide 1,000 times higher cell capacity, 100 times higher peak data rates, 10 times lower latency and 10 times better reliability compared to 4G, all the while keeping cost and energy use low, requiring both technology and architecture innovation.

The new 5G technology will be far more than just a new radio access technology. Its architecture will expand to multiple systems by providing a next-generation core for multiple access technologies, services, and service providers. The first commercial 5G networks are expected to launch in 2020, with a rapidly increasing deployment to follow. Many groups are working on various 5G related standards, and there will be unique architectures to enable varying applications, each architecture requiring improvement in the installed fibre base enabled by innovation in optical fibre and cables.

Super Connected Future with 5G



Source: Sterlite Tech

Section 4: These trends are creating a positive environment for Sterlite Tech

With its unique capability and offerings, Sterlite Tech is uniquely positioned to lead in this ecosystem.

Full control over the fibre manufacturing value chain

Sterlite Tech is the only company in the world to be fully integrated across the optical fibre manufacturing value chain. It is backward integrated to manufacture optical fibre from sand, and forward integrated to offer system integration and telecom software (OSS, BSS, network software).

The company manufactures its own preform, an extremely precision sensitive and intellectual-property protected process. Preform dictates the supply side of the fibre production chain, and since globally there are fewer than 10 players that manufacture preform, Sterlite Tech has a competitive edge.

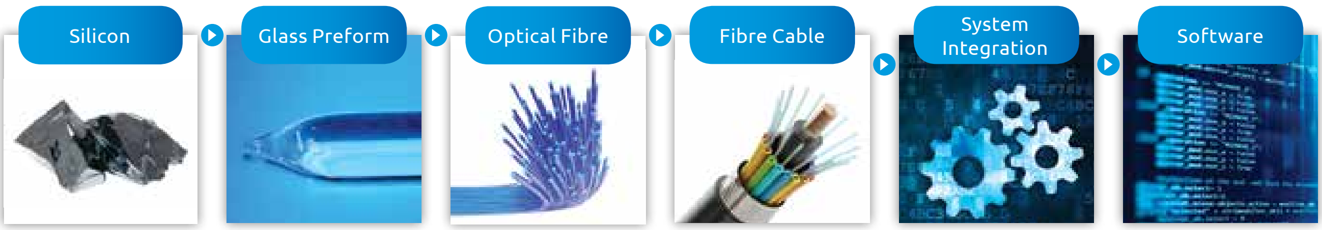
Sterlite Tech is one of fewer than 10 companies globally to manufacture preform, and hence has a significant competitive advantage.

Forward integrated into network solutions

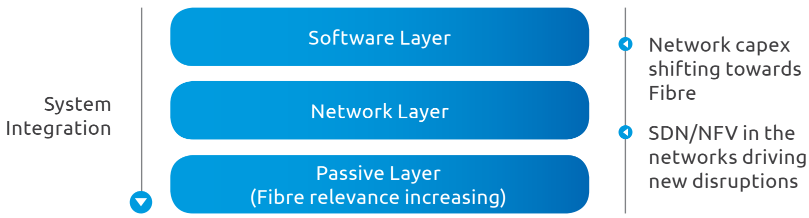
Shifting its orbit in the global telecommunications ecosystem, Sterlite Tech's business has evolved from a manufacturing-led model for passive connectivity products to an integrated portfolio of optical-communication products, system-integration services, and telecom software (OSS, BSS, network software) that enables smarter networks for its key customers – global service providers, citizen networks, defence and large OTTs.

Partnering with leading network operators on products and solutions provides the Company with invaluable insights into demand trends. This enables it to re-engineer solutions and processes to solve customers' network requirements and increased asset monetisation.

Our value chain for data network creation



Future data network stack

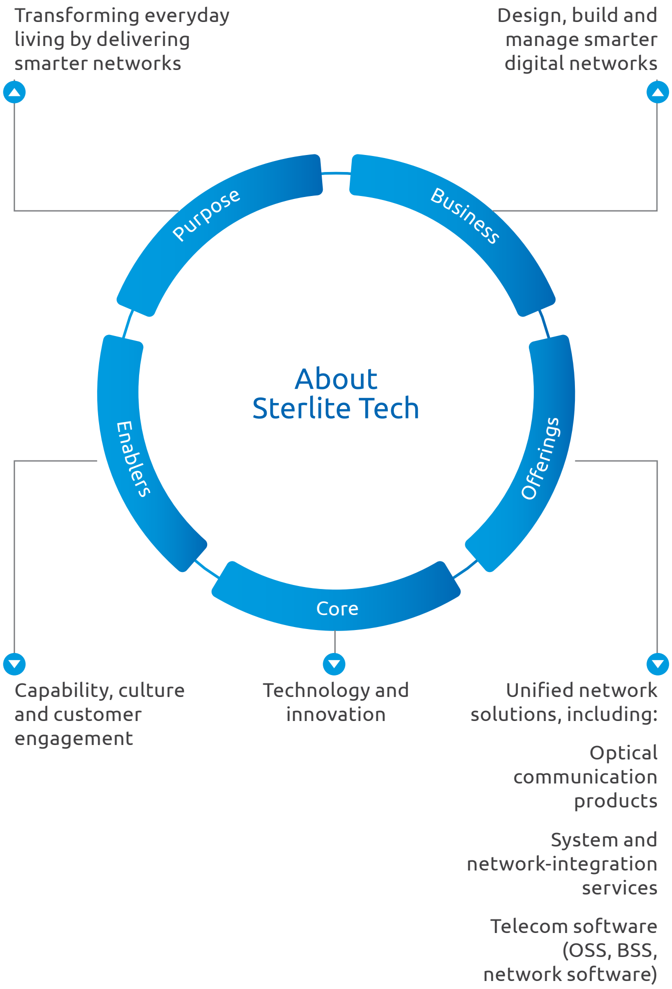


Technology at the core

At Sterlite Tech, technology lies at the core of all the Company's offerings. The product business, where the Company has a legacy of more than 20 years, is differentiated with deep knowhow of interdisciplinary technologies such as glass science, wave optics, and application engineering. At the same time, the Company is invested in technologies such as SDN and NFV that define the networks of tomorrow, and in telecom software.

The Company drives innovation through the following institutions:

- **Centre of Excellence** at Aurangabad is dedicated to core research in optical fibre technology, and has a growing repository of 189 patents to its credit.
- **Centre for Smarter Networks** in Gurgaon focuses on innovation and applied technology for future networks. This is where our scientists are working on SDN, non-fibre technologies and more.
- **Sterlite Tech Academy** is focused on deployment, and is invested in training 10,000 semi-skilled workers in cable deployment each year.



Key Business Highlights 2017-18

- **Started FY19 with an all-time high order book of more than ₹ 5,000 crores. At 73% YoY, the growth in the order book has been much sharper compared to the revenue growth of 20%, a testimony to our growing customer engagement engine.**
- **Adding optical fibre capacity of 20 mn fkm through a mega greenfield expansion project, to be completed by June 2019. With this, the total fibre capacity will be 50 mn fkm.**
- **Riding on the strong order book, the current cable capacity of 15 mn fkm is expected to see a high utilisation in the coming year.**
- **Significant growth in the international business, with exports more than tripling on the backdrop of our deepening presence in Europe and marquee Tier-1 telco wins.**
- **Innovated solutions for many customers, including for BT to enable ultra-high speed broadband to the last mile for over 12 million homes and businesses in the UK.**

Risk Management

At Sterlite Tech, Enterprise Risk Management (ERM) is a critical function that helps the Company to protect and enhance values for its customers, investors, employees, partners and other stakeholders. The risk management infrastructure works at establishing a suitable balance between harnessing opportunities and containing risks.

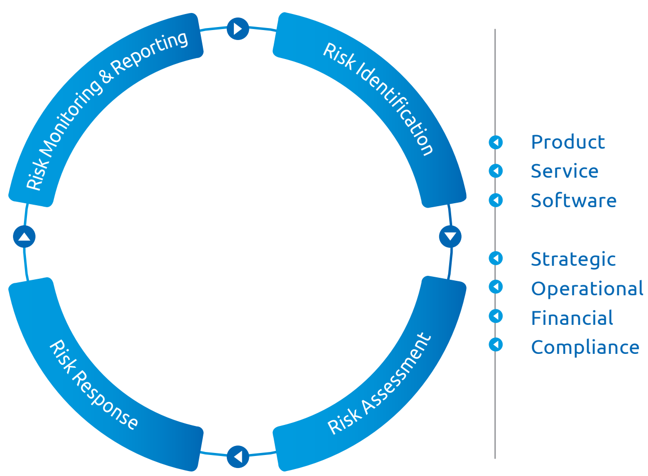
At the Company, ERM is an organisation-wide function which is based on Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Risk can be viewed as a combination of the probability of an event occurring and the impact of its consequence. Events with a negative impact represent risks that can prevent value creation or erode existing value. To deliver value to its stakeholders, the Company needs to understand the risks faced by the organisation and address them accordingly.

At Sterlite Tech, we are aware that we cannot completely eliminate risks, as it would simultaneously eliminate all opportunities. We, therefore, aim to develop a focussed approach that enables us to identify and address key risks impacting our business objectives through our ERM initiative.

ERM Governance Framework

Governance Framework



Risk Management Activities

Risk-Management Organisation Structure

Sterlite Tech has a multi-layered risk-management infrastructure aimed at effectively mitigating various risks to which our businesses are exposed.

The key roles and responsibilities as defined in the ERM policy are:

- **Board of Directors:** Ensure that the risk-management infrastructure is contributing to achieving business objectives, safeguarding assets and enhancing shareholder value
- **Risk Committee:** Oversee risks and their management and reporting to the Board on the status of risk-management initiatives and their effectiveness
- **Chief Risk Officer:** Develop and ensure implementation of the ERM Framework
- **Risk Champions:** Ensure that risks are considered in all decision-making processes, and thereby adhere to mitigation plans developed for each risk

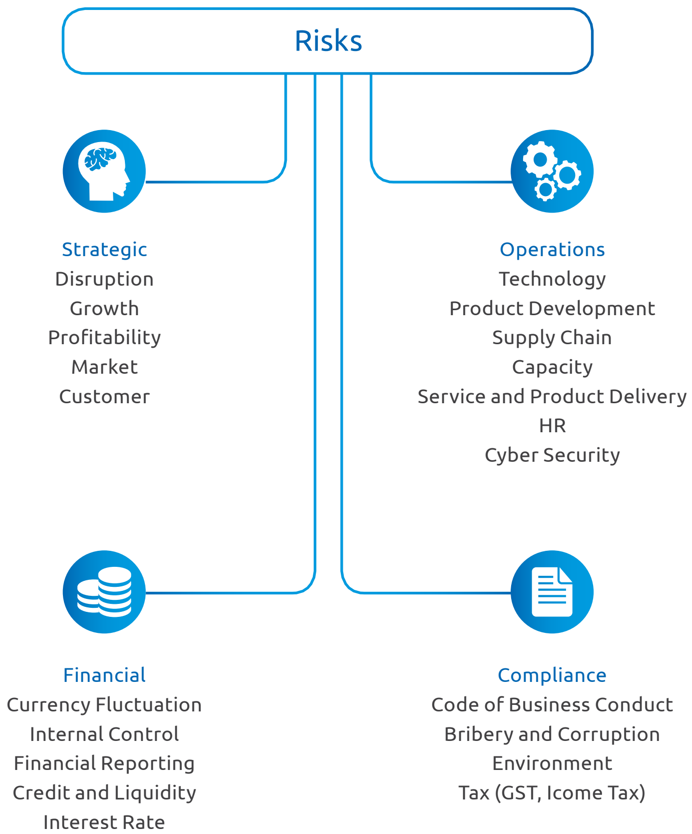
ERM Risk Management Activities

Risk management includes activities relating to risk identification, risk assessment, risk response, 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**
- **Operations Risks**
- **Financial Risks**
- **Compliance Risks**



Strategic Risks

Strategic risks are those risks, which are inherent to the industry in which we operate. Strategic risks are analysed and mitigated through strategic actions on markets and customer offerings, investment in R&D and product innovation and enhancing the Company's business model, among others. We periodically assess strategic risks for successful execution of our strategy and its impact on financial performance, effectiveness of organisation structure and processes, retention and development of high-performing talent and leadership.

Disruption and Product Obsolescence Risks

In a fast-changing world, a new technically improved variant of product could put the Company's prospects at risk. To mitigate these risks, Sterlite Tech continues to invest in R&D to launch innovative products and technologies. This strategy has helped limit the risk involved with the obsolescence of products. The Company strives to introduce future-proof products and solutions to exceed stringent global standards and specifications.

Market and Competition Risks

The market is competitive with few barriers to capacity expansion by existing players. Globally, most of the contracts are finalised through the competitive bidding process. While the Company dominates in this segment, it does not have much pricing power due to low global market share. The Company is expanding its capacity and continues to focus on increasing its market share through access to new markets and enhancing its client footprint. Additionally, various initiatives in technology and product development — taking into consideration the needs of customers — also help us to maintain an edge over competitors.

Some of these initiatives include product design that help customers reduce their project cost, customising a basket of products that suit customers' needs and introducing enhanced features in products or services to improve the value proposition to customers.

Operations Risks

Operations risks are those risks which can negatively impact the operations of the Company. These risks are related to people, policies, procedures and IT systems impacting the product and service delivery to customers. The Company has strong mechanisms in place to review 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 a market leader in the industry, the Company has strong policies and systems in place to minimise the price risk of its raw material 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
The Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talent. These abilities have to be developed across the Company's rapidly expanding operations. Sterlite Tech continuously benchmarks HR policies and practices with the best in the industry, and carries out necessary improvements to attract and retain the best talent.

Financial risks

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

Liquidity Risks
The Company requires funds both for short-term operational needs as well as for long-term investment programmes, mainly for its growth projects. Sterlite Tech 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 Mumbai Inter-Bank Offer Rate (MIBOR) and the rate is linked to prevailing US Dollar London Inter-Bank Offer Rate (LIBOR) for foreign currency borrowings.

Foreign Currency Risks
The Company'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. 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 borrowing 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.

Counter Party Risks
The Company is exposed to counterpart 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 the Company's 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, approved by CRISIL. Emphasis is given to the security of investments.

Compliance Risks

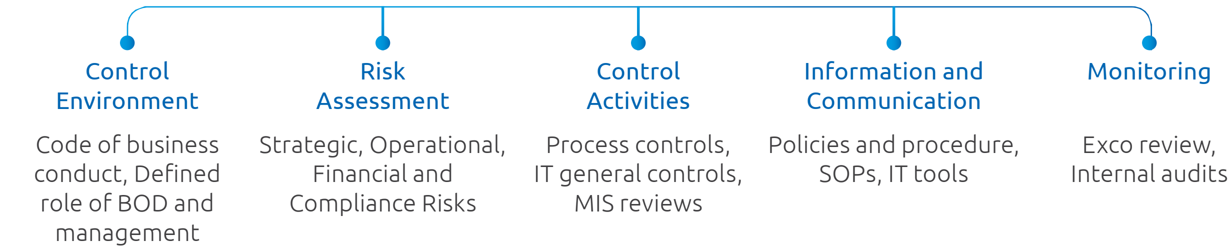
Compliance risks result from violations or non-compliance with Laws and Regulations, Code of Business Conduct and Contractual Compliance having material impact on the Company's financial, organisational and reputational standings. The Company has strong compliance management framework, supported by adequate tools and IT systems, to identify, assign and monitor compliance with applicable Rules and Regulations. In addition, an independent internal auditor reviews compliance management framework and submits their findings to the Audit Committee.

Risk Assessment

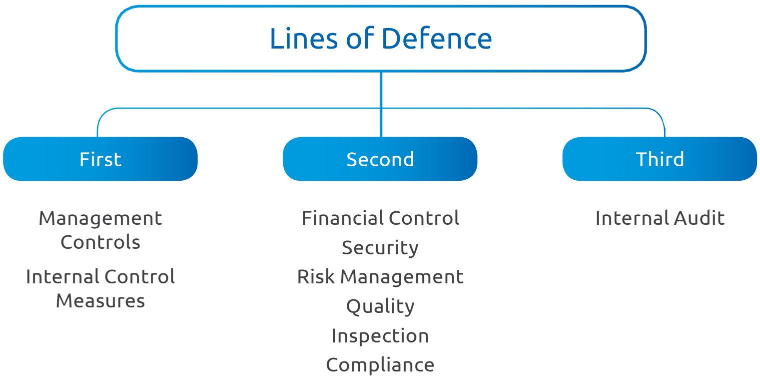
This includes assessing risks on likelihood of occurrence and potential impact. Risks are assessed at inherent (gross risk without considering controls) and residual basis (example: net risk). Residual risks are considered for prioritisation for response and monitoring.

Internal Control

Sterlite Tech'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 risks through the implementation of this framework.



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



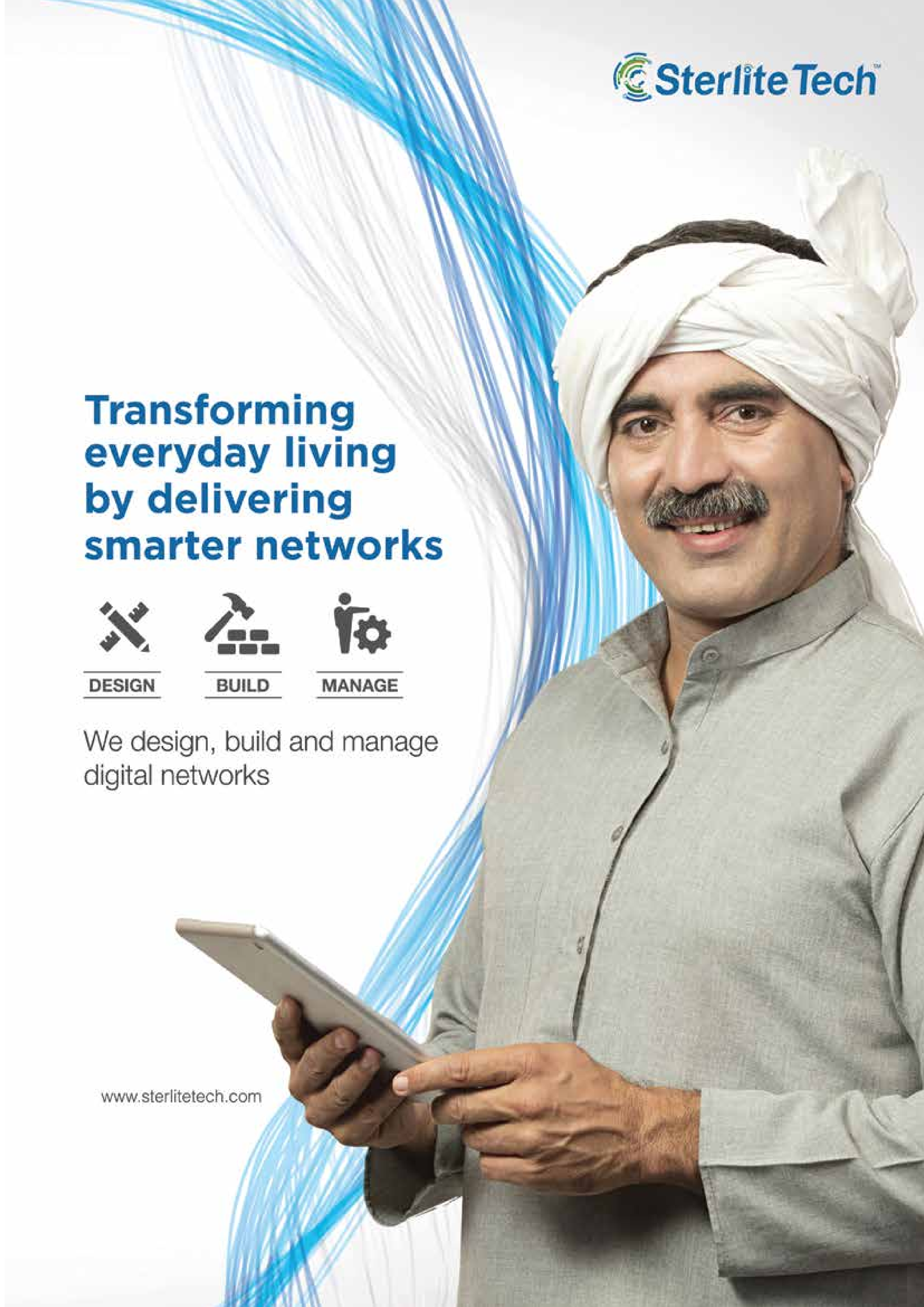
Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems, and suggests improvement for strengthening these.

Risk Response

The risk response process identifies and evaluates possible responses to risk, which includes evaluating options in relation to risk appetite (accept, mitigate or transfer the risks). It also determines cost versus benefit of potential risk responses and degrees to which a response will reduce impact and/or likelihood. Mitigation plans are finalised, while owners are identified and assigned the tasks to implement the plans as a part of this procedure.

Risk Monitoring and Reporting

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


SterliteTech
Transforming everyday living by delivering smarter networks
DESIGN
BUILD
MANAGE
We design, build and manage digital networks
www.sterlitetech.com

Creating Shared Value

Corporate Social Responsibility

At Sterlite Tech, we believe our growth is linked to the development of the communities around us. This belief translates into Sterlite Tech's purpose: Transform Everyday Living by Delivering Smarter Networks

Sterlite Tech's Corporate Social Responsibility (CSR) efforts are designed to ensure holistic development of communities, while ensuring the Company's core capabilities are leveraged to enable the development process.

The Sterlite Tech Foundation (STF) was set up in 2016 to further promote the Company's shared value approach. STF ensures creating impact-focused initiatives by following streamlined processes and robust monitoring systems. The CSR projects are guided by STF and Sterlite Tech leadership.

Sterlite Tech's CSR Approach

- **Leverage** Sterlite Tech's core capability to ensure holistic community development
- **Encourage** employee and community participation
- **Promote** strategic partnerships, proactive and streamlined processes, ongoing monitoring, commitment from STF and Sterlite Tech leadership

The Company's CSR and sustainability vision rests on the four pillars of community, people, environment and conduct. The foundation for Sterlite Tech's key focus areas for 2017 is based on:

Health

Environment

Education

Women Empowerment

High-impact CSR and Sustainability Initiatives

Sterlite Tech has touched over 6,11,000 lives through its CSR and sustainability initiatives till date, and 1,79,026 individuals in FY2017-18 alone. Each initiative has been implemented using techniques that are unique to Sterlite Tech, thus differentiating the impact created.

6,11,379
till date

CSR and Sustainability Impact 2017-18

1,79,026
FY2017-18

Education	Health	Environment	Women empowerment
1,20,048	43,765	13,738	1,475*

Lives impacted

* The number of lives impacted by our women empowerment efforts seems lower this year compared to last year because we changed our approach towards calculating these

Health

2,82,149

lives impacted

Sterlite Tech and STF ran several health-related initiatives in FY2017-18:

- **Mobile Medical Unit**
- **Lifeline Express**
- **Maatritva (in partnership with UnLtd India)**
- **Yoga@Work**
- **Marathons**

Mobile Medical Unit

The Company initiated the Mobile Medical Unit (MMU) programme to focus on providing primary healthcare services for the tribal population in Dadra and Nagar Haveli. The programme began in 2006 in partnership with Indian Red Cross Society. The MMU provides free health check-ups to 24 villages through site visits by doctors and a mobile dispensary. The programme has served more than 2,00,000 patients till date. During FY2017-18, a new medical van was launched at Silvassa as part of the programme. This mobile dispensary distributes free medicines and ensures that villagers and tribal communities in the region receive quality healthcare at their homes.

Lifeline Express

Sterlite Tech leveraged its core competency to enable high speed Wi-Fi internet connectivity on the Lifeline Express train, bringing tele-medicine to the underprivileged across India. The doctors on board communicate with specialists, evaluate test results and offer treatment advice in real time, thereby improving the quality of healthcare offered.

Maatritva

The Maatritva project is a part of Sterlite Tech's social impact incubation programme initiated during FY2017-18 with UnLtd India. The project uses technology to identify high-risk pregnancies and subsequently helps in reducing child mortality. It aims to provide women from low-income families with quality pre- and post-natal care. In its pilot stage, the project has partnered with the Nashik District Administration and already has 28,880 women registered for assessment.

Yoga@Work

Sterlite Tech's commitment to ensure the health and well-being of all sections of society also extends to its employees. Inspired by Honourable Prime Minister Shri Narendra Modi's call for fitness through yoga, the Company organised Yoga@Work on the occasion of International Yoga Day. Over 600 employees participated in sessions organised across Sterlite Tech's offices and manufacturing units throughout India. The Company further encouraged its people to invite their families for these sessions.

Marathons

Sterlite Tech prioritises employee health and well being. To build a healthy workforce, the Company encourages employees to participate in marathons across all its locations. During FY2017-18, employees participated in the TATA Mumbai Marathon, the Airtel Delhi Marathon, the MIT Aurangabad Heritage Run and the Pune Liver Life Run.

Sterlite Tech leveraged its core competency to enable high speed Wi-Fi internet connectivity on the Lifeline Express train, bringing tele-medicine to the underprivileged across India. The doctors on board communicate with specialists, evaluate test results and offer treatment advice in real time through internet connectivity.

1. Mobile Medical Unit van
2. Yoga@Work on the occasion of International Yoga Day

1


2

Environment and Sustainability

64,012

lives impacted

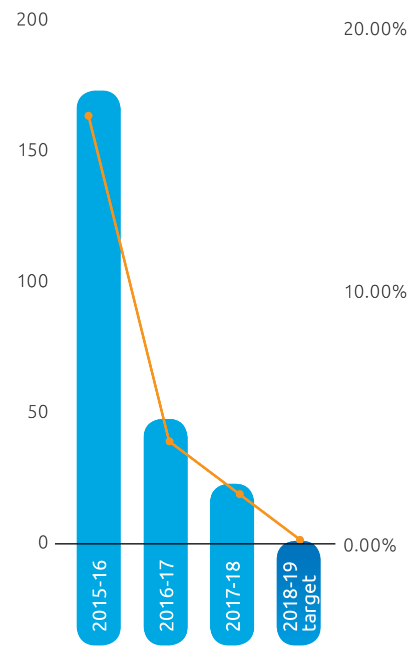
Sterlite Tech is committed to sustainable growth and preserving the environment and thus steers several key projects in this direction:

- **Project Zero Waste to Landfill**
- **Project Zero Water Discharge**
- **Project Jaldoot**
- **Project Green Belt**

Project Zero Waste to Landfill

Sterlite Tech is actively reusing by-products generated during the glass manufacturing process and has partnered with other industries for maximising their use.

Diversion of silica from landfill



Silica is a by-product generated during the manufacturing of Silicon Tetrachloride (SiCl4), an intermediate product for producing glass from Silicon. It has been diverted away from landfill for use as an additive in rubber, plastic and paint manufacturing.

Moreover, during FY2017-18, the Company identified opportunities to reduce wastage across the value chain. As part of this initiative, Sterlite Tech started sourcing raw materials like ink, resin and jelly in up to 1,000 litre containers and dispensing them through mechanised systems. This has significantly reduced hazardous packaging waste at all locations. Similarly, the Company now transports fibre without the spools. This has helped it to eliminate excess packaging material, decrease weight and improve product mobility and reduce packaging waste at users' end.

Project Zero Water Discharge

Another key environment-related initiative is Project Zero Water Discharge. This is directed at enabling the Company to reduce its fresh water intake by recycling and reusing waste water generated at the manufacturing plant.

Project Jaldoot

During FY2017-18, Project Jaldoot in Aurangabad extended its reach to three more villages, making them drought-free through watershed development, community ownership and water literacy. Since 2006, the Company has constructed 22 check dams in 16 villages. Between 2016 and 2017, Project Jaldoot resulted in an increase of 7,85,000 cubic metre of groundwater in 11 villages, benefiting over 2,400 farmers. The project provided access to clean drinking water to over 16,000 people. With 150% increase in the water-storage capacity and 20% increase in average incomes, Project Jaldoot has helped transform everyday lives of people in the region.

Jaldoot and the Zero Water Discharge projects have together enabled Sterlite Tech to become net water positive. Currently, the Company replenishes 3.3 times the water used for operations to the adjacent water-scarce communities through these two projects. Sterlite Tech was recently honoured with the Jury Commendation Award at the 16th Federation of Indian Chambers of Commerce and Industry (FICCI) CSR Awards 2017 for the large-scale impact in water management.

Project Green Belt

Sterlite Tech launched Project Green Belt in FY2016-17 by planting over 5,000 trees specifically for air filtration on both sides of the 2-km road to MIDC Waluj. The Company has maintained a 90% sustainability rate, setting a benchmark in the region. A tree-plantation ceremony is arranged at the green belt for every customer visiting the company's Waluj manufacturing unit thereby enhancing the green cover in the area.

Sterlite Tech was awarded the Jury Commendation CSR Award 2017 by FICCI for large-scale impact in water management


1


2

1. Tree plantation by a visiting customer in Aurangabad
2. Redeveloped check dam at Sayyadpur village in Aurangabad

Education

2,54,066

lives impacted

STF's education-related project in FY2017-18 was:

- **Virtual Classrooms**

Sterlite School Tech launched the Virtual Classrooms project, a technology investment, in academic year 2012-13 to change India's education landscape and transform learning experiences for children from low income families. In FY2017-18, the project reached out to 1.2 lakh children across four mediums; Marathi, Hindi, Urdu and English.

This project is currently the largest virtual classroom programme in the country. It provides quality education to students from lower-income families creating equal growth opportunities and nullifying the effects of unavailability of qualified teachers. The programme ensures that children from economically backward homes become fluent in conversing, reading and writing English. At present, the programme is one of the few e-education initiatives offering quality English education at par with private schools to primary and middle school students.

The Virtual Classrooms project has been implemented in 480 Municipal Corporation of Greater Mumbai schools under Sterlite School Tech.

Other education-related projects were the laptop donation programme, VedVidyalay and the scholarship programme.

At present, the Virtual Classrooms project is the largest such programme in the country. It offers quality English education at par with private schools to children from lower-income families.

Women Empowerment

7,220

lives impacted

The key project for women empowerment that STF has been running for four years is:

- **Jeewan Jyoti Women Empowerment Institute**

In alignment with the Government of India's Skill India Mission, STF set up the Jeewan Jyoti Women Empowerment Institute in 2014 at Ambavane in Velhe near Pune. The institute conducts vocational trainings on nursing, computer operations, data entry, tailoring, fashion designing and basic beauty culture. It has improved the socio-economic status of women from 93 villages in and around Velhe till date.

By changing the way patriarchal societies in these villages perceive independent, confident and working women, the institute has reduced gender inequalities. It has also taken steps to reduce poverty by providing its students with employment opportunities to enhance their livelihoods. The health and well-being of women in the region has also improved through awareness created around nutrition and preventive measures for common ailments.

Today, these women are challenging traditional beliefs towards working women and have even started their own businesses. They have become role models for young girls in their communities. Two students were recognised by the Maharashtra State Board for Vocational Education for outstanding composition writing and entrepreneurial success.

Several women trained at the Jeewan Jyoti (WEI) have started their own businesses and are becoming role models for younger women in the community.

1. Tailoring class at the Jeewan Jyoti WEI
2. The Jeewan Jyoti Women Empowerment Institute (WEI) Campus

1

2

Employees

2,000+ employees

participated till date

Underlying the approach of creating shared value is building a culture of responsibility towards communities, the environment and ethics. This is a collective effort where every employee is a participant in ensuring the inclusive growth the Company envisions. The organisation has been working towards making employee engagement an integral part of its culture and building a conscientious workforce, which is the key driver for the impact that it aims to deliver in future.

Key employee-focused programmes launched in FY2017-18 are:

- **Code of Conduct Awareness**
- **iDelete Campaign**
- **Blood Donation Drives**
- **Joy of Giving Week**
- **Engagement with Jeewan Jyoti WEI**

Code of Conduct Awareness

Sterlite Tech considers itself responsible to educate its people and enable them to mitigate any ethical dilemma they may face during the course of their work. Towards this, the Company organised a Code of Conduct awareness programme across all locations. It conducted 40 workshops to cover over 1,000 employees, and launched an online campaign on Workplace, Sterlite Tech's internal employee portal.

iDelete Campaign

As part of the organisation's contribution to the Swachh Bharat Abhiyaan, it organised a campaign titled 'iDelete'. The programme was aimed at having employees commit towards deleting negative behaviours, attitudes and processes that contribute to waste generation. Till date, over 170 pledges have been received from employees towards deleting complexity, ignorance, rework, complacency and irresponsibility across professional and personal spheres.

Blood Donation Drives

People at Sterlite Tech showcased their enthusiasm to work together with the organisation during the blood donation drives held across locations by participating in large numbers.

Joy of Giving Week

The Joy of Giving week was celebrated by inviting employees to donate old and new clothes, books, first-aid items, grains and several other non-perishable items which were distributed to the needy through local NGOs.

Engagement with Jeewan Jyoti WEI

To mark the occasion of International Women's Day, employees at Sterlite Tech offices in Mumbai, Gurugram and Pune. joined the celebrations at the Jeewan Jyoti WEI via video conference, showing their support towards women empowerment. A few other employees compiled a video with messages to the students, urging them to be relentless in their pursuit of knowledge and success.

Industry Recognition

Sterlite Tech is humbled to have the industry recognise its various CSR and Sustainability efforts in FY2017-18. It also received tremendous support from associations and industry bodies. Some awards that the Company's CSR and Sustainability efforts won this year were:

- UN Global Compact Certificate of Merit for Innovative Water Management
- CII ITC Sustainability Award for Excellence in CSR
- FICCI Jury Commendation Award for Large-scale Impact in Water Management
- Bombay Chamber of Commerce and Industry Civic Award for Social Development
- India International CSR Conclave Project of the Year Award for Women Empowerment
- Amity University CSR Award (IT sector)
- Times Group felicitation for Water Management

Way Forward

Sterlite Tech is committed to creating shared value by using its core strength of technology to drive progress and inclusive growth. In 2018 and beyond, it will continue to build on innovative, data-driven, last-mile access initiatives in line with its vision.

Board of Directors

Sterlite Tech's Board of Directors guides management decisions, sets broad organisational goals, and helps enhance the Company's financial well-being.

Anil Agarwal
Non-Executive Chairman

Anil Agarwal is the Executive Chairman of Vedanta Resources Plc (LSE: VED), a London listed company, and also the Chairman Emeritus of Vedanta Limited. He founded the Sterlite Group in 1979 and grew it into a pioneering conglomerate. Among India's leading businessmen, he has impacted lives positively and generated jobs by building and fostering successful businesses across multiple industries. He has over 40 years of entrepreneurial and business experience.

Pravin Agarwal
Vice Chairman and Whole-time Director

Pravin Agarwal is the Vice Chairman and Whole-time Director of Sterlite Technologies Limited, and 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. He has rich experience in general management and administration that spans across almost three decades.

Dr. Anand Agarwal
CEO and Whole-time Director

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

A.R. Narayanaswamy
Non-Executive and Independent Director

A.R. Narayanaswamy joined the Board of Sterlite Tech in 2007, bringing with him more than 40 years of management consulting experience across accounting, financial management and information technology. He is inter alia an Independent Director at Hindustan Zinc Limited and Sterlite Power Grid Ventures Limited. He brings with him extensive financial, strategic, and Boardroom experience to Sterlite Tech. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a commerce graduate from Sydenham College, Mumbai.

Sandip Das

Non-Executive and Independent Director

Sandip Das is one of Asia's most respected telecommunications professional and has been CEO of Reliance Jio, Hutchison Essar Telecom, and India Maxis Communications Berhad, Malaysia. He is a senior advisor with UK-based telecom consultants, Analysys Mason, is on the Advisory Board of reputation-management firm Astrum, consults for international banks and investment companies, and is an angel investor.

Sandip holds a BE degree from NIT, Rourkela and an MBA degree from FMS, University of Delhi. He is also an alumnus of the prestigious Advanced Management Programme (AMP 188) 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 spanning over three decades and across 25 countries. His experience ranges from management consulting, finance to audit and taxation, including international taxation. He is an Independent Director in several listed companies as well as chairman of various committees.

Avaantika Kakkar

Non-Executive and Independent Director

An accomplished corporate and commercial lawyer, Avaantika Kakkar leads Khaitan & Co's Competition Law practice. She advises on complex merger filings and negotiations with the Competition Commission of India (CCI). She represents select clients on enforcement (including investigations and leniency applications) before the CCI and the Office of the Director General, besides advising on business strategy, commercial arrangements, and compliance issues. She has significant experience in corporate and securities laws, structured finance, and foreign direct investment in real estate, private equity and joint ventures.

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.

Leadership Team

Our leadership team has diverse skills across technology and business. It leads from the front, and exhibits our core values – Promises Delivered; Hunger to Learn; Respect, Empathise; Keep it Simple

Dr. Anand Agarwal
CEO and Whole-time Director

Sterlite Tech is fortunate to have a passionate technocrat in Anand at the helm when technological advancement is transforming everyday lives. Since he became CEO in 2003, he has led the organisation's transformation from a leading global provider of optical fibre to enabling digital inclusion by designing, building and managing smarter digital networks.

Anand is a BTech from IIT Kanpur and an MS and Ph.D. in Materials Engineering from the Rensselaer Polytechnic Institute, USA. He joined Sterlite Tech in 1995.

Anupam Jindal
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 Sterlite Tech in 2006 as CFO, and has since been instrumental in driving the company's sustained robust financial performance.

KS Rao
Chief Operating Officer – Telecom Products and Services

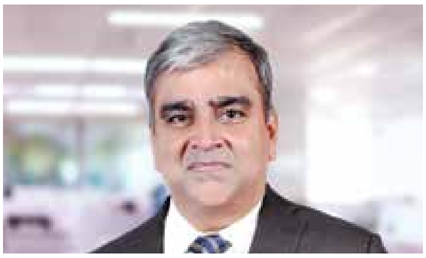
KS joined Sterlite Tech in 1993 to set up the Company's optical-fibre cable plant in Aurangabad and soon became instrumental in growing its fibre, cables and services business in India, China and Brazil. Today, he leads the Company's programmes to drive digital inclusion in India, by building robust 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.

Ankit Agarwal
Global Sales Director, Telecom Products

Ankit leads the Company's global sales strategy and has been instrumental in driving its business to over 100 countries. As Sterlite Tech transforms to a solutions company, Ankit is a champion of internal culture change, from driving a flat organisation to leading community efforts.

He joined Sterlite Tech in 2007 after completing his Bachelor's from the University of Southern California and MBA from London Business School.



Dr. Badri Gomatam
Chief Technology Officer

A photonics expert, Badri leads core research on optical communications products and innovation on network solutions. With a view on emerging network technologies, Badri guides the Company's technology vision. Under his leadership, the Company today has 189 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 Sterlite Tech in 2011.

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.

Amitabh Hajela
Chief People Officer

Building capability and driving culture are the bedrock of any successful transformation, and Amitabh takes the lead in driving these for Sterlite Tech. Under his leadership, the Company has seen some great lateral hires and excellent employee engagement scores in the recent past.

Amitabh has held leadership positions at GE Capital, American Express, Aricent, EXL Services and Aon. He is an MBA from XLRI, Jamshedpur, and joined Sterlite Tech in 2016.

Nischal Gupta
Chief Transformation Officer

Sterlite Tech 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, program management and analytics.

He joined Sterlite Tech 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.

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 QuikrHomes and Commonfloor. He has done engineering 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 Sterlite Tech in 2017, and soon became the face of change internally.

Phill Coppin
Head – Global Application Engineering

Phill heads Global Application Engineering and Product Lifecycle Management at Sterlite Tech. A renowned optical fibre expert, he has led new product development, quality, and process improvement at both the Sterlite Tech fibre and cable factories. Before joining Sterlite Tech, he worked with British Telecom and Corning. He completed his degree in Physics from Loughborough University of Technology, UK.

Swati Rangachari
Chief of Corporate Affairs

Swati is an active contributor to India's network and telecom policy shaping initiatives, and leads government relations for Sterlite Tech. She has significant experience in building industry-government relations, advocacy, communications and brand in telecom, financial services, aerospace and IT sectors. Prior to Sterlite Tech, Swati has held leadership positions at Boeing, Ericsson and VISA. She is an alumna of Fore School of Management, ICHEC Brussels and Boston University.

Anshoo Gaur
EVP – Software

Anshoo is the force behind the ambitious growth plans for Sterlite Tech's software business. Over the last year, he has helped crystallise the go-to-market strategy, innovation roadmap and capability development framework for the Company's software business. He holds a postgraduate degree in Industrial and Systems Engineering from the University of Arizona, Tucson and a graduate degree in Mechanical Engineering from National Institute of Technology, Surathkal.

Pankaj Priyadarshi
Chief Supply Chain Officer

Pankaj is passionate about partnerships and has been instrumental in developing and nurturing a truly global and capable partner ecosystem. Among the first few changes he made on joining Sterlite Tech in 2012 was to restructure the 'commercial' department as Supply Chain, designate the Company's vendors as 'partners' and integrate supply chain across all Sterlite Tech businesses.

In his career across automotive and telecom industries, Pankaj set up and ran the supply chain function at Bharti Infratel, engineering component export business at Eicher, and Eicher's Africa business. He is an alumnus of BITS Pilani and INSEAD, Singapore. He is also a certified lead auditor.

Nikhil Jain
Head –Telecom Software

A founding member of Sterlite Tech's software division, Nikhil has built the Company's software products and operations grounds up. He continues to innovate on the business to build it into a globally responsive division. With substantial experience in technology and most other business functions, he believes in delivering customer expectations in rapidly changing environments.

He has a postgraduate degree in Computer Applications from LD College of Engineering, Ahmedabad.

Thomas Yang
Head – China Sales

Working with Sterlite Tech since 2003, Thomas is among the oldest members of the international sales team. Responsible for expanding the Company's optical fibre footprint in the Chinese market, Thomas is a member of the Board of Jiangsu Sterlite Tongguang Fibre Co., Ltd and Sterlite (Shanghai) Trading Co., Ltd (China Branch). He has been instrumental in the success of Sterlite Tech's China JV since conception in 2011.

Thomas holds Bachelor's Degree in Science from Shanghai Jiaotong University.

Juhi Hajela
Head – Corporate Communications

A spirited leader, Juhi leads business content and public relations at Sterlite Tech. She is the face of an open and progressive culture, as she drives diverse programmes from international media strategy to women in leadership.

She comes with varied lateral and international experience across online operations, customer growth and content marketing at Google, McKinsey & Co., MakeMyTrip and CyberMedia. She has studied at the University of Oxford and the London School of Economics.

Vaibhav Mehta
Head – Sales, Telecom Software

Another 'start-up guy', Vaibhav is a founding member of Sterlite Tech's software division, with considerable experience in product management, deployment and sales. He has been instrumental in growing the software business, which is today recognised as among the fastest growing companies for revenue management in the telecom software space. He currently heads customer engagement and sales for the software business.

A traveller at heart, Vaibhav holds a Bachelor's degree in Instrumentation from VESIT, Mumbai.

Richard Eichhorn
Head – EMEA Sales

Europe, Middle East and Africa are critical markets for fibre and networks, requiring diverse strategies. Operating from the Netherlands, Richard is responsible for leading the Company's presence in these markets.

With vast experience in sales, marketing and business development in IT and telecom sectors, Richard has worked at companies such as Reichle & De-Massari AG, Nexans Cabling Solutions, Anixter and Alcatel Connect, Wesco International in EMEA and other regions. He has completed his higher technical education in energy and telematics, and further studied sales and management at ISW, Netherlands. He loves to play football and go skiing.

We are the only company in the world with integrated silicon to software offerings

...and we are now taking these to build unified networks

www.sterlitetech.com

Advisory Board

The Company's Advisory Board provides strategic guidance in the highly evolving digital communications space.

Sandip Das

Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive Officer. He has been CEO of Reliance Jio, Hutchison Essar Telecom (now Vodafone) and Maxis Communications Berhad, Malaysia. He also led one of the world's largest telecom IPOs, raising $3.5 billion for Maxis.

A senior advisor with UK-based telecom consultants, Analysys Mason, he is also on the Advisory Board of reputation management firm, Astrum, besides being an angel investor.

Sandip was featured in Global Telecom Publications' 'List of 100 Most Globally Powerful People in Telecom' for four years. He was also awarded the Lifetime Achievement Award for his contribution to Indian Telecom by Voice & Data magazine, Cyber Media Publications in 2016.

He has a graduate (Mechanical Engineering) degree from NIT, Rourkela and an MBA degree from FMS, University of Delhi.

He is also an alumnus of the prestigious Advanced Management Programme (AMP 188) from Harvard Business School, Boston.

BS Shantharaju

BS Shantharaju's experience as Chief Executive Officer (CEO) spans over 15 years 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 the company 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.

Directors' Report

To the Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2017-18, together with the audited financial statements of the Company for the year ended March 31, 2018.

Financial Summary/Highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	2017-18	2016-17*	2017-18	2016-17
Net Revenue from Operations	2,893.57	2,400.65	3,205.49	2,593.56
Profit / (Loss) before Interest, Depreciation & Tax	625.22	432.06	774.97	530.47
Add: Finance Income	14.84	12.37	13.65	11.89
Less: Finance cost	102.68	116.99	103.83	122.93
Less: Depreciation and amortisation expense	170.14	145.17	182.21	159.23
Net Profit/(Loss) before taxation	367.24	182.27	502.58	260.20
Total Tax Expenses	112.56	26.34	133.15	39.66
Net Profit/(Loss) for the year after tax	254.68	155.93	369.43	220.54
Share of Profit/(Loss) of Joint Venture	-	-	(0.92)	(2.83)
Net Profit for the year after tax & share in Profit/(Loss) of Joint Venture	254.68	155.93	368.51	217.71
Share of profit of minority interest	-	-	29.80	16.33
Net Profit attributable to owners of the Company	254.68	155.93	334.33	201.38
Balance carried forward from previous year	626.48	580.29	620.15	528.56
Amount available for appropriation	881.16	736.22	954.48	729.94
Appropriations				
Equity dividend and tax thereon	(36.08)	(71.76)	(36.08)	(71.76)
Transfer to Debenture Redemption Reserve	(37.50)	(37.50)	(37.50)	(37.50)
Others	(3.14)	(0.48)	(5.29)	(0.53)
Balance carried forward to the next year	804.44	626.48	875.61	620.15

* Standalone 2016-17 figures have been restated after the merger of passive business of Speedon Network Limited into the Company.

Performance

Standalone

FY18 closed with Revenues of ₹ 2,893.57 crores, EBITDA of ₹ 625.22 crores, PAT of ₹ 254.68 crores and EBITDA margins of 22%.

Consolidated

FY18 closed with Revenues of ₹ 3,205.49 crores, EBITDA of ₹ 774.97 crores, Net Profit attributable to owners of the Company ₹ 334.33 crores and EBITDA margins of 24%.

Dividend

The Board of Directors ('the Board') is pleased to recommend a final dividend of ₹ 2/- per Equity Share of ₹ 2/- each for FY18. The distribution of dividend will result in payout of around ₹ 80.20 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 18.

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.

Corporate Restructuring

In the meeting held on October 27, 2016, the Board had approved a Scheme of demerger of the Passive Infrastructure Business of Speedon Network Limited, a wholly owned subsidiary of the Company, and merger into the Company ('the Scheme'). The Scheme was approved by the Ahmedabad bench and Mumbai bench of the National Company Law Tribunal and the certified copies of their Orders were filed with the respective Registrar of Companies on September 1, 2017 (Effective Date). The Appointed Date for the Scheme was October 1, 2016.

Corporate Governance

The Company has won the prestigious '**Golden Peacock Award for Excellence in Corporate Governance**' for the year 2017. Golden Peacock Awards, instituted by the Institute of Directors, India, are regarded as a benchmark of Corporate Excellence worldwide. This award recognises the Company's rigorous efforts in establishing industry best practices in corporate governance, sustainability and management metrics.

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.

Board Meetings

During FY18, four meetings of the Board of Directors were held on April 26, 2017; July 19, 2017; October 16, 2017 and January 17, 2018. The maximum time-gap between any two consecutive meetings did not exceed four months. 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 Mr. Arun Todarwal as the Chairman; Mr. A. R. Narayanaswamy, Mr. Sandip Das and Mr. Pravin Agarwal as the Members. All recommendations given by Audit Committee during FY18 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, Mr. C. V. Krishnan resigned as an Independent Director of the Company effective October 16, 2017. Your Directors place on record their appreciation for the valuable contribution made by Mr. C.V. Krishnan during his tenure as Director of the Company.

Upon the recommendation of the Nomination and Remuneration Committee, Mr. Sandip Das was appointed as an Additional Director (Non-Executive, Independent) effective October 16, 2017 and holds office upto the forthcoming AGM of the Company. Necessary Resolution for appointment of Mr. Sandip Das as an Independent Director has been included in the Notice convening the AGM.

Pursuant to Section 149 read with Section 152 of the Companies Act, 2013 ('the Act'), Dr. Anand Agarwal, CEO & 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. Sandip Das and Dr. Anand 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 both 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 FY18.

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. Details about Policy are given in the Corporate Governance Report. The Policy can also be accessed on Company's website at 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 year ended March 31, 2018, 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) the Directors 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 of March 31, 2018 and of the profit of the Company for the year April 1, 2017 to March 31, 2018;

c) the Directors 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) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors 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) the Directors 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 Standards issued by the Institute of Company Secretaries of India, as applicable to the Company, 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 statements. 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., material subsidiary of the Company.

During the year under review, Sterlite Tech Holding Inc. (USA) & Sterlite Technologies Inc. (USA) have become subsidiaries of the Company. No company has ceased to be subsidiary/joint venture or associate of the Company in FY18.

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

In terms of Section 136(1) of the Act, copies of 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 will also be available on the Website of the Company at www.sterlitetech.com.

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, subject to ratification of their appointment at every subsequent AGM. A resolution seeking ratification of their appointment forms a part of Notice of AGM and the same is recommended for your consideration and approval.

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 SLP 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 Board considers that the current provisioning in the books is adequate based on the best possible estimate.

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 been appointed as the Cost Auditor to audit the cost accounts of the Company for said products for FY18 at a remuneration of ₹ 1,10,000 plus out of pocket expenses at actuals. Mr. Kiran Naik 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 as part of the Notice convening the AGM.

Cost Audit Report for FY17 was filed with the Registrar of Companies within the prescribed timelines.

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, 2018. The Report of the Secretarial Auditor is annexed as **Annexure II** to this Report and it does not contain any qualification, reservation or adverse remark.

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, 2018 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 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 how the internal auditors' recommendations are being implemented. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

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 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 risks. The Audit Committee and the Board of Directors periodically review the risks 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.

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 maintaining 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. The Company has also set up "Prevention of Sexual Harassment Committee" ('the Committee') to redress the Complaints received regarding sexual harassment which has formalised a free and fair enquiry process with clear timelines. During the year, 5 complaints were received out of which 4 were resolved. 1 complaint was pending as on March 31, 2018 which was resolved subsequently.

Employees Stock Option Scheme

The Company's Employee Stock Option Schemes is in line with Company's philosophy of sharing benefits of growth with the growth drivers. The Company allotted 27,14,978 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 www.sterlitetech.com.

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. Having regard to the provisions of the first proviso to Section 136 (1) of the Act and as advised, 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, 2018, 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
Ground Floor, Axis House, Wadia International Centre, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400025, Maharashtra, India
Contact No.: +91-22-62260084

Credit Rating

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

	ICRA		CRISIL	
Debt instrument	**Rating**	**Outlook**	**Rating**	**Outlook**
Non-Convertible Debentures	[ICRA]AA-	Positive	-	-
Commercial Papers	[ICRA]A1+	-	CRISIL A1+	-
Line of credit	[ICRA]AA-	Positive	CRISIL 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 July 4, 2017 (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 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 FY18.

During the year, the Company has spent ₹ 3.63 crores (two percent of the average net profits of the Company during the three immediately preceding financial years) 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 detail is 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 25, 2018	Vice Chairman &	CEO &
	Whole-time Director	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 2018

[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, 2018 (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, 2018 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 erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and 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.

(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 **(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 issued by The Institute of Company Secretaries of India, effective from 1 July, 2015 and the revised Secretarial Standards effective from 1 October, 2017.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1 December, 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-

- Pursuant to the Board resolution passed on 17 January 2018, the Board authorised issue of the 1500 (one thousand and five hundred) rated, listed, secured, redeemable non-convertible debentures of ₹10,00,000 (Rupees ten lakhs only) each for cash at par aggregating. ₹150,00,00,000 (Rupees one hundred and fifty crore only) debentures on private placement basis.

Place: Pune
Date: April 25, 2018

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

Annexure III

Details of Stock Options as on March 31, 2018

Statement as on March 31, 2018 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 Performance Criteria 2. Continuous employment with the Company
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	71,34,568
	Number of options granted during the year	17,12,500
	Number of options forfeited/ lapsed during the year	10,81,112
	Number of options vested during the year	26,22,136
	Number of options exercised during the year	27,14,978
	Number of shares arising as a result of exercise of options	27,14,978
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 54,29,956/-
	Number of options outstanding at the end of the year	50,50,978
	Number of options exercisable at the end of the year	2,54,827
9.	Employee-wise details of options granted during FY18	
I.	Number of options granted to Senior Managerial Personnel	
	Dr. Anand Agarwal CEO & Whole-time Director	81,000
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	None
III.	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	₹ 6.28
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

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 :

		Grants									
Details		**I**	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**
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
2.	Expected Life (yrs)	1.5	1.7	1.7	1.7	1.8	1.5	1.54	1.5	1.5	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
4.	Expected Dividend Yield (%)	0.73	0.79	0.79	0.59	0.72	1.14	0.47	2.20	1.90	1.30
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

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**
Price of underlying stock	₹ 172.30
Expected volatility	37.00%
Risk Free rate	6.40%
Exercise Price (per Option)	₹ 2.00
Dividend Yield	2.20%
Fair Value of the option	₹ 92.90

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, 2018

₹ in crores

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2017-18	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Pravin Agarwal Vice Chairman & Whole-time Director	13.72	26%	249
2	Dr. Anand Agarwal (KMP) CEO & Whole-time Director	10.04	16%	182
3	Mr. Anupam Jindal (KMP) Chief Financial Officer	2.78	105%	50
4	Mr. Amit Deshpande (KMP) Company Secretary	0.73	34%	13

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.

B. The percentage increase in the median remuneration of employees in the financial year is 9.1%

C. The number of permanent employees on the rolls of the Company as on March 31, 2018 is 2026.

D. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY18 was 8.7%.

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, 2018

[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 Computershare 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.: +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	59
2	Copper Telecom Cables	27320	16
3	Network for Spectrum	61900	15

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

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of The Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
1	**Twin Star Overseas Ltd** C/O SGG Corporate Services Ltd., Mauritius 33, Edith Cavell Street, Port-Louis, 11324, Mauritius	Holding	52.22%	2(46)	NA
2	**Speedon Network Limited** Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadra & Nagar Haveli – 396230, India	Subsidiary	100%	2 (87)	U32202DN2011PLC000373
3	**Sterlite Telesystems Limited** Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa Dadra & 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	Subsidiary	49.91%	2 (87)	U64201MH2012PLC234316

III. Particulars of Holding, Subsidiary and Associate Companies - (Contd.)

Sl. No.	Name and Address of The Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
5	**Elitecore Technologies (Mauritius) Limited** 9th Floor, EbeneTower, 52, Cybercity, Ebene, Mauritius	Subsidiary	100%	2 (87)	NA
6	**Elitecore Technologies Sdn Bhd.** Level 2, No. 11, Jalan PJU 1A/41B, NZX Commercial Centre, Ara Jaya, 47301, Petaling Jaya, Selangor	Subsidiary	100%	2 (87)	NA
7	**Sterlite Technologies Europe Ventures Ltd** 221 Chr. Haggipavlou Street, Halios Court, 3rd Floor, PO Box 51625 3507 Limassol, Cyprus	Subsidiary	100%	2 (87)	NA
8	**Sterlite Global Ventures (Mauritius) Ltd** C/O SGG Corporate Services Ltd., Mauritius 33, Edith Cavell Street, Port-Louis, 11324, Mauritius	Subsidiary	100%	2 (87)	NA
9	**Sterlite Technologies UK Ventures Limited** Third Floor, 126-134 Baker Street, London W1U 6UE	Subsidiary	100%	2 (87)	NA
10	**Jiangsu Sterlite Tonggaung Fiber Co. Ltd** 777 Beihai Beihai Rd, Haimen Town, Hai Men City, Jiangsu	Subsidiary	75%	2 (87)	NA
11	**Sterlite Conduspar Industrial Ltda** Sao Jose dos Pinhais, State of Parana, at Rua Dr. Muricy, 4000, Barracoa Fundos, Bairro Coesteria, CEP 83015 – 290.	Subsidiary	58%	2 (87)	NA
12	**Sterlite (Shanghai) Trading Company Limited** 1902 Far East International Plaza, 317 Xian Xia Road Shanghai 200051 China	Subsidiary	100%	2 (87)	NA
13	**Sterlite Tech Holding Inc.** State of Delaware is 1679 S. Dupont Highway, Suite 100, Kent County, Dover, Delaware 19901	Subsidiary	100%	2 (87)	NA
14	**Sterlite Technologies Inc.** State of Delaware 1679 S. Dupont Highway, Suite 100, Kent County, Dover, Delaware 19901	Subsidiary	100%	2 (87)	NA

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of total Equity)

(i) Category-wise Share Holding

		No. of Shares Held at the Beginning of the Year April 1, 2017				No. of Shares Held at the end of the Year March 31, 2018				
Sl. No.	**Category of Shareholder**	**Demat**	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	**% Change During The Year**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individual /HUF	28,08,956	-	28,08,956	0.71	24,28,456	-	24,28,456	0.61	(0.10)
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	47,64,295	-	47,64,295	1.20	47,64,295	-	47,64,295	1.19	(0.01)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others - Trust	-	-	-	-	100	-	100	0.00	0.00
	Sub-Total A(1) :	**75,73,251**	**-**	**75,73,251**	**1.90**	**71,92,851**	**-**	**71,92,851**	**1.79**	**(0.11)**
(2)	Foreign									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	20,94,02,750	-	20,94,02,750	52.58	20,94,02,750	-	20,94,02,750	52.22	(0.36)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of total Equity) (Contd.)

Sl. No.	Category of Shareholder	No. of Shares Held at the Beginning of the Year April 1, 2017				No. of Shares Held at the end of the Year March 31, 2018				% Change During The Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**20,94,02,750**	**-**	**20,94,02,750**	**52.58**	**20,94,02,750**	**-**	**20,94,02,750**	**52.22**	**(0.36)**
	Total A=A(1)+A(2)	**21,69,76,001**	**-**	**21,69,76,001**	**54.48**	**21,65,95,601**	**-**	**21,65,95,601**	**54.02**	**(0.46)**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	2,61,28,552	4,000	2,61,32,552	6.56	3,04,47,289	-	3,04,47,289	7.59	1.03
(b)	Financial Institutions /Banks	6,74,884	10,510	6,85,394	0.17	7,40,350	2,530	7,42,880	0.19	0.01
(c)	Central Government / State Government(s)	500	-	500	-	500	-	500	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	1,83,06,390	11,950	1,83,18,340	4.60	1,37,79,296	-	1,37,79,296	3.44	(1.16)
(f)	Foreign Institutional Investors	12,89,656	10,205	12,99,861	0.33	3,13,718	-	3,13,718	0.08	(0.25)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Foreign Portfolio Investors	2,67,32,707	-	2,67,32,707	6.71	3,38,02,347	-	3,38,02,347	8.43	1.72
(j)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	**7,31,32,689**	**36,665**	**7,31,69,354**	**18.37**	**7,90,83,500**	**2,530**	**7,90,86,030**	**19.72**	**1.35**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	1,21,34,725	98,130	1,22,32,855	3.07	1,17,84,535	11,555	1,17,96,090	2.94	(0.13)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	6,77,98,897	54,20,733	7,32,19,630	18.38	6,34,82,098	38,08,753	6,72,90,851	16.78	(1.60)
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	1,80,43,760	76,360	1,81,20,120	4.55	1,85,77,229	76,360	1,86,53,589	4.65	0.10
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	NBFC	69,800	-	69,800	0.02	85,521	-	85,521	0.02	-
	Clearing Members	3,71,588	-	3,71,588	0.09	4,66,787	-	4,66,787	0.12	0.02
	Directors	7,25,105	-	7,25,105	0.18	8,98,245	-	8,98,245	0.22	0.04
	Foreign Nationals	83,713	-	83,713	0.02	1,37,677	-	1,37,677	0.03	0.01
	IEPF	-	-	-	-	30,12,826	-	30,12,826	0.75	0.75
	Non Resident Indians	22,03,531	5,33,925	27,37,456	0.69	18,20,514	2,67,975	20,88,489	0.52	(0.17)
	NRI Non-Repatriation	4,78,166	-	4,78,166	0.12	7,54,805	-	7,54,805	0.19	0.07
	Overseas Corporate Bodies	200	-	200	-	-	-	-	-	-
	Trusts	5,505	500	6,005	-	48,810	500	49,310	0.01	0.01
	Sub-Total B(2) :	**10,19,14,990**	**61,29,648**	**10,80,44,638**	**27.13**	**10,10,69,047**	**41,65,143**	**10,52,34,190**	**26.24**	**(0.88)**
	Total B=B(1)+B(2) :	**17,50,47,679**	**61,66,313**	**18,12,13,992**	**45.50**	**18,01,52,547**	**41,67,673**	**18,43,20,220**	**45.97**	**0.47**
	Total (A+B) :	**39,20,23,680**	**61,66,313**	**39,81,89,993**	**99.98**	**39,67,48,148**	**41,67,673**	**40,09,15,821**	**99.98**	**-**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	85,550	-	85,550	0.02	74,700	-	74,700	0.02	-
	Grand Total (A+B+C) :	**39,21,09,230**	**61,66,313**	**39,82,75,543**	**100.00**	**39,68,22,848**	**41,67,673**	**40,09,90,521**	**100.00**	**-**

(ii) Shareholding of Promoters

		Shareholding at the beginning of the year April 1, 2017			No. of Shares Held at the end of the year March 31, 2018			
Sl. No.	Shareholder's Name	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	% change in shareholding during the year
1	Twin Star Overseas Ltd	20,94,02,750	52.58	0	20,94,02,750	52.22	37.20	(0.36)

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 FY18.

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

	Shareholding at the beginning of the Year as on April 1, 2017		Changes during the year			Cumulative Shareholding during the Year	
Name of the Share Holder	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	**1,75,62,653**	**4.41**				**1,75,62,653**	**4.41**
			02/06/2017	(2,94,043)	Transfer	1,72,68,610	4.33
			09/06/2017	(12,580)	Transfer	1,72,56,030	4.33
			16/06/2017	(2,06,945)	Transfer	1,70,49,085	4.28
			23/02/2018	(1,42,080)	Transfer	1,69,07,005	4.22
			02/03/2018	(6,06,213)	Transfer	1,63,00,792	4.07
			09/03/2018	(12,75,281)	Transfer	1,50,25,511	3.75
			16/03/2018	(11,92,395)	Transfer	1,38,33,116	3.45
			23/03/2018	(4,20,919)	Transfer	1,34,12,197	3.34
			30/03/2018	(1,58,000)	Transfer	1,32,54,197	3.31
			31/03/2018	**At the end of year**		**1,32,54,197**	**3.31**
DSP BLACKROCK EQUITY FUND	**1,16,54,841**	**2.93**				**1,16,54,841**	**2.93**
			15/09/2017	(5,38,510)	Transfer	1,11,16,331	2.78
			31/03/2018	**At the end of year**		**1,11,16,331**	**2.77**
MACQUARIE EMERGING MARKETS ASIAN TRADING PTE. LTD.	**70,71,013**	**1.78**				**70,71,013**	**1.78**
			21/04/2017	(8,35,014)	Transfer	62,35,999	1.56
			28/07/2017	(6,75,653)	Transfer	55,60,346	1.39
			29/09/2017	(3,38,446)	Transfer	52,21,900	1.30
			06/10/2017	(15,47,362)	Transfer	36,74,538	0.92
			13/10/2017	(7,47,000)	Transfer	29,27,538	0.73
			03/11/2017	(5,81,161)	Transfer	23,46,377	0.59
			10/11/2017	(12,36,296)	Transfer	11,10,081	0.28
			17/11/2017	(7,25,081)	Transfer	3,85,000	0.10
			24/11/2017	(3,85,000)	Transfer	-	0.00
			31/03/2018	**At the end of year**		**-**	**0.00**
RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE DIV	**61,86,136**	**1.55**				**61,86,136**	**1.55**
			05/05/2017	(3,65,000)	Transfer	58,21,136	1.46
			12/05/2017	(4,00,000)	Transfer	54,21,136	1.36
			28/07/2017	(50,000)	Transfer	53,71,136	1.34
			19/01/2018	(82,213)	Transfer	52,88,923	1.32
			26/01/2018	(1,88,923)	Transfer	51,00,000	1.27
			02/02/2018	(1,00,000)	Transfer	50,00,000	1.25
			23/03/2018	12,500	Transfer	50,12,500	1.25
			31/03/2018	**At the end of year**		**50,12,500**	**1.25**
L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA LARG	**56,25,600**	**1.41**	**31/03/2017**			**56,25,600**	**1.41**
			07/04/2017	69,000	Transfer	56,94,600	1.43
			14/04/2017	58,700	Transfer	57,53,300	1.44

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

	Shareholding at the beginning of the Year as on April 1, 2017		Changes during the year			Cumulative Shareholding during the Year	
Name of the Share Holder	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
			21/04/2017	7,16,800	Transfer	64,70,100	1.62
			05/05/2017	53,900	Transfer	65,24,000	1.64
			19/05/2017	1,74,400	Transfer	66,98,400	1.68
			26/05/2017	64,812	Transfer	67,63,212	1.70
			02/06/2017	2,09,700	Transfer	69,72,912	1.75
			16/06/2017	1,46,000	Transfer	71,18,912	1.79
			23/06/2017	79,600	Transfer	71,98,512	1.80
			30/06/2017	45,900	Transfer	72,44,412	1.82
			07/07/2017	82,700	Transfer	73,27,112	1.83
			14/07/2017	39,000	Transfer	73,66,112	1.84
			28/07/2017	1,69,270	Transfer	75,35,382	1.89
			04/08/2017	4,06,690	Transfer	79,42,072	1.99
			11/08/2017	35	Transfer	79,42,107	1.99
			18/08/2017	1,58,033	Transfer	81,00,140	2.03
			25/08/2017	1,62,288	Transfer	82,62,428	2.07
			29/09/2017	1,19,942	Transfer	83,82,370	2.09
			06/10/2017	2,35,700	Transfer	86,18,070	2.15
			27/10/2017	81,800	Transfer	86,99,870	2.17
			10/11/2017	39,730	Transfer	87,39,600	2.18
			01/12/2017	3,98,000	Transfer	91,37,600	2.28
			08/12/2017	1,20,149	Transfer	92,57,749	2.31
			15/12/2017	(5,00,000)	Transfer	87,57,749	2.19
			29/12/2017	(390)	Transfer	87,57,359	2.19
			05/01/2018	31,000	Transfer	87,88,359	2.19
			12/01/2018	31,300	Transfer	88,19,659	2.20
			12/01/2018	(2,92,928)	Transfer	85,26,731	2.13
			19/01/2018	(6,00,000)	Transfer	79,26,731	1.98
			09/02/2018	1,91,276	Transfer	81,18,007	2.03
			16/02/2018	1,01,321	Transfer	82,19,328	2.05
			23/02/2018	3,17,195	Transfer	85,36,523	2.13
			02/03/2018	1,00,000	Transfer	86,36,523	2.15
			09/03/2018	5,07,828	Transfer	91,44,351	2.28
			16/03/2018	53,500	Transfer	91,97,851	2.29
			23/03/2018	1,77,800	Transfer	93,75,651	2.34
			31/03/2018	**At the end of year**		**93,75,651**	**2.34**
AKASH BHANSHALI	**28,01,900**	**0.70**	**31/03/2017**			**28,01,900**	**0.70**
			29/09/2017	52,642	Transfer	28,54,542	0.71
			31/03/2018	**At the end of year**		**28,54,542**	**0.71**
DIMENSIONAL EMERGING MARKETS VALUE FUND	**27,10,854**	**0.68**				**27,10,854**	**0.68**
			02/06/2017	(20,179)	Transfer	26,90,675	0.68
			09/06/2017	(31,653)	Transfer	26,59,022	0.67
			16/06/2017	(35,933)	Transfer	26,23,089	0.66
			23/06/2017	(18,722)	Transfer	26,04,367	0.65
			30/06/2017	(25,551)	Transfer	25,78,816	0.65
			07/07/2017	(35,572)	Transfer	25,43,244	0.64
			14/07/2017	(37,843)	Transfer	25,05,401	0.63
			21/07/2017	(20,089)	Transfer	24,85,312	0.62
			04/08/2017	(22,748)	Transfer	24,62,564	0.62
			18/08/2017	(18,800)	Transfer	24,43,764	0.61
			25/08/2017	(71,360)	Transfer	23,72,404	0.59
			01/09/2017	(60,970)	Transfer	23,11,434	0.58
			08/09/2017	(61,977)	Transfer	22,49,457	0.56
			15/09/2017	(80,813)	Transfer	21,68,644	0.54
			22/09/2017	(84,161)	Transfer	20,84,483	0.52
			29/09/2017	(85,048)	Transfer	19,99,435	0.50

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

	Shareholding at the beginning of the Year as on April 1, 2017		Changes during the year			Cumulative Shareholding during the Year	
Name of the Share Holder	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
			06/10/2017	(1,01,178)	Transfer	18,98,257	0.47
			13/10/2017	(11,359)	Transfer	18,86,898	0.47
			27/10/2017	(94,470)	Transfer	17,92,428	0.45
			31/10/2017	(59,647)	Transfer	17,32,781	0.43
			03/11/2017	(50,246)	Transfer	16,82,535	0.42
			10/11/2017	(1,62,770)	Transfer	15,19,765	0.38
			17/11/2017	(1,22,321)	Transfer	13,97,444	0.35
			24/11/2017	(1,09,177)	Transfer	12,88,267	0.32
			01/12/2017	(58,913)	Transfer	12,29,354	0.31
			08/12/2017	(48,022)	Transfer	11,81,332	0.29
			15/12/2017	(24,783)	Transfer	11,56,549	0.29
			22/12/2017	(11,214)	Transfer	11,45,335	0.29
			29/12/2017	(55,162)	Transfer	10,90,173	0.27
			05/01/2018	(50,011)	Transfer	10,40,162	0.26
			12/01/2018	(76,764)	Transfer	9,63,398	0.24
			02/02/2018	(42,555)	Transfer	9,20,843	0.23
			09/02/2018	(1,05,622)	Transfer	8,15,221	0.20
			16/02/2018	(1,46,074)	Transfer	6,69,147	0.17
			23/02/2018	(2,03,189)	Transfer	4,65,958	0.12
			02/03/2018	(1,31,872)	Transfer	3,34,086	0.08
			30/03/2018	(7,849)	Transfer	3,26,237	0.08
			31/03/2018	**At the end of year**		**3,26,237**	**0.08**
SYDINVEST	**-**	**0.00**				**-**	**0.00**
			19/05/2017	7,91,589	Transfer	7,91,589	0.20
			26/05/2017	1,17,653	Transfer	9,09,242	0.23
			02/06/2017	1,47,856	Transfer	10,57,098	0.27
			16/06/2017	1,54,752	Transfer	12,11,850	0.30
			07/07/2017	1,86,387	Transfer	13,98,237	0.35
			14/07/2017	1,00,000	Transfer	14,98,237	0.37
			21/07/2017	4,60,000	Transfer	9,58,237	0.49
			28/07/2017	1,21,000	Transfer	20,79,237	0.52
			11/08/2017	40,628	Transfer	21,19,865	0.53
			25/08/2017	(1,68,667)	Transfer	19,51,198	0.49
			29/09/2017	7,20,088	Transfer	26,71,286	0.67
			20/10/2017	(2,22,042)	Transfer	24,49,244	0.61
			27/10/2017	5,822	Transfer	24,55,066	0.61
			15/12/2017	7,72,464	Transfer	32,27,530	0.81
			12/01/2018	(2,15,000)	Transfer	30,12,530	0.75
			19/01/2018	(3,89,368)	Transfer	26,23,162	0.65
			26/01/2018	(4,08,147)	Transfer	22,15,015	0.55
			02/02/2018	(5,412)	Transfer	22,09,603	0.55
			09/02/2018	2,35,080	Transfer	24,44,683	0.61
			23/02/2018	(1,19,679)	Transfer	23,25,004	0.58
			02/03/2018	2,43,541	Transfer	25,68,545	0.64
			16/03/2018	(65,653)	Transfer	25,02,892	0.62
			30/03/2018	(2,69,570)	Transfer	22,33,322	0.56
			31/03/2018	**At the end of year**		**22,33,322**	**0.56**

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

	Shareholding at the beginning of the Year as on April 1, 2017		Changes during the year			Cumulative Shareholding during the Year	
Name of the Share Holder	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
VALLABH BHANSHALI	**21,78,100**	**0.55**		**No change during the year**		**21,78,100**	**0.54**
BLACKROCK INDIA EQUITIES (MAURITIUS) LIMITED	**18,80,695**	**0.47**				**18,80,695**	**0.47**
			21/04/2017	2,87,694	Transfer	21,68,389	0.54
			26/05/2017	(48,017)	Transfer	21,20,372	0.53
			23/06/2017	(23,047)	Transfer	20,97,325	0.53
			30/06/2017	(73,300)	Transfer	20,24,025	0.51
			21/07/2017	(46,905)	Transfer	19,77,120	0.49
			28/07/2017	5,74,560	Transfer	25,51,680	0.64
			11/08/2017	(40,620)	Transfer	25,11,060	0.63
			18/08/2017	(40,980)	Transfer	24,70,080	0.62
			08/09/2017	(47,322)	Transfer	24,22,758	0.61
			17/11/2017	(38,077)	Transfer	23,84,681	0.60
			15/12/2017	(34,640)	Transfer	23,50,041	0.59
			29/12/2017	(45,455)	Transfer	23,04,586	0.58
			09/02/2018	(1,04,478)	Transfer	22,00,108	0.55
			31/03/2018	**At the end of year**		**22,00,108**	**0.55**
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	**13,25,000**	**0.33**				**13,25,000**	**0.33**
			07/04/2017	1,00,000	Transfer	14,25,000	0.36
			14/04/2017	2,20,000	Transfer	16,45,000	0.41
			28/04/2017	5,00,000	Transfer	21,45,000	0.54
			05/05/2017	4,30,000	Transfer	25,75,000	0.65
			26/05/2017	1,10,000	Transfer	26,85,000	0.67
			02/06/2017	64,000	Transfer	27,49,000	0.69
			30/06/2017	37,500	Transfer	27,86,500	0.70
			07/07/2017	53,900	Transfer	28,40,400	0.71
			14/07/2017	3,600	Transfer	28,44,000	0.71
			21/07/2017	(2,65,000)	Transfer	25,79,000	0.65
			28/07/2017	(8,00,000)	Transfer	17,79,000	0.45
			15/09/2017	60,000	Transfer	18,39,000	0.46
			22/09/2017	1,75,000	Transfer	20,14,000	0.50
			29/09/2017	(3,03,752)	Transfer	17,10,248	0.43
			06/10/2017	(1,96,248)	Transfer	15,14,000	0.38
			27/10/2017	25,000	Transfer	15,39,000	0.38
			03/11/2017	1,35,000	Transfer	16,74,000	0.42
			10/11/2017	99,020	Transfer	17,73,020	0.44
			17/11/2017	980	Transfer	17,74,000	0.44
			24/11/2017	2,35,000	Transfer	20,09,000	0.50
			24/11/2017	(20,000)	Transfer	19,89,000	0.50
			01/12/2017	70,000	Transfer	20,59,000	0.51
			22/12/2017	1,00,000	Transfer	21,59,000	0.54
			29/12/2017	71,000	Transfer	22,30,000	0.56
			12/01/2018	(2,45,000)	Transfer	19,85,000	0.50
			19/01/2018	(50,000)	Transfer	19,35,000	0.48
			26/01/2018	(35,000)	Transfer	19,00,000	0.47
			02/02/2018	(2,51,000)	Transfer	16,49,000	0.41
			09/02/2018	(50,000)	Transfer	15,99,000	0.40
			16/02/2018	(2,00,000)	Transfer	13,99,000	0.35
			02/03/2018	15,000	Transfer	14,14,000	0.35
			02/03/2018	(84,500)	Transfer	13,29,500	0.33
			09/03/2018	(79,500)	Transfer	12,50,000	0.31
			16/03/2018	2,00,000	Transfer	14,50,000	0.36
			23/03/2018	2,00,000	Transfer	16,50,000	0.41
			30/03/2018	42,200	Transfer	16,92,200	0.42
			31/03/2018	**At the end of year**		**16,92,200**	**0.42**

Note: The above information is based on the weekly beneficiary position received from depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the Year as on April 1, 2017		Changes during 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
1.	Anil Agarwal - Chairman	Nil	Nil	No change during the year			Nil	Nil
2.	Pravin Agarwal – Vice-Chairman	12,86,500	0.32	31.07.2017	46,500	Purchase	13,33,000	0.33
				05.02.2018	1,00,000	Sale	12,33,000	0.31
				07.02.2018	50,000	Sale	11,83,000	0.30
				12.02.2018	53,250	Sale	11,29,750	0.28
3.	Arun Todarwal - Independent Director	1,925	0.00	No change during the year			1,925	0.00
4.	A. R. Narayanaswamy - Independent Director	Nil	Nil	No change during the year			Nil	Nil
5.	C. V. Krishnan - Independent Director	Nil	Nil	No change during the year			Nil	Nil
6.	Sandip Das- Independent Director	Nil	Nil	11.12.2017	3,420	Purchase	3,420	0.00
7.	Avaantika Kakkar – Independent Director	Nil	Nil	No change during the year			Nil	Nil
8.	Pratik Agarwal – Non-Executive Director	4,30,140	0.11	24.10.2017	39,000	Sale	3,91,140	0.10
				30.10.2017	73,250	Sale	3,17,890	0.10
				31.10.2017	36,250	Sale	2,81,640	0.07
				14.12.2017	33,300	Sale	2,48,340	0.06
				22.01.2018	30,035	Sale	2,18,305	0.05
				22.01.2018	79,244	Sale	1,39,061	0.03
				23.01.2018	20,721	Sale	1,18,340	0.03
9.	Anand Agarwal (KMP) – CEO & Whole-time Director	7,23,180	0.18	29.06.2017	1,04,720	ESOP	8,27,900	0.21
				28.08.2017	65,000	ESOP	8,92,900	0.22
10.	Anupam Jindal (KMP) – Chief Financial Officer	73,700	0.02	13.06.2017	1,04,720	ESOP	1,78,420	0.04
11.	Amit Deshpande (KMP) – Company Secretary	20,706	0.00	29.06.2017	8,568	ESOP	29,274	0.01
				28.08.2017	5,000	ESOP	34,274	0.01

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	835.07	220.00	-	1,055.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.72	-	-	6.72
Total (i+ii+iii)	**841.79**	**220.00**	**-**	**1,061.79**
Change in Indebtedness during the financial year				
◐ Addition	850.00	880.00	-	1,730.00
◐ Reduction	571.84	1,050.00	-	1,621.84
Net Change	278.16	(170.00)	-	108.16
Indebtedness at the end 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**

VI. Remuneration of Directors and Key Managerial Personnel

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

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Pravin Agarwal	Dr. Anand Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1,164.18	669.79	1,833.96
	(b) Value of perquisites u/s 17(2) of Income-tax Act,1961	136.09	297.78	433.86
	(c) Profits in lieu of salary under section 17(3) of 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	20.74	10.58	31.32
	Provident Fund - Employer contribution	49.61	25.82	75.42
	Total (A)	**1,371.61**	**1,003.96**	**2,375.57**
	Ceiling as per the Act	₹ 3,845 lacs (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) of this Annexure.

B. Remuneration to other directors:

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of Director: Arun Todarwal	A. R. Narayanaswamy	C. V. Krishnan*	Avaantika Kakkar	Sandip Das**	Pratik Agarwal	Total Amount
1	Independent Directors							
	◐ Fee for attending Board/ Committee meetings	4.60	3.60	0.85	0.60	1.45	NA	11.10
	◐ Commission	12.50	12.50	12.50	12.50	-	NA	50.00
	◐ Others, please specify	-	-	-	-	-	-	-
	Total (1)	**17.10**	**16.10**	**13.35**	**13.10**	**1.45**	**NA**	**61.10**
2	Other Non-Executive Directors							
	◐ Fee for attending Board/ Committee meetings	-	-	-	-	-	1.00	1.00
	◐ Commission	-	-	-	-	-	-	-
	◐ Others, please specify	-	-	-	-	-	12.50	12.50
	Total (2)	**-**	**-**	**-**	**-**		**13.50**	**13.50**
	Total Managerial Remuneration (1+2)	**17.10**	**16.10**	**13.35**	**13.10**	**1.45**	**13.50**	**74.60**
	Overall Ceiling as per the Act	₹ 385 lacs (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 October 16, 2017

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

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

₹ in Lacs

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	669.79	176.61	46.54	892.94
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	297.78	94.39	23.97	416.14
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option #	#	#	#	
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify…				
5	Others, please specify				
	Superannuation (LIC)	-	-	-	-
	Gratuity	10.58	1.99	0.61	13.18
	Provident Fund - Employer contribution	25.82	4.77	1.44	32.03
	Total	**1,003.96**	**277.75**	**72.57**	**1,354.28**

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

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, 2018.

A. Conservation of Energy

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

a. Process lines replacements / upgrades resulting in 30% energy efficiency.

b. CPP roof replacement with natural lighting for saving energy cost.

c. Power factor improvement drive resulting in increment from 0.93 to 1.00 PF reflecting in benefit of ₹ 6 Cr per annum in energy bill saving.

d. Drive for conversion of fluorescent/halogen lights to LED lights resulting in saving of 1.46 Lakh units of Power per annum.

e. Furnace Oil consumption reduced 7 Tons per month by changeover reduction, condensate recovery and proper maintenance practices.

f. Installation of Reactors with Capacitors on PCC 1 & 2 to reduce harmonics loss. Harmonics are reduced from 52% to 12 %. This improves power quality and reduced power losses.

g. Installation of Advanced Capacitor Banks so as to improve the Power factor & hence reduce the KVA consumption.

h. Initiation of RCM (Reliability Centered Maintenance) of utility systems.

i. Commissioning of appropriate APFC panels as per the load distributions to improve PF to 1.

j. Installation of LED lights for street lighting and FG yards for saving energy.

k. Auto control to restrict the air loss.

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

m. Motion Sensor replications in shop floor Offices.

n. Replacement of 95% DC motors by AC motors for power saving.

o. Replacement of Extruder DC Motor by AC Motor in SHT-03& 05. Unit Saved – 1.8 Lacs Unit / Year.

p. Replacement of Extruder DC Motor by AC Motor in SHT-02,03 & 06. Unit Saved – 2.4 lacs Unit/Year.

q. Replacement of CFL Light by Energy efficient LED Light.

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

a. Utilisation of RO Waste water

b. Installation of solar system for outside yard lighting.

c. Installation of solar power system on roof top of plant building.

3. The capital investment on energy conservation equipments

a. HT & LT Capacitor Banks & Switchgears installations for power factor improvement.

b. Replacement of old LT Air Circuit breakers with low loss drive taken up for energy saving and reliability.

c. High Efficiency HVAC cooling coils & Cooling Towers replacements completed

d. Old AHUs replacements with energy efficient AHUs with direct drive initiated for higher capacity with less power consumption.

e. New high speed & advanced machines are procured for increased productivity with minimum scrap and which are capable of producing multi products with same energy consumption.

B. Technology Absorption

1. The efforts made towards technology absorption

a. Replacement of 6 row deep coils with improved 8 row deep coated cooling coils in AHUs for efficiency.

b. Adoption of Direct drive technology in place of belt driven drives for efficiency.

c. Electrical cabling, false flooring, air conditioning, CCTV surveillance upgraded with remote monitoring facility for UPS room & Switch gear room.

d. Power reliability upgraded with commissioning of 33 new Modular type UPS systems & Valve Regulated Battery banks, 13000 KVA.

e. Process Automation in $SiCl_4$ pant to enhance capacity from 330 to 408 Tons.

f. Tertiary water treatment technology adopted in effluent treatment designed jointly with IIT Mumbai.

g. Adoption of Electric Powered Boiler & MEE Unit for environment focused technology drive.

h. Adoption of laser engraving technology in glass manufacturing process for better tractability and quality control.

i. Installation of Air Wiper Valve for FG line to stop air flow when line is in stop mode to reduce the air consumption thereby reducing Energy consumption.

j. Automation in DG sets electrical system to reduce changeover time during power failures.

k. Initiation of automation in Environmental chambers to utilise with Coil coolers.

l. Motion sensors in shop floor offices to reduce energy losses.

m. Installation of Centralised Utility Monitoring system and data logging system.

n. Initiation of RFID enabled job card automation for Bobbin tracking systems for buffering.

o. New high speed & advanced machines are installed which are capable of producing multi products without increase in the energy consumptions with minimum scrap.

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

Keeping the customer centric approach Sterlite has developed two versions for ITU-T G.656 compliant DOF-LITE (METRO). DOF-LITE (METRO) fiber has chromatic dispersion coefficient greater than non-zero value throughout the wavelength range of anticipated use 1460-1625 nm. This fiber is designed to reduce the growth of non-linear effects which are particularly deleterious in dense wavelength division multiplexing systems. This fiber can be used for both CWDM (Coarse Wavelength Division Multiplexing) and DWDM (Dense Wavelength Division Multiplexing) systems throughout the wavelength region between 1460 and 1625 nm. Sterlite has also developed and offered Enhance DOF-LITE (METRO). Because of low cable cutoff ≤1260 nm and industry leading bending loss specification offering for NZDSF fibers; Enhanced DOF-LITE (METRO) provides full spectral optical performance. Low dispersion slope and full spectrum performance provides more DWDM channels, maximize transmission capacity over longer distance. Sterlite has also filed patent for DOF-LITE (METRO) products.

Further, the following new products (Optic Fiber Cables) were developed during FY 18:

MobiLite & MultiLite – "Future proof solution for fibre backhaul" – One-step deployment. Unique solution for underground deployment for fibre backhaul and FTTx. Future proof and green network, fast deployment, 2X network building.

Olympus Lite Cable – "Withstands extremely high temperatures and fire conditions" - Designed for maximum safety, reliability and durability for applications such as hazardous or heavy construction zones, including heavy traffic area, wind farm developments, pipelines, oil and gas fields, heavy industrial sites and other harsh environments. Mainly used for metro rail / railway networks.

Work Safe Lightweight Overhead Cable – "For aerial installations" - This fibre drop cable meets the breaking load requirement of 1350-1800N in the interests of safety for overhead applications, and is compatible for aerial installations of up to 70 meters.

Indicium Lite Cable – "For outdoor FTTH deployment" - Suitable for outdoor FTTH deployment in less densely populated areas. This solution helps in efficient deployment with zero fibre cuts.

Micro Bullet series -upto 288F – "For access / metro and FTTx networks" - Maximum fibres/duct – improved duct fibre fill and rights-of-way utilisation. Re-Engineered buffer tube material for optimum cable packing efficiency. For enhanced 192F Microcable, 9% reduction in cable size and 10% reduction in cable weight from conventional cable.

Qualifications "National Accreditation Board for Testing and Calibration Laboratories" - Sterlite OFC Quality Assurance Laboratory is the 1st in India to get accreditation by **NABL ISO/IEC 17025:2005**. This can generate growth in business due to enhanced customer confidence and satisfaction.

Dry Ribbon Cable Up to 864F – "For high-bandwidth apps" - Outstanding solution for high-growth, high-bandwidth communications applications like access, campus and data centres. Dry water blocking materials Inside tubes enable rapid, clean fibre splicing and storage inside the joint enclosures.

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 – 7.40

b. Recurring – 28.33

c. Total – 35.73

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: ₹ 956.54 crores

Foreign Exchange Actual Outflow: ₹ 508.36 crores

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 Sterlite Tech 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.

Sterlite Tech'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 Sterlite Tech to create holistic solutions that positively impact and contribute to the realization 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:** ₹ 181 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 – ₹ 3.63 crores

5) **Details of CSR spent during the financial year –**

a. Total amount to be spent for FY18: ₹ 3.63 crores

b. Amount unspent, if any – Nil

c. Amount Actually spent on CSR: ₹ 3.63 crores

d. Manner in which the amount spent during the financial year is detailed below -

₹ in Lacs

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or Activity Identified**	**Sector**	**Location**	**Amount outlay (budget), project or program wise**	**Amount spent on the projects**	**Cumulative expenditure upto the reporting period**	**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	120.00	172.78	302.70	Direct
	Jeewan Jyoti Ved Vidyalaya - Preservation of heritage language	Cultural Outreach	Pune	20.00	39.13	39.13	Direct
	Educational Scholarships and Donations	Community Support	Multiple locations	12.00	18.03	41.34	Direct

₹ in Lacs

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector	4 Location	5 Amount outlay (budget), project or program wise	6 Amount spent on the projects	7 Cumulative expenditure upto the reporting period	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	40.00	49.75	113.45	Direct
	Adaptive Learning Program (ALP)	Education	Chhattisgarh	141.00	8.51	8.51	Direct
3	Green Belt - To plan & develop layout, sustainable green zone development, etc.	Community Development	Aurangabad	5.00	5.47	5.47	Direct
4	Project Jaldoot - Village development through water sustainability initiatives and holistic development programs	Community Development	Aurangabad	15.00	13.66	17.75	Direct
5	Mobile Medical Unit - Enabling access to preventative and curative healthcare services across tribal communities in Diu, Daman, Dadra, Silvassa area	Health	Silvassa	18.00	24.81	47.19	Indirect
6	Lifeline Express - Enabling WiFi on a train that provides access to healthcare services in rural areas	Health	Multiple locations	5.00	3.86	14.13	Indirect
7	Social Enterprise Incubation - Educational and Healthcare interventions	Education, Health	Multiple locations	11.00	7.90	11.40	Indirect
8	Educational Scholarships and support	Education, Health	Ahmedabad	5.00	-	-	-
9	Educational Scholarships and support	Education, Health	Gurgaon	2.00	-	-	-
10	Educational Scholarships	Education, Health	Srinagar	5.00	1.23	1.23	Direct + Indirect
11	Administration and Management	Admin	Multiple locations	25.00	18.15	30.66	Direct + Indirect
	Total			**424.00**	**363.30**	**632.98**	

***Details of implementing agencies:** Sterlite Tech Foundation (Pune), Jnana Prabodhini (Pune), Tilak Maharashtra Vidyapeeth (Pune), Maharshi Ved Vyas Pratishthan (Pune), Apparel Training & Design Centre (ATDC, GoI), MCGM (Mumbai), Reniscience (Mumbai), UnLtd India (Mumbai), Vedanta Foundation (Mumbai), SSR Memorial Foundation (Mumbai), Impact India Foundation (Mumbai), Prayas Youth Foundation (Aurangabad), 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.

Place: Pune
Date: April 25, 2018

Anand Agarwal
CEO & Whole Time Director

Arun Todarwal
Chairman - CSR Committee

Corporate Governance Report

Philosophy of the Company on Code of Governance

Corporate Governance represents the value, ethical and moral framework based on 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.

Your Company won the prestigious '**Golden Peacock Award for Excellence in Corporate Governance**' for the year 2017. Golden Peacock Awards, instituted by the Institute of Directors, India are regarded as a benchmark of Corporate Excellence worldwide. This award, recognises your Company's rigorous efforts in establishing industry best practices in corporate governance, sustainability and management metrics. With your Company strongly expanding its footprint globally, it is backed by a strong foundation that enables success in diverse markets.

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 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 and the Companies Act, 2013 ('the Act'). 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 members.

Mr. Pravin Agarwal and Dr. Anand Agarwal, Whole-time Directors of the Company, are not appointed as Independent Director of any Listed Company. Mr. Anil Agarwal and Mr. Pravin Agarwal are brothers. Mr. Pratik Agarwal is the son of Mr. Pravin Agarwal.

Board Meetings

During FY18, four Board meetings were held on April 26, 2017, July 19, 2017, October 16, 2017 and January 17, 2018. 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, Directors' attendance in meetings, other Directorships and Committee memberships and their shareholding in the Company are as follows:

Name	Category	Board Meetings held in FY18	Board Meetings attended in FY18	Attendance at the Last AGM held on July 4, 2017	Directorships in other Companies[1]	Committee Memberships & [Chairpersonships] in other Companies[2]	Number of shares held in the Company as on March 31, 2018
Anil Agarwal, Chairman	Promoter Non-Executive	04	01	No	03	Nil	Nil
Arun Todarwal	Independent Non-Executive	04	04	Yes	11	08 [04]	1,925
A. R. Narayanaswamy	Independent Non-Executive	04	04	No	09	07 [03]	Nil
C V Krishnan[3]	Independent Non-Executive	03	01	No	01	Nil	Nil
Sandip Das[4]	Independent Non-Executive	02	02	NA	Nil	Nil	3,420
Avaantika Kakkar	Independent Non-Executive	04	01	No	08	07	Nil
Pravin Agarwal, Vice Chairman & Whole-time Director	Promoter, Executive	04	03	Yes	04	02	11,29,750
Anand Agarwal, CEO & Whole-time Director	Executive	04	04	Yes	06	Nil	8,92,900
Pratik Agarwal	Promoter Non-Executive	04	02	No	06	02	1,18,340

1. All public, private, foreign, Section 8 Companies are included. Directorship in Sterlite Technologies Limited has been excluded.
2. Membership / Chairpersonship only in Audit Committee and Stakeholders' Relationship Committee are included. Committee positions held in Sterlite Technologies Limited have been excluded.
3. Mr. C. V. Krishnan ceased to be a Director effective from October 16, 2017.
4. Mr. Sandip Das was appointed as an additional Director (Independent) effective from October 16, 2017.

Information provided to the Board

Information is provided to the Board members on a 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 the 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, the Chief Operating Officer (CEO) and the Chief Financial Officer (CFO) have interactions with all the 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 February 15, 2018 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 its 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 Directors. 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. The primary objective of the Audit Committee of the Board 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 the adequacy of internal audit function, the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
3. Recommending the appointment, terms of appointment and removal of statutory auditor and the fixation of audit fees, 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 adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage.
6. 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.
7. 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.
8. 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.
9. Reviewing with management, the periodical financial statements.
10. Reviewing with the management, external and internal auditors, the adequacy of internal financial control systems, frequency of internal audit, significant findings by internal auditors and follow up there on.
11. Discussing with external auditors, nature and scope of audit as well as having post-audit discussions.
12. Reviewing the Company's financial and risk management policies.
13. Reviewing Whistle Blower Mechanism (Vigil mechanism as per of the Companies Act, 2013).
14. Reviewing Management Discussion and Analysis Report, Management letters / letters of internal control weaknesses issued by the statutory auditors, if any; Internal audit reports relating to internal control weaknesses.
15. Approving any transactions or subsequent modifications of transactions with related parties.

16. Reviewing inter-corporate loans and investments.

17. Valuation of undertakings or assets of the Company, if necessary.

18. Reviewing financial statements and investments made by subsidiary companies.

19. 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.

20. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.

21. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

The Audit Committee is vested with the necessary powers to achieve its objectives. The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

Composition and Meetings
The Audit Committee comprises three Independent Directors and one Executive Director. Mr. Arun Todarwal, Chairman of the Committee (Independent Director) is a Chartered Accountant and has accounting and financial expertise. The other Committee members are also financially literate. The quorum of the Committee is two members or one-third of its members, whichever is higher with atleast 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 FY18 on April 26, 2017; July 19, 2017; October 16, 2017 and January 17, 2018 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Audit Committee and attendance at committee meetings is as follows:

Name	Category	Number of Meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	04
A. R. Narayanaswamy	Non-Executive & Independent	04
C. V. Krishnan*	Non-Executive & Independent	01
Pravin Agarwal	Vice Chairman & Whole-time Director	03
Sandip Das**	Non-Executive & Independent	01

*Mr. C. V. Krishnan ceased to be a Member effective October 16, 2017
**Mr. Sandip Das was appointed as a Member effective October 16, 2017

The meetings are usually attended by the Executive Directors, the CFO and representatives of Statutory Auditors and Internal Auditors. Business and Operation 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. Devising a policy on Board diversity;

4. 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;

5. Administration of Employee Stock Option Scheme(s);

6. Reviewing and recommending the remuneration of Whole-time Directors of the Company.

Composition and Meetings
The Committee comprises three Non-Executive Independent Directors. Mr. Arun Todarwal is the Chairman of the Committee. He was present at the last AGM. The Committee met four times during FY18 on April 26, 2017; July 19, 2017, October 16, 2017 and January 17, 2018. The Composition of and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	04
A. R. Narayanaswamy	Non-Executive & Independent	04
C. V. Krishnan*	Non-Executive & Independent	01
Sandip Das**	Non-Executive & Independent	01

*Mr. C. V. Krishnan ceased to be a Member effective October 16, 2017
**Mr. Sandip Das was appointed as a Member effective October 16, 2017

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances. The Committee met four times during FY18 on April 26, 2017, July 19, 2017, October 16, 2017 and January 17, 2018. 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. The Company Secretary functions as the Compliance Officer of the Company. The composition and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Avaantika Kakkar, Chairperson	Non-Executive & Independent	01
Arun Todarwal	Non-Executive & Independent	04
Pravin Agarwal	Vice Chairman & Whole-time Director	04
Sandip Das*	Non-Executive & Independent	01

*Mr. Sandip Das was inducted as a Member effective October 16, 2017

IV. Sustainability and Corporate Social Responsibility Committee

The Committee's primary role is to assist the Company in discharging its social responsibilities. It 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 impact and consideration.

The Committee met twice during FY18 on April 26, 2017 and January 17, 2018. Its Composition and attendance is as follows:

Name	Category	Number of Meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	02
A.R. Narayanaswamy	Non-Executive & Independent	02
Pravin Agarwal	Vice Chairman & Whole-time Director	02
Anand Agarwal	CEO & Whole-time Director	02

V. Other Committees

The Board has also constituted the following Committees, to assist in discharging its functions –

1. Banking and Authorization 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.

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 Board of Directors and CEO & Managing Director 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 for which 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 Companies Act, 2013 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 Companies Act, 2013 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 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 Companies Act, 2013 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 Companies Act, 2013, 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 Companies Act, 2013 and Listing Regulations, as amended from time to time.

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.

A sitting fee of ₹ 50,000/- for attendance at each meeting of the Board and ₹ 25,000/- for Audit Committee, and ₹ 10,000/- for meetings of other Committees was paid to its Members (excluding Executive Directors) in FY18. 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) for FY18 is as follows:

(₹ in lakhs)

Director	Salary / Perquisites[1]	Incentive/ Commission	Sitting Fee	Total
Anil Agarwal	-	-	-	-
Arun Todarwal	-	12.50	4.60	17.10
A. R. Narayanaswamy	-	12.50	3.60	16.10
C. V. Krishnan (upto Oct 16, 2017)	-	12.50	0.85	13.35
Avaantika Kakkar	-	12.50	0.60	13.10
Pravin Agarwal	1,151.61	220.00	-	1,371.61
Anand Agarwal[2]	783.96	220.00	-	1,003.96
Pratik Agarwal	-	12.50	1.00	13.50
Sandip Das (from Oct 16, 2017)[3]	-	-	1.45	1.45

1. As the liabilities for 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 1,69,720 options in FY18 against which equal number of shares were allotted to him. 81,000 options were granted to him in FY18, which are eligible for vesting over a period of five years.

3. The Company pays ₹ 3.33 lakhs per month to Mr. Sandip Das as consultancy fees for advisory services rendered by him in professional capacity and the same is not a part of his remuneration as Director.

General Body Meetings

Particulars of last three Annual General Meetings

Date	Venue	Time	Special Resolutions that were passed with requisite majority
August 4, 2015	Survey No. 68/1, Madhuban Dam Road, Rakholi – 396230, Union Territory of Dadra & Nagar Haveli, India	12.30 pm	• Re-appointment of Mr. Pravin Agarwal as a Whole-time Director • Re-appointment of Dr. Anand Agarwal as a Whole-time Director • Payment of remuneration to Non-Executive Directors of the Company • To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutions 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 • To adopt new Articles of Association of the Company containing regulations in conformity with the Act • Approve related party transactions
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

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.

NCLT Convened Meeting & Postal Ballot

A Meeting of the Shareholders of the Company was held on June 23, 2017 by the order of the Mumbai Bench of the National Company Law Tribunal (NCLT) at the Company's Registered Office, to approve Scheme of Arrangement between Speedon Network Limited and the Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013. As per the order of NCLT, the Company has also provided facility of Postal Ballot to shareholders for approval of the Scheme of Arrangement. Details of postal ballot are as follows:

Particulars	Details
Cut off Date	May 12, 2017
Voting Start Date & Time	May 23, 2017, 9.00 am
Voting End Date & Time	June 22, 2017, 5.00 pm
Number of Resolutions	1
Result Date/Date of Passing resolution	June 23, 2017
Type of resolution	**Special**

Person who conducted the Postal Ballot Exercise : CS Abhishek Jagdale, Practising Company Secretary

Details of Voting Pattern for E-voting & Postal Ballot

Particulars	Mode	No. of Votes Polled	Votes in favour	Votes against	Invalid
To approve Scheme of Arrangement between Speedon Network Limited and Sterlite Technologies Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.	E-Voting	27,76,58,441	27,71,47,993	3075	600
	Postal Ballot	1,53,283	1,17,678	750	34,855
	Ballot Papers at Meeting	3,01,990	3,01,990	NIL	NIL
	Total	**27,81,13,714**	**27,75,67,661**	**3825**	**35,455**
	%		**99.804**	**0.0014**	**0.013**

The resolution was passed with requisite majority

Procedure for Postal Ballot

Pursuant to Section 108 & 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, below is the detailed procedure of Postal ballot:

1. Matters to be passed through postal ballot are approved by the Board at their meeting and subsequently any of the Whole-time Directors or the Company Secretary of the Company are authorised to sign and issue the postal ballot notice, explanatory statement and postal ballot form. The Board also fixes the record date for reckoning voting rights and ascertaining those members to whom the notice and postal ballot forms shall be sent. Simultaneously, postal ballot notice is also placed on the website;

2. Scrutiniser is appointed to conduct the postal ballot voting process in a fair and transparent manner;

3. In terms of Section 108 of the Companies Act, 2013, the Company also offers e-voting facility to its eligible shareholders, which enables them to cast votes electronically;

4. An advertisement containing prescribed details are published in required newspapers informing about having dispatched the notice and the ballot papers;

5. The postal ballot form is accompanied by a postage prepaid reply envelope addressed to the scrutiniser and accordingly the duly completed postal ballot papers are received by the scrutinizer;

6. Based on the scrutinizer's report, the Chairman declares the result of the postal ballot on the date, time and venue as specified in the notice, with details of voting;

7. Subsequently, the results are intimated to the stock exchanges and displayed on the Company's notice board at its registered office and its corporate office as well.

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 FY18 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 from Directors and Senior Management personnel has been obtained for FY18.

Vigil Mechanism

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 address or toll free number. The Director - Management Assurance reviews the 'Complaint', and may investigate it himself or may assign another person to investigate, or assist in investigating the 'Complaint'. At least once in every six months and whenever deemed necessary, Director – Management Assurance submits a report to the Audit Committee and any other member of Company management that the Audit Committee directs to receive such report, that summarises each 'Complaint' made within the last 12 months. The Whistleblower Policy also contains mechanism of redressal available for Company's directors, employees, its subsidiaries and all external stakeholders, if they feel that they have been retaliated against due to disclosure of concern. 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. 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. The Company Secretary is responsible for implementation of the Code. Timely disclosures, as applicable, are made to the Stock Exchanges, of the transactions by employees, promoters or directors in excess of ₹ 10 Lakhs in a quarter.

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 FY18 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 FY18.

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, 2018 is in compliance with the requirements of Corporate Governance under Listing Regulations.

Means of Communication

a. Quarterly Financial Results are published in all-India Editions of The Economic Times and in the Aurangabad and Pune Editions 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 also displays official news releases and the presentations made to institutional investors or to analysts on the website.

d. **NSE Electronic Application Processing System (NEAPS)**: The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

e. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**: BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

f. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

General Shareholder Information

CIN	L31300MH2000PLC269261
Annual General Meeting	Tuesday, June 26, 2018 Time: 11.00 a.m. IST E 1, MIDC Industrial Area, Waluj, Aurangabad - 431136, Maharashtra, INDIA
Book Closure Dates	Saturday, June 23, 2018 to Tuesday, June 26, 2018 (both days inclusive)
Dividend Payment Date	Dividend, if declared in the AGM will be paid within the statutory time limits.

Financial Calendar for FY19 (Financial Year April 1 to March 31) (tentative)

First Quarter Results	End of July 2018
Half Yearly Results	End of October 2018
Third Quarter Results	End of January 2019
Fourth Quarter/Annual Results	End of April 2019

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, 2018 have been paid to BSE and NSE. The Stock Codes of the Exchanges are as under:

Exchange	Code	Address
BSE	532374	**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

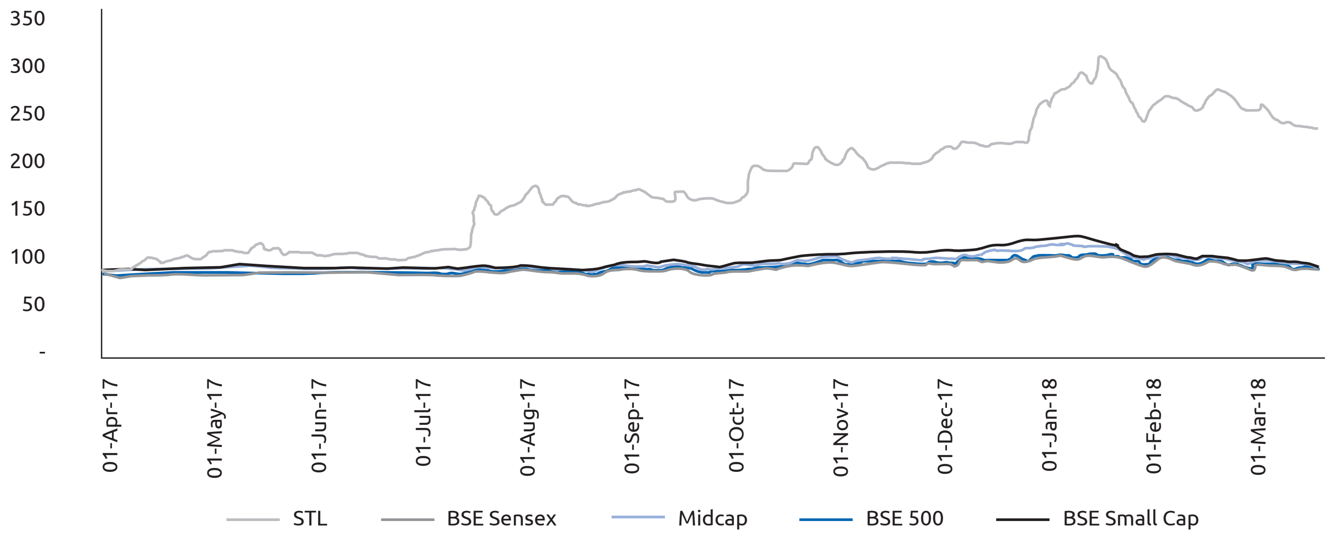
Stock Price data for the period April 1, 2017 to March 31, 2018 is as detailed below:

Month	BSE Monthly High (₹)	BSE Monthly Low (₹)	NSE Monthly High (₹)	NSE Monthly Low (₹)
Apr-17	156.40	126.10	156.45	126.40
May-17	170.00	148.50	170.60	148.40
Jun-17	160.05	145.00	160.25	144.00
Jul-17	245.00	146.15	247.90	146.10
Aug-17	249.90	194.75	249.90	193.30
Sep-17	245.00	212.55	244.95	212.65
Oct-17	286.95	220.00	287.70	220.25
Nov-17	307.00	261.10	307.00	261.00
Dec-17	309.00	264.80	309.30	253.30
Jan-18	414.50	289.00	415.00	289.10
Feb-18	379.00	290.00	379.10	292.25
Mar-18	366.90	308.50	367.00	307.00

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, 2018

Sr. no	Category	Cases	% of Cases	No. of shares	% of shareholding
1	1-5000	1,26,202	96.35	4,04,13,240	10.08
2	5001- 10000	2,544	1.94	92,78,032	2.31
3	10001- 20000	1,081	0.83	77,72,666	1.94
4	20001- 30000	342	0.26	42,83,619	1.07
5	30001- 40000	182	0.14	32,86,725	0.82
6	40001- 50000	111	0.08	25,51,704	0.64
7	50001- 100000	243	0.19	85,79,698	2.14
8	100001 & Above	284	0.22	32,48,24,837	81.01
	Total:	**1,30,989**	**100.00**	**40,09,90,521**	**100.00**

Equity holding pattern as on March 31, 2018

Category	Number of Shares	% of Equity
Promoter Group	21,65,95,601	54.02
Banks, Mutual Funds, Trusts, Govt & Insurance Companies, Indian Financial Institutions, etc.	4,49,69,965	11.22
FIIs, Foreign National, Foreign Portfolio Investors and NRIs	3,70,97,036	9.25
Bodies Corporates	1,18,81,611	2.96
Individuals (Public) & HUFs	8,68,42,685	21.66
Clearing Members	4,66,787	0.12
GDRs	74,700	0.02
Others (including IEPF)	30,62,136	0.75
Total	**40,09,90,521**	**100.00**

Dematerialisation of Shares and Liquidity

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2018, 39,68,22,848 shares representing 98.96% 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, 2018.

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, 2017	5,422	21,47,730
Shareholders approached for transfer/delivery during FY18	82	20,195
Shares transferred/ delivered during FY18	82	20,195
Shares transferred to IEPF	4,077	12,22,815
Balance as on March 31, 2018	1,263	9,04,720

The voting rights on the shares in the suspense account as on March 31, 2018 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 Computershare Private Limited, Hyderabad. The requests are generally processed within 10-15 days of receipt of documents, if documents are clear 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 Computershare Private Limited, Hyderabad 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 Computershare Private Limited at the following address:

Karvy Computershare 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
4th 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
Ground Floor, Axis House,
Wadia International Centre,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 025.
Contact No.: +91-22-62260084

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 Industrial Area, Waluj, Aurangabad – 431136, India - AL-23, A-1/7, Shendra Five Star Industrial Area, Aurangabad 431 201, Maharashtra, India
Fiber Optic Cables & OPGW Cables	Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli, India
Copper Telecom Cables & Structured Data Cables	Survey No. 33/1/1, Waghdara Road, Dadra – 396 191, Union Territory of Dadra & Nagar Haveli, India

Compliance Certificate of Practising Company Secretary

Certificate from Dr. K.R. Chandratre, Practising 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, the results are uploaded on the 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 2017-18.

4. **Separate Posts of Chairman and CEO**
   The Company has separate posts of Chairman and CEO.

5. **Reporting of Internal Auditors**
   The Internal Auditors 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, 2018 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 the Company's internal control systems 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**

Place : Pune	**Anand Agarwal**	**Anupam Jindal**
Date : April 25, 2018	CEO & Whole-time Director	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, 2018.

For **Sterlite Technologies Limited**

Place : Pune	**Anand Agarwal**
Date : April 25, 2018	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 2018.

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 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.

Dr. K R Chandratre

Place : Pune	Practising Company Secretary
Date : April 25, 2018	FCS No. 1370. Certificate of Practice No. 5144

Business Responsibility Report

Since inception, Sterlite Tech has aspired to create shared value and conduct business activities in an environmentally and socially responsible manner, while making a positive contribution to the economic growth of the nation. The principles of sustainable development and alignment to the Triple Bottom Line of sustainability have always been at the core of our business strategy and in the interactions with our stakeholders.

The Business Responsibility Report chronicles our actions in the area of sustainable development and creating enduring value for our stakeholders in FY 2017-18. This report is in alignment with the guidelines set forth by Securities and Exchange Board of India (SEBI), and presents the commitment of the organisation to the principles in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by the Ministry of Corporate Affairs, Government of India.

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.	**Email:**	:	communications@sterlite.com
6.	**Financial Year reported**	:	2017-18
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**		
	Product / Service		**NIC Code**
	Optical Fibre including cable and laying services		27310
	Copper telecom cables		27320
8.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	a. b. c.	Optical Fibre including cable & laying services Copper Telecom Cables Network for Spectrum

9. Total number of locations where business activity is undertaken by the Company:

a. **(a) Number of International Locations (Provide details of major 5)**

i. 2 locations

1. Optical Fibre – Jiangsu Sterlite Tongguang Fiber Co., Ltd, Jiangsu, China
2. Optical Fibre Cable – Sterlite Conduspar Industrial Ltd., Parana, Brazil

b. **(b) Number of National Locations**

i. 5 locations

1. Optical Fibre – E1, E2, E3, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India
2. Optical Fibre – AL-23, A-1/7, Shendra MIDC SEZ, Aurangabad, Maharashtra, India
3. Fibre Optic Cables & OPGW Cables - Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Union Territory of Dadra& Nagar Haveli, India
4. Copper Telecom Cables & Structured Data Cables - Survey No. 33/1/1, Waghdara Road, Dadra, Union Territory of Dadra & Nagar Haveli, India
5. Software - Block 6, Magnet Corporate Park, Nr. Sola Flyover, Thaltej, Ahmedabad - 380059, Gujarat, India

10. Markets served by the Company – Local/State/National/International

a. In India, Sterlite Tech's customers include not only leading telecom companies but also state governments. The Company is proud to have been commissioned by the Indian Army for setting up optical fibre infrastructure in the challenging, and often inaccessible, terrains of Jammu & Kashmir.

b. Sterlite Tech has presence in international markets across the globe including Europe, Middle East, Latin America and Asia. By strengthening its international presence in Brazil and China, the Company has gained access to newer regions and expanded its global footprint.

Section B : Financial Details of the Company

1.	**Paid up Capital (₹)**	80.20 crores
2.	**Total Turnover (₹)**	2,893.57 crores
3.	**Total profit after taxes (₹)**	254.68 crores
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) – 2% of the total expenditure has been spent, as required under Section 135 of the Companies Act, 2013.**	
5.	**List of activities in which expenditure in 4 above has been incurred:** a. Jeewan Jyoti Women Empowerment Institute – A programme for women empowerment in rural areas that aims to impart 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. Medical Mobile Unit (MMU) – A healthcare service programme that involves operating a mobile health van equipped with necessary healthcare facilities with doctors and nurses on board. The MMU has been instrumental in providing basic health care services in rural areas, creating health awareness, encouraging preventive care, addressing local health issues, etc. d. Project Jaldoot – The project is an initiative in targeting regions with water scarcity in the vicinity of Aurangabad by enhancing water harvesting capacity of existing storage structures, watershed development activities and educating villagers on good irrigation practices. e. Project Green Belt – It aims to alleviate the effects of climate change caused by industrialisation in Aurangabad. Project Green Belt 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%]**	
	Since Sterlite Tech offers end-to-end solutions to customers, it also educates them on best practices and sustainable approaches during the laying of optical fibre cables throughout the lifecycle of products. Hence, by partnering with the customers, the Company has been able to further extend the reach of the initiatives. Sterlite Tech is also extending the reach of sustainable development commitment to the supply chain and by collaborating with suppliers. Overall, 30% of Sterlite Tech's customers are part of the BR initiatives.	

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

No.	Particulars	Details
1	DIN Number (if applicable)	03040078
2	Name	Anupam Jindal
3	Designation	Chief Financial Officer
4	Telephone number	+91-20-30514000
5	email 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 being 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 company have specified committee of the Board/ Director/ Official to oversee implementation of policy?	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 this policy by an internal or external agency?	Y	Y	Y	N	N	Y	N	Y	Y

[1] Based on National Laws and Regulatory Frameworks
[2] https://www.sterlitetech.com/pdf/coc/Code-of-condact-24-page.pdf
[3] https://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 2 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 next 6 months									
5	It is planned to be done within the next 1 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 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors meet on a quarterly basis while the Sustainability Council, which is responsible for reviewing the BR performance, meets on a monthly basis.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report is published annually as part of the Annual Report. The first BRR was published in 2016-17.

Section E : Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

Uncompromising business ethics are an integral part of Sterlite Tech's values and it has always been the Company's vision to live up to the highest standards while upholding integrity in every business transaction. It is reflected across the Company's workplace management, marketplace responsibility, community engagement and business decisions that are conducted with complete transparency, accountability and compliance. The Company believes that ethical and economic values are interdependent and business communities must always strive to operate in compliance with the accepted global norms.

Sterlite Tech's commitment to conducting business and governance in a transparent and accountable manner is evident through a comprehensive set of policies such the Code of Conduct and Ethics, Whistleblower and the Supply Chain Management policies. Each of them is an extension of our values and principles and provides 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?**

   Sterlite Tech's Code of Conduct and Ethics policy applies to employees of Sterlite and its subsidiaries. The Whistleblower policy applies to all employees of Sterlite, its subsidiaries and all external stakeholders. All 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 have been 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

Sterlite Tech is one of the few fully-integrated optical fibre and cable manufacturers in the world. The unique proposition of offering integrated solutions to clients enables the Company to proactively address sustainability challenges across the value chain.

The Company's actions are not only governed by business goals, but also by how its operations, products and services impact sustainability. One of the many initiatives taken in this regard includes a comprehensive assessment of manufacturing activities to evaluate the waste reduction opportunities.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Sterlite Tech offers a comprehensive service 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 program management, project execution and network integration from infrastructure management to network applications.

   Smart City Solution – Sterlite Tech's Smart City Solution has been carefully designed keeping in mind sustainability risks with efforts to minimise environmental footprint and avoid any detrimental social impact. It not only enables speedy and targeted delivery of services, but also helps bring citizens closer to the government through smarter services, providing efficient ways to connect with government agencies, improving productivity, service quality and better governance, and thereby paving the way for economic development. Enhanced safety through round-the-clock surveillance is another key social benefit for citizens.

   The Company's product portfolio includes innovations aimed at reducing resource consumption while addressing the region-specific challenges for India. For e.g., OH-LITE Nova cable has a high-bend tolerance resulting in low losses, which is particularly important when new fibre infrastructure is being set up. Similarly, Sterlite Tech's next-gen micro cables have lesser diameter, allowing for more cables to be accommodated in ducts leading to resource conservation.

2. For each such product, provide the following details with respect to resource use (energy, water, raw material etc.) per unit of product (optional):

Reducing resource consumption is at the heart of Sterlite Tech's Manufacturing Excellence Strategy, and the Company has inculcated a culture where each employee is encouraged to identify opportunities for resource conservation. 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', the Company has set an ambitious goal of eliminating rework and waste leading to conservation of valuable resources.

This year, the Company rolled out an internal campaign called 'iDelete' as part of which employees were encouraged to pledge to remove redundant and waste-generating habits and processes.

Through collective efforts, the Company has been successful in sizably bringing down energy and water use at its manufacturing locations compared to the previous year. In addition, the Company continues to recycle and reuse treated effluent water to reduce dependence on fresh water.

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Sterlite Tech recognises the fact that environmental impact of business activities go beyond the physical boundaries of its operations. We have always been conscious of the environmental footprint of our activities from the lifecycle perspective and hence have evaluated opportunities for environmental protection across the value chain. Examples of such improvements include the new method introduced for sourcing ink, resin and jelly, which constitute a significant share of raw materials, at nearly all our manufacturing locations. Previously, these materials would be collected in small quantities, i.e., packaging of 1-10 litres, resulting in generation of considerable number of empty containers, which are hazardous in nature. Doing away with the practice, the Company now sources these materials in bulk quantities of up to 1000-litre containers. Those are now dispensed through mechanised systems, which further eliminates the source of wastage.

On the product distribution front, Sterlite Tech is now dispatching last-mile connectivity cables without spools, which has led to elimination of packaging material, thus reducing weight as well as packaging waste generation at the user's end. The reduction in weight has further eased the deployment of cables since they can now be physically carried to remote locations.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Sterlite Tech's products do not consume any energy or water during use. However, as is the 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. In order to mitigate this, we have introduced OH-LITE Nova cables, which significantly reduce the losses due to bends in cable. 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.

We have formulated our Supply Chain Management Policy with the objective of identifying and addressing various issues to achieve a sustainable supply chain. To make it even more robust, the Company has identified and developed promising vendors and supported them by involving them as partners for continual improvement. The vendor selection criteria takes into account the environmental and societal aspects, and the Company regularly monitors vendors to ensure that suppliers are also operating in accordance with the principles of sustainable development. In this regard, Sterlite Tech has included a clause of sustainability in the contract draft, which will be incorporated in all future contracts.

At Sterlite, all the functions work in close coordination to ensure that not only are the products world class and meets clients' expectations, they also strive for manufacturing excellence in production processes. We have a dedicated team responsible for manufacturing excellence.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Sterlite Tech recognises the importance of partnering with vendors in the vicinity of operations and sharing with them the benefits of economic value creation. It goes without saying that having a strong and mature vendor base closer to manufacturing facility accords obvious financial benefits while contributing to the economic development of the region. Hence, as part of the Company's responsible corporate citizenship commitment, all non-critical materials such as packaging, machine spares and job work are procured from local vendors. The Company collaborates with those vendors to improve their skills and ensures that they meet the stringent requirements of Sterlite Tech. This has led to a win-win partnership with the vendors.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As part of the Company's capacity building programs, we have developed and engaged local partners in Silvassa to produce and supply high quality FRP and wooden drums. At Waluj and Shendra, a partner audit program 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.**
   Sterlite Tech has a stringent process in place for recycling waste generated at its manufacturing plants. Further, we are also recycling our plastic spools, which are packaging items, and plans are afoot to expand this to other types of packaging as well.

Principle 3: Businesses should promote the wellbeing of all employees

Sterlite Tech's objective is to build a positive work environment where employees can excel professionally and lead an overall healthy lifestyle. The Company has always gained ground by enacting on progressive policies and actively engaging with employees on a regular basis to hear their feedback and help them grow. At Sterlite Tech, employee well-being has always been accorded top priority, and our human resource strategy is centered on this. The Company's commitments towards helping build a professionally rewarding career for employees include:

- Providing and maintaining absolute transparency and equality during all stages of recruitment and employment; discouraging discrimination on any ground.
- Promoting well-being of employees, including those with special needs, by helping them achieve work-life balance and providing necessary facilities.
- Assisting employees to move up the professional ladder, ensuring availability of continual training and skill-upgradation opportunities and promoting employee morale.
- Enabling a safe workplace that is free from all kinds of harassment and providing all required means to ensure access to grievance redressal mechanism.

1	**Please indicate the Total number of employees.**		2,026	
2	**Please indicate the Total number of employees hired on temporary/contractual/casual basis.**		2,339	
3	**Please indicate the Number of permanent women employees.**		332	
4	**Please indicate the Number of permanent employees with disabilities**		1	
5	**Do you have an employee association that is recognised by management.**		No	
6	**What percentage of your permanent employees is members of this recognised employee association?**		NA	
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	5	1
	3	Discriminatory employment	0	0
8	**What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?**			
	(a)	**Permanent Employees**	Safety Training - 100%	
			Skill upgradation –81%	
	(b)	**Permanent Women Employees**	Safety training 100%	
			Skill upgradation -82%	
	(c)	**Casual/Temporary/Contractual Employees**	Safety training - 100%	
			Skill upgradation - 51%	
	(d)	**Employees with Disabilities**	NA	

Here are a few initiatives aimed at ensuring employee wellbeing:

1. Regular health checkups are held for employees across locations.
2. To ensure work-life balance, a 5-day week working model has been implemented at all Sterlite locations.
3. The Company aims to address employees' grievances through the Samwaad dialoguing process in which both parties' views are heard and the issue is then deliberated upon.
4. The Eureka initiative was started to encourage creativity of employees and invite their participation by contributing ideas for improving the overall organisational performance.
5. Town Hall meetings are held regularly.

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?**
The business philosophy at Sterlite Tech has been to constructively engage with all the stakeholder groups while creating shared value. The Company has always adopted a proactive approach for reaching out to stakeholders for gauging their perception, needs and expectations. This understanding has helped design interventions, which align with business goals while bringing about a positive impact in the lives of people.

The Company identifies its stakeholders as a person or group who are affected by its business activities and/or have a potential or actual impact on the business through their presence in vicinity of its operations or through their perceptions and opinions.

Over the years, the Company has identified and prioritised stakeholders by understanding their influencing ability and interest level, allowing Sterlite Tech to map stakeholders effectively and offer various engagement strategies.

2. **Out of the above, has the Company identified disadvantaged, vulnerable & marginalised stakeholders?**
Sterlite Tech actively engages with the communities in the vicinity of its operations, and its objective has always been to identify and work towards the upliftment of those who are socially and financially disadvantaged.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
Sterlite Tech has been organising proactive interventions among the tribal communities near its manufacturing facility in Silvassa, aimed at bringing them to the mainstream. Realising the critical needs of the rural tribal population in Dadra & Nagar Haveli for primary health care services, Sterlite Tech initiated the Mobile Medical Unit project. The MMU Project is run in partnership with the Indian Red Cross Society. The project has been providing free health checkups to 24 villages and has served more than two lakh patients till date. The effort is reinforced through preventive awareness programs and monitoring the difficulties faced by the villagers.

The region of Marathwada, where Sterlite Tech's Aurangabad facility is located, has traditionally been drought prone due to scanty rainfall and unpredictable monsoons. Through Project 'Jaldoot,' Sterlite Tech volunteers worked in the 13 worst affected villages to enhance the storage capacity of existing structures and to educate farmers on water conservation, use of sustainable irrigation and cropping patterns.

Jeewan Jyoti Women Empowerment Institute by Sterlite Tech Foundation addresses issues like low literacy among women, social systems that undermine women, underdeveloped education, and improving social and economic infrastructure in and around Ambavane through the Institute's vocational courses, as well as focusing on personality and economic development.

The details of these initiatives are presented in the Annual Report on Corporate Social Responsibility as Annexure VI to the Director's Report.

Principle 5: Businesses should respect and promote human rights

Sterlite Tech's commitment towards protecting and upholding human rights has been guided by principles propagated by the United Nations' Universal Declaration on Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Company has enacted a policy on Human Rights, which draws from these principles and applies to Sterlite Tech and its subsidiaries. The Company's approach towards human rights protection is aligned to the fundamental commitment of conducting business in an ethical manner while ensuring that it adheres to the labour law in the regions it operates in.

Sterlite Tech also ensures 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 policy commitments have been effectively communicated to every employee at all Sterlite Tech facilities. These are also displayed prominently at key locations so that everyone has access to the information.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
Sterlite Tech's 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 the local communities. The policy applies to Sterlite Tech and its 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 in evidence with the commitment of top management through the Quality, Environment, Health and Safety (QEHS) policy, which has been implemented across all the facilities of Sterlite Tech.

The policy stresses on minimising pollution at sources and also conserving natural resources. The Company has fostered 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 environment while minimising the footprint of the Company's activities.

Project Green Belt is an initiative of Sterlite Tech to maintain environmental balance with 5,000+ tree plantation along the Waluj MIDC roads. Under this project, Sterlite Tech volunteers have planted Indian species of huge fruit-bearing and flowering trees to preserve the flora and fauna of the area. The plantation has been covered with drip irrigation and mulching to minimise water consumption. The area is now a green avenue with Arjun, Pipal, Mahogany, Kadamba, Indian Cherry, Mango, Ramphal and other huge shade-providing trees in the area. There is also a water pond and artificial shelter installed in the green belt area for birds.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**
   The QEHS policy is applicable to Sterlite Tech as well as our subsidiaries.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.**
   Yes. The Sterlite Tech Smart City solution is aimed at addressing environmental risks and mitigating them. The concept of connected cities not only helps in improved governance, it also affords capabilities for disaster management. Furthermore, by ensuring round the clock monitoring, Smart City network ensures early detection and warning about any natural calamity, allowing for quicker response. Additionally, we recognise challenges faced by communities residing in the water-stressed regions around Aurangabad and have been collaborating with villagers and government agencies through Project Jaldoot.

   Through this initiative, we are rejuvenating local water bodies and increasing water literacy among the people. This has helped spread awareness not only on water conservation, but also on sustainable use and harvesting, thus mitigating the adverse impact due to climate change and global warming. More details are hosted on the website: https://www.sterlitetech.com/b_business

3. **Does the Company identify and assess potential environmental risks?**
   Yes. A Sustainability Council, chaired by the Company's CEO, has been formed and meetings are held on a periodic basis to review and assess the environmental risks facing the organisation and to monitor the progress of various initiatives. While sustainability has always been deeply ingrained in our sense of purpose as an organisation, the establishment of the Sustainability Council is based on the need for continually evaluating the sustainability risks faced by the organisation in an evolving business environment.

   As a result of growing customer awareness, ever-stringent regulations and its expanding market base, the Company has put together processes to critically review business strategy, keeping in view the potential effects of environmental risks in all our operations.

4. **Does the Company have any project related to a 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 etc.**
   Sterlite Tech has established an Energy Management System in manufacturing plants which provides real time analysis of power consumption. This has enabled the Company to tap the potential of energy conservation and keep a lookout for 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.

   As a part of Project Jyoti, installation of transparent FRP sheets in plant shed has been completed leading to energy conservation. The motivation here has been to maximise the utilisation of natural sunlight and reducing the usage of electricity. The replacement of electrical lamps has led to considerable reduction in electricity consumption at Sterlite Tech's plants.

   The Company is also actively considering adopting solar PV for meeting non-process electricity consumption. It has already incorporated Rain Water Harvesting (RWH) provisions in facility expansions, which has recently been completed. Apart from this, for the existing manufacturing locations the Company is in the process of setting up infrastructure for collecting rain water, either by using it directly or recharging the groundwater table.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   As on end of Financial 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)
- 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, Sterlite Tech is actively advocating for greater good of the public. The business environment is undergoing a transformation with rapid technological shifts. In such a scenario, the Company has voiced its 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 a competitive environment.

   Recent times are witnessing a major push from the Government of India for upgrading cities across the country as Smart Cities. The idea of a Smart City envisages a connected urban environment for citizens that not only provides them quick and easy access to governance, but also uplifts their living to far more comfortable and secure level. To realise the Smart City vision, Sterlite Tech is closely working with concerned authorities to share global best practices and advocating ways for superior visualisation of a smart city.

Principle 8 : Businesses should support inclusive growth and equitable development

Sterlite Tech's commitment has always aimed at demonstrating the highest standards of corporate citizenship. As a result, the Company's approach has been to proactively evaluate social and environmental factors that can potentially influence business activities in the long term. To this end, we have defined a strategy to effectively engage with the impacted stakeholder groups.

The Company's 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.

Sterlite Tech consciously partners with communities in the vicinity of its manufacturing facilities, and those geographic regions which fall under the radius of its influence, with a clear goal – to give back to society in such a way that the needs of the weaker sections are judiciously addressed 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 details thereof:**

   The details of Sterlite Tech's 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. **Have you done any impact assessment of your initiative?**

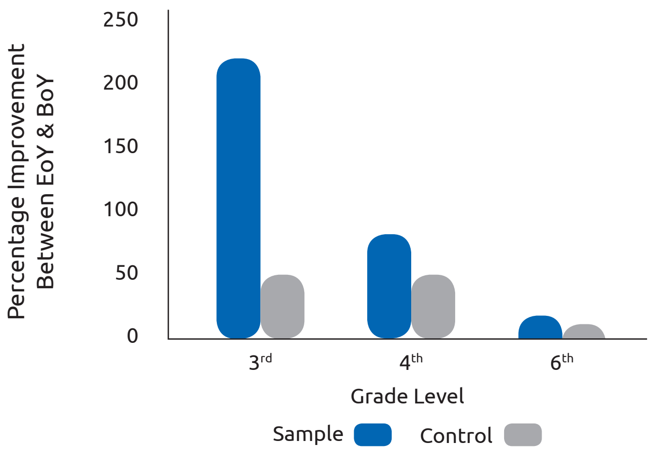
   For all projects, key performance indicators (KPIs) are selected at three levels on the basis of which a project is monitored either directly by the Company or in collaboration with the NGO we are working with or a third-party agency:

   - Activity indicators, which show if the Company is on track to deliver the activities in the project plan
   - Outcome indicators of how project activities are making a difference
   - Impact indicators on the short-to-medium term impact, resulting from project outcomes

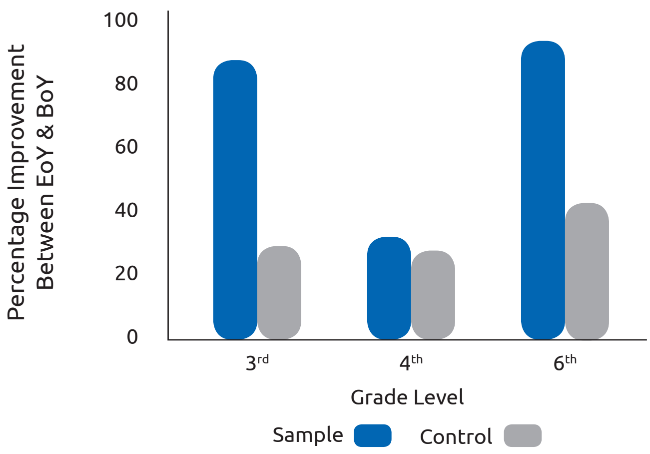
These KPIs are tracked on a monthly basis by the CSR team or the NGO partners. The CSR team is closely associated with the monitoring and evaluation process and uses tools like physical verification (site visits), group discussions at the CSR location and surprise visits. The CSR team is internally managing online CSR reporting platform to ensure projects are being delivered as per the plan by making data on KPIs, readily available for analysis and course correction.

- Virtual Classrooms project, which is part of the Sterlite School Tech programme, measures the impact of the intervention through assessments at the beginning and end of each year. Some of the qualitative and quantitative insights from 2017 include:
  - Third grade students in the sample group (with VC intervention) have shown 3X improvement in reading accuracy and 4.5X in reading fluency as compared to the control group (without VC intervention).
  - Sixth grade students have shown 2X improvement in reading accuracy as compared to the control group.
  - There has been greater development among students in lower grades and increased improvement in learning outcomes.
  - Students are geared for complex and higher order learning especially after 2 years of intervention.

Improvement in Reading Fluency (%)



Improvement in Reading Accuracy (%)



4. **What is your 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. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   Sterlite Tech conducts periodic reviews of all CSR projects to determine the effectiveness of the initiatives. An audit of the CSR projects is conducted by an independent third-party agency and the details are then reported in the Annual Report.

   The Company's ultimate objective with each of the CSR interventions is to deliver shared value for society. The 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 exceed our clients' expectations has always been our prime objective. This has been established through a robust QEHS policy, which aims at enhancing customer satisfaction through the proactive understanding of customers' changing requirements through global benchmarking. The policy also lays down the Company's commitment to continually improve quality parameters, reduce total cost of the product, maximise recycling, reduce waste, discharges and emission and prevent/minimise impact on population, thus creating more value for 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 the financial year 2017-18, 13 % complaints / cases are pending as on 31 March 2018.

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 of Sterlite Tech's 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 Sterlite 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?**
   The Company periodically reaches out to customers to understand their perceptions as well as concerns through customer satisfaction (CSAT) surveys, and it also monitors the trends of such surveys and makes necessary interventions.

Independent Auditors' Report

To the Members of Sterlite Technologies Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Sterlite Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

8. We draw your attention to Note 44 to the standalone Ind AS financial statements, which states that the Company in earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties but excluding interest) (₹ 188 crores as at March 31, 2017) in relation to an excise/customs matter. The Company's appeal against this order with the Honorable 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, 2018 (₹ 4.5 crores as on March 31, 2017) in respect of this matter based on its best estimate. Pending disposal of the matter by the Honorable Supreme Court, we are unable to comment on the adequacy of the provision made towards the amount of excise / customs duty payable.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements give the information required by 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, 2018, and its total comprehensive income (comprising of profit/ loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 46 to the standalone Ind AS 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 (that is 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 qualified in respect of this matter.

Other Matter

11. The Ind AS financial statements of the Company for the year ended March 31, 2017 were audited by another firm of Chartered Accountants, who vide their report dated April 26, 2017, expressed a modified opinion on those financial statements with respect to the matter described in the Basis for Qualified opinion paragraph above. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. 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 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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d. In our opinion, except for the indeterminate effect of the matter described in the basis for qualified opinion paragraphs, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. The outcome of the matter described in the Basis for qualified opinion paragraph above may have adverse effect on the functioning of the Company.

    f. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    g. The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.

    h. With respect to the adequacy of the internal financial controls with reference to 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 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 Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 22, 39 and 44;

        ii. The Company has made provision as at March 31, 2018, 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;

        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, 2018.

        iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: (FRN 012754N/N500016)
Chartered Accountants

Neeraj Sharma
Partner
Membership Number 108391
Place: Pune
Date: April 25, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(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, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Sterlite Technologies Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting as at March 31, 2018:

   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 8 of the main audit report.

   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 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, 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 financial statements of the Company for the year ended March 31, 2018, and the material weakness has affected our opinion on the financial statements of the Company and we have accordingly issued a modified report on the financial statements.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: (FRN 012754N/N500016)
Chartered Accountants

Neeraj Sharma
Partner
Membership Number 108391
Place: Pune
Date: April 25, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

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 has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. Further, the physically verification of cables installed/laid is impractical.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory, excluding stocks with third parties, 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 loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties 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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 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 with effect from July 1, 2017, sales-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, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944#	Excise Duty	188	2001-2003	Supreme Court
	Excise Duty	0.70	2002-2003	Bombay High Court
	Excise Duty	29.10	2001-2008	Bombay High Court
	Excise Duty	3.06	2001-2003	Commissioner (Appeals) - Mumbai
Customs Act, 1962#	Custom Duty	67.12	2001-2003	Bombay High Court
Finance Act, 1994	Service Tax	1.04	2003-2007	Bombay High Court
Income Tax Act, 1961	Income Tax	4.48*	AY 2013-14, AY 2015-16	Commissioner (Appeals) - Mumbai
	Income Tax	2.83	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.

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 40 to the standalone Ind AS 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 of initial public offer or further public offer (including debt instruments) and term loans have been applied, on an overall basis, for the purposes for which they were obtained.

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 financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. 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: (FRN 012754N/N500016)
Chartered Accountants

Neeraj Sharma
Partner
Membership Number 108391
Place: Pune
Date: April 25, 2018

Balance Sheet

as at March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

Particulars	Note	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Assets			
Non-current assets			
Property, plant & equipment	4	990.88	1,006.18
Capital work-in progress		225.84	17.99
Investment property	7	8.88	9.04
Goodwill	5,6	73.93	103.57
Other intangible assets	5	14.71	12.55
Financial assets			
Investments	8	120.98	120.34
Trade receivables	9	4.09	4.52
Loans	10	90.02	55.25
Other non-current financial assets	11	7.69	10.89
Other non-current assets	12	97.74	14.57
		1,634.76	**1,354.90**
Current assets			
Inventories	13	306.04	309.31
Financial assets			
Investments	14	155.00	35.01
Trade receivables	9	862.46	694.79
Cash and cash equivalents	15A	69.20	71.45
Other bank balances	15B	6.22	7.60
Other current financial assets	11	68.20	67.54
Other current assets	12	261.20	209.38
Asset classified as held for sale	16	20.77	-
		1,749.09	**1,395.08**
Total Assets		**3,383.85**	**2,749.98**
Equity and liabilities			
Equity			
Equity share capital	17	80.20	79.66
Other Equity	18	989.79	791.51
Total Equity		**1,069.99**	**871.17**
Non-current liabilities			
Financial liabilities			
Borrowings	19	616.22	404.57
Other financial liabilities	20	64.82	111.92
Employee benefit obligations	25	7.87	12.16
Provisions	22	24.96	22.90
Deferred tax liabilities (net)	24	30.21	3.73
		744.08	**555.28**
Current liabilities			
Financial liabilities			
Borrowings	19	462.74	588.72
Trade payables [Includes payables to MSME ₹ 15.11 crore (31 March 2017- ₹ 11.76 crore)]	21	633.50	432.12
Other financial liabilities	20	287.53	228.12
Other current liabilities	23	136.43	47.13
Employee benefit obligations	25	22.75	13.69
Provisions	22	26.83	13.75
		1,569.78	**1,323.53**
Total liabilities		**2,313.86**	**1,878.81**
Total Equity & Liabilities		**3,383.85**	**2,749.98**
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
Chartered Accountants

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 25, 2018

Place: Pune
Date: April 25, 2018

Statement of Profit and Loss
for the year ended March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

Particulars	Note	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Income			
Revenue from operations	26	2,893.57	2,400.65
Other income	27	22.19	10.90
Total income (I)		**2,915.76**	**2,411.55**
Expenses			
Cost of raw material and components consumed	29	1,131.10	1,006.09
Purchase of traded goods		32.99	40.68
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	16.68	(102.27)
Excise duty on sale of goods		28.46	144.80
Employee benefits expense	30	316.10	271.11
Other expense	31	765.21	619.08
Total Expense (II)		**2,290.54**	**1,979.49**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**625.22**	**432.06**
Depreciation and amortisation expense	32	170.14	145.17
Finance costs	33	102.68	116.99
Finance Income	28	(14.84)	(12.37)
Profit before tax		**367.24**	**182.27**
Tax expense:			
Current tax	34	113.68	54.77
Deferred tax		(1.12)	(28.43)
Total tax expenses		**112.56**	**26.34**
Profit for the year		**254.68**	**155.93**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods :			
Net movement on cash flow hedges		(49.01)	(0.83)
Income tax effect on the above		17.12	0.29
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(31.89)**	**(0.54)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
Re-measurement loss defined benefits plans		0.10	(0.74)
Income tax effect on the above		(0.04)	0.26
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		**(2.43)**	**(0.48)**
Other comprehensive income for the year, net of tax		**(34.32)**	**(1.02)**
Total comprehensive income for the year, net of tax		**220.36**	**154.91**
Earnings per equity share	36		
Basic			
Computed on the basis of profit for the year (₹)		6.38	3.93
Diluted			
Computed on the basis of profit for the year (₹)		6.28	3.87
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
Chartered Accountants

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 25, 2018

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 25, 2018

Statement of Changes in Equity

(All amounts in ₹ crores unless otherwise stated)

A. Equity Share Capital

	Note	No. in Crs.	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid			
At 1 April 2016		**39.52**	**79.04**
Changes in equity share capital	17	0.31	0.62
At 31 March 2017		**39.83**	**79.66**
Changes in equity share capital	17	0.27	0.54
At 31 March 2018		**40.10**	**80.20**

B. Other Equity

	Capital Reserve	Securities Premium	Employee stock option	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Total
As at 1 April 2016	**0.04**	**4.67**	**19.05**	**37.50**	**75.00**	**676.59**	**2.30**	**815.15**
Profit for the year	-	-	-	-	-	155.93	-	155.93
Other comprehensive income	-	-	-	-	-	(0.48)	(0.54)	(1.02)
Total comprehensive income	**0.04**	**4.67**	**19.05**	**37.50**	**75.00**	**832.04**	**1.76**	**970.06**
Exercise of ESOPs	-	11.37	-	-	-	-	-	11.37
Capital reserve created on account of fair valuation of investment in Active business of Speedon Network Limited in accordance with the scheme of amalgamation (refer note 51)	(19.10)	-	-	-	-	-	-	(19.10)
Addition on account of merger	-	-	-	-	-	(96.30)	-	(96.30)
Transferred to Securities premium account	-	-	(11.37)	-	-	-	-	(11.37)
Employees stock option expenses for the year (refer note 35)	-	-	11.30	-	-	-	-	11.30
Amount charged to group company for issuance of ESOP to its employees	-	-	0.76	-	-	-	-	0.76
Amount transferred from debenture redemption reserve	-	-	-	(37.50)	37.50	-	-	-
Amount transferred to debenture redemption reserve	-	-	-	37.50	-	(37.50)	-	-
Equity dividend including taxes thereon	-	-	-	-	-	(71.76)	-	(71.76)
Reclassified to statement of profit and loss	-	-	-	-	-	-	(3.45)	(3.45)
As at 31 March 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	-	-	-	-	-	(3.14)	(31.18)	(34.32)
Total comprehensive income	**(19.06)**	**16.04**	**19.74**	**37.50**	**112.50**	**878.02**	**(32.87)**	**1,011.87**
Exercise of ESOPs	-	11.89	-	-	-	-	-	11.89
Change in fair value of FVOCI equity instrument	-	-	-	-	-		-	-
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	-	-	-	-	-	(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**

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
Chartered Accountants

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 25, 2018

Place: Pune
Date: April 25, 2018

Statement of Cash Flows
for the year ended March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
A. Operating activities		
Profit before tax	**367.24**	**182.27**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	135.82	111.44
Amortization & impairment of intangible assets	34.18	33.58
Depreciation of investment properties	0.15	0.15
Provision for doubtful debts and advances	13.53	4.32
Provision for warranty	13.92	10.32
Bad debts / advances written off	10.54	0.29
Cash flow hedge movement	0.60	-
Loss on sale of plant and equipment, net	1.65	0.46
Employees stock option expenses	13.39	11.30
Finance costs	102.68	116.99
Finance income	(14.84)	(12.37)
Unrealized exchange difference	(2.31)	(15.61)
	309.31	**260.87**
Operating profit before working capital changes	**676.55**	**443.14**
Working capital adjustments:		
Increase/(decrease) in trade payables	198.67	89.04
Increase/(decrease) in short-term provisions	-	-
Increase/(decrease) in other current liabilities	89.33	23.26
Increase/(decrease) in other current financial liabilities	(52.31)	38.01
Increase/(decrease) in other non-current financial liabilities	28.91	(0.71)
Increase/(decrease) in non current employee benefit obligations	(4.29)	0.46
Increase/(decrease) in current employee benefit obligations	9.06	2.17
Decrease /(increase) in current trade receivable	(184.02)	46.49
Decrease /(increase) in non current trade receivable	0.43	(4.13)
Decrease /(increase) in inventories	3.27	(120.12)
Decrease /(increase) in long-term loans	(31.15)	(11.58)
Decrease/(increase) in other current financial assets	(0.55)	22.55
Decrease /(increase) in other non-current financial assets	3.20	(0.49)
Decrease /(increase) in other current assets	(51.82)	(61.61)
Decrease/(increase) in other non-current assets	2.15	3.12
Change in working capital	**10.88**	**26.46**
Cash generated from operations	**687.43**	**469.60**
Income tax paid (net of refunds)	(89.40)	(49.81)
Net cash flow from operating activities	**598.03**	**419.79**
B. Investing activities		
Purchase of property, plant and equipment	(290.19)	(189.71)
Purchase of intangible assets	(6.70)	(3.13)
Proceeds from sale of property, plant and equipment	1.82	0.71
Investment in subsidiaries	-	(34.81)
Purchase of non- current investments	(9.60)	(11.60)
Purchase of current investments	(357.49)	(35.01)
Proceeds of current investments	238.86	-
Investment in bank deposits (having original maturity of more than three months)	(0.51)	(0.90)
Redemption of bank deposits (having original maturity of more than three months)	4.72	3.94
Unclaimed Dividend	(2.83)	-
Redemption of margin money deposits	-	7.60
Advances given to subsidiaries / joint ventures	(21.17)	(11.15)
Repayment of advances from subsidiaries	-	7.42
Advances received from subsidiaries	-	0.44
Repayment of advances to subsidiaries	-	(0.35)
Interest received (finance income)	13.36	12.56
Net cash flow used in investing activities	**(429.73)**	**(253.99)**

Statement of Cash Flows
for the year ended March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
C. Financing activities		
Proceeds of long term borrowings	150.00	150.00
Repayment of long term borrowings	(63.63)	(336.83)
Proceeds/(repayment) of short term borrowings (net)	(126.01)	243.43
Proceeds of issue of shares against employee stock options	0.54	0.62
Interest paid	(95.38)	(108.58)
Dividend paid on equity shares	(29.97)	(58.78)
Tax on equity dividend paid	(6.10)	(12.13)
Net cash flow used in financing activities	**(170.55)**	**(122.27)**
Net increase/decrease in cash and cash equivalents	**(2.25)**	**43.53**
Cash and cash equivalents as at beginning of year	71.45	20.82
Cash and cash equivalents taken over on merger of the Speedon Network Limited	-	7.10
Cash and cash equivalents as at year end	**69.20**	**71.45**

Components of cash and cash equivalents:

Particulars	31 March 2018	31 March 2017
Balances with banks:	69.17	71.41
Cash in hand	0.03	0.04
Total cash and cash equivalents	**69.20**	**71.45**

Note: The previous year numbers have been reinstated to give effect of merger.

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
Chartered Accountants

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 25, 2018

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anupam Jindal
Chief Financial Officer

Place: Pune
Date: April 25, 2018

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Amit Deshpande
Company Secretary

Notes
to financial statements for the year ended March 31, 2018

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 Telecom products and solutions.

Telecom products and solutions mainly include integrated optical fiber, other telecom products such as fiber optical cables, copper telecom cables, structured data cables and access equipments, fiber connectivity and system integration solution offerings for telecom networks, Operations Support Systems /Business Support Service solutions, billing & bandwidth management solutions to organizations and other services of design, engineering, implementation and maintenance of Optical Fiber Cable (OFC) Network.

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 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 amendment to Ind AS 7 requires disclosure of changes in liabilities arising from financing activities.

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) Business combinations - Common Control Transaction
Business combinations involving entities that are controlled by the company are accounted by using the pooling of interests method as follows

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

b) Business Combination

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 company 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 Company 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 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.

c) 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 entity 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 a net basis within other gains/(losses).

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.

d) Revenue Recognition

Revenue is recognised to the extent and specific criteria have been met for each of the activities as described below that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties. Freight charged on sales and recovered is included as a part of revenue.

Rendering of services

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from Construction Contracts

Revenue from fixed price construction contracts is recognised based on the stage of completion of the individual contract using the percentage completion method, provided the outcome as well as expected total costs can be reliably estimated. Where the income from a contract cannot be estimated reliably, revenue is recognised to the extent of expenses incurred to the extent that it is probable that the expenses will be recovered. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses after giving effect to the most recent estimates of total cost.

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

Prepayments from customers are recognised as liabilities. A contract in progress for which the contract revenue earnings performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the contract revenue earned are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

Contracts from rendering of services directly related to construction contracts is recognised as part of construction contracts.

Revenue from telecom software and solutions

Revenue from the sale of software/licenses for telecom software applications is recognized on transfer of the title in the user license. In case of fixed price contracts involving sale of software/licenses and significant implementation services, the revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion method. The Company re-assesses the estimates of total contract revenue and cost on a periodic basis. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Revenue from supply of hardware and third party software/licenses incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Revenue from fixed-price maintenance contracts are recognized over the period in which the services are rendered. Revenue from client training, support and other services arising due to the sale of software products/services is recognized as the related services are performed.

Revenue in excess of billings is classified as unbilled revenue while billing in excess of revenue is classified as unearned revenue in the Balance Sheet.

e) Other Income

1. **Interest income**
   Interest income is accrued on 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.

f) 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 included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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.

g) 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 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, 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 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.

h) Property, plant and equipment

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

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

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

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Plant and Machinery	3 - 20 Years *	Continous 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 Company will obtain ownership at the end of the lease term.

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

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.

i) 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 depreciates building component of investment property using straight line method over 60 years from the date of original purchase.

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.

j) 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.

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.

k) Borrowing Costs

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

l) 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.

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 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 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. 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.

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 first-in first-out 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 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.

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 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 are 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
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold 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) Investment and Other Financial assets

i) Classification:

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

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

The classification depends on the 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.

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 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 11 and Ind AS 18.

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

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

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

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

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

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

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

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

- Financial assets measured as at amortised cost, contractual revenue receivables 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.

s) 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 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 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.

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

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

w) 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.

x) 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.

y) 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

z) Accounts receivable
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

aa) 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 for segment information presented.

bb) 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.

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

2.2 Recent accounting pronouncements
a) Ind AS 115- Revenue from Contract with Customers:
Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted.

The company is in the process of assessing the detailed impact of Ind AS 115. Presently, the company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

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 2018 and that comparatives will not be restated.

b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

- retrospectively for each period presented applying Ind AS 8;
- prospectively to items in scope of the appendix that are initially recognised
  - on or after the beginning of the reporting period in which the appendix is first applied (i.e. 1 April 2018 for entities with March year-end); or
  - from the beginning of a prior reporting period presented as comparative information (i.e. 1 April 2017 for entities with March year-end).

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Company expects this change to impact its accounting for long-term revenue contracts involving multiple advance payments in foreign currency.

c) Other pronouncements

Following accounting pronouncements are not expected to have significant impact on the company's financial statement.

- Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses which clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base
- Amendments to Ind AS 40 Investment property - Transfers of investment property which clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence.

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, 2017) 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 Construction Contracts
The Company is also engaged in business of construction of assets which are accounted using percentage of completion method, recognising revenue as the performance on the contract progresses. The percentage of completion method requires management to make significant estimates of the extent of progress towards completion. The significant estimates include costs to complete, contract risks, price variation claims, liquidated damages and other judgements including identifying multiple contracts which need to be combined and considered as a single contract. The company continuously reviews the estimates involved and adjust them as necessary. For the purpose of revenue recognition on fixed price projects based on percentage of completion method, the Company determines the stage of completion of the project as proportion of actual cost incurred to total estimated cost of the project. The Company estimates the total cost of the project at each period end (including the estimates of liquidated damages and other related judgements). These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience. These estimates are re-assessed at each reporting date. Refer Note 43 for details related to construction contracts.

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 making 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 other post-employment benefits and other post-employment benefits 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.

Note 4: Property, Plant & Equipment

(Amount ₹ in crores)

	Freehold land	Leasehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments*	Office equipments	Electrical fittings	Vehicles	Total
Cost										
At 1 April 2016	**63.99**	**27.57**	**163.66**	**1,178.11**	**13.65**	**35.83**	**9.41**	**33.25**	**7.40**	**1,532.87**
Addition on account of Merger of Passive infrastruture business of SNL (Refer note 51)	-	0.01	-	86.58	0.03	0.62	0.33	-	-	87.57
Additions	-	5.83	53.26	186.63	4.03	14.08	4.35	11.81	2.96	282.95
Borrowing cost (Refer note 33)	-	-	-	4.11	-	-	-	-	-	4.11
Disposals/Adjustments	-	-	(0.92)	(3.95)	(1.33)	(1.15)	(0.79)	(0.35)	(1.18)	(9.67)
At 31 March 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**
Depreciation,amortization & Impairment										
At 1 April 2016	**-**	**1.80**	**40.98**	**659.10**	**6.37**	**24.23**	**7.23**	**19.82**	**3.03**	**762.56**
Addition on account of Merger of Passive infrastruture business of SNL (Refer note 51)	-	0.01	-	31.59	0.02	0.48	0.21	-	-	32.31
Additions	-	0.26	9.43	83.65	2.17	4.44	1.42	2.55	1.45	105.37
Disposals/Adjustments	-	-	(0.85)	(3.80)	(0.85)	(1.10)	(0.74)	(0.33)	(0.92)	(8.59)
At 31 March 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/Impairment loss/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**
Net Book Value										
At 31 March 2018	67.74	31.84	165.76	666.89	6.54	20.32	4.24	21.15	6.40	990.88
At 31 March 2017	63.99	31.34	166.44	680.94	8.67	21.33	5.18	22.67	5.62	1,006.18

Movement in Capital work in progress	
Opening balance as at 31 March 2017	**17.99**
Additions during the year	316.20
Borrowing cost capitalised during the year (Refer Note 33)	2.67
Transfers during the year	(111.02)
Closing balance as at 31 March 2018	**225.84**

Buildings include those constructed on leasehold land:

	31 March 2018	31 March 2017
Gross Block	118.25	118.25
Depreciation for the year	4.25	5.28
Accumulated depreciation	35.54	31.29
Net Block	82.71	86.96

The lease term in respect of assets acquired under finance leases generally expires within three years.

* Data processing equipments include laptops taken on finance lease:

	31 March 2018	31 March 2017
Gross Block	3.28	3.28
Depreciation for the year	1.09	1.09
Accumulated depreciation	2.40	1.31
Net Block	0.88	1.97

Refer note 19 for information on property, plant and equipment pledged as security by the Company.

Note 5: Intangible Assets

(Amount ₹ in crores)

	Software/ licenses	Patents	Indefeasible Right of use	Customer acquisition	Goodwill	Total
Cost						
At 1 April 2016	**14.04**	**9.31**	**-**	**4.58**	**148.19**	**176.12**
Addition on account of Merger of Passive infrastructure business of SNL (Refer note 51)	3.53	-	1.00	1.05	-	5.58
Additions	2.93	-		-	-	2.93
At 31 March 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**
Amortization & Impairment						
At 1 April 2016	**6.60**	**9.31**	**-**	**1.33**	**14.98**	**32.22**
Addition on account of Merger of Passive infrastructure business of SNL (Refer note 51)	2.19	-	0.26	0.18	-	2.63
Additions	3.48	-	0.07	0.47	29.64	33.66
At 31st March 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 31st March 2018	**16.14**	**9.31**	**0.40**	**2.58**	**74.26**	**102.69**
Net Book Value						
At 31 March 2018	10.97	-	0.60	3.14	73.93	88.64
At 31 March 2017	8.23	-	0.67	3.65	103.57	116.12

Net Book Value	**31 March 2018**	**31 March 2017**
Goodwill	73.93	103.57
Other Intangible Assets	14.71	12.55

Note 6: Impairment Testing of Goodwill

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 Telecom software product cash generating units ('CGU') (acquired as a result of merger of ETPL with the Company) for impairment testing.

	31 March 2018 (₹ in crores)	**31 March 2017 (₹ in crores)**
Goodwill	73.93	103.57

The Company performed its annual impairment test for the year ended 31 March 2018 as of 28 February 2018. The recoverable amount of Telecom software product CGU as at 28 February 2018 is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The post-tax discount rate applied to the cash flow projections for impairment testing during the current year is 15.50%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 5% which is consistent with the industry forecasts for entites operating in similar line of business. As a result of the analysis, management did not identify impairment for this CGU.

Key assumptions used in the value in use calculations

The calculation of value in use for the CGU is most sensitive to the following assumptions:

EBITDA margins

EBITDA margins are based on the actual EBITDA of telecom software product division based on the past trend and future expectations. The EBITDA margins considered are from 7%-13% over the budget period on the anticipated order flows.

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 Company 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 Company's 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 rates used to estimate cash flows beyond the forecast period
The Company has considered growth rate of 5% to extrapolate cash flows beyond the forecast period which is consistent with the industry forecasts.

Sensitivity to changes in assumptions
The implications of the key assumptions for the recoverable amount are discussed below:

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 to 2% in the long-term growth rate would result in impairment.

Discount rates
A rise in post-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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Cost		
Opening gross block	10.03	10.03
Addition	-	-
Disposal	-	-
Closing gross block	**10.03**	**10.03**
Accumulated Depreciation		
Opening balance	0.99	0.84
Additions	0.16	0.15
Disposal	-	-
Closing balance	**1.15**	**0.99**
Net Block	**8.88**	**9.04**

Amounts recognised in profit and loss for investment property

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Rental income derived from investment properties	0.86	0.76
Direct operating expenses (including repairs and maintenance) from property generating rental income	(0.01)	(0.01)
Profit arising from investment properties before depreciation	**0.85**	**0.75**
Less: Depreciation	(0.15)	(0.15)
Profit arising from investment properties	**0.70**	**0.60**

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Fair Value	15.07	14.64

The Company's investment property consists of a commercial property in India.

As at 31 March 2018 and 31 March 2017 the fair values of the investment property are ₹ 15.07 crores and ₹ 14.64 crores respectively. These values are based on valuations performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities. Resulting fair value estimates for Investment properties are included in level 3.

The Company has 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.

Note 8: Investments

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current investments in equity instruments (fully paid up) (unquoted)		
Investment in Subsidiaries		
Equity component of debt instrument		
44,704,270 (31 March 2017: 29,704,270) 0.01% compulsory** convertible debentures of Speedon Network Limited	32.42	17.42#
Equity investments at cost		
12,381,447 (31 March 2017: 12,381,447)	67.14	67.14
Equity shares of Sterlite Global Ventures (Mauritius) Limited of USD 1 each fully paid up		
1,550,000 (31 March 2017: 1,550,000) Equity shares of Speedon Network Limited of ₹ 10 each fully paid-up	-	-
2,000 (31 March 2017: 2,000) Equity shares of Sterlite Europe Ventures Limited of Euro 1 each fully paid-up	0.10	0.10
5,000 (31 March 2017: 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
13,497,853 (31 March 2017: 13,497,853) Equity shares of Maharashtra Transmission Communication Infrastructure Limited of ₹ 10 each fully paid up (Refer Note 16)	-	20.77
7,606 (31 March 2017: 7,606) Equity shares of Elitecore Technologies (Mauritius) Limited of MUR 100 each fully paid up	0.14	0.14
1,000 (31 March 2017: Nil) Equity shares of Sterlite Tech Holding Inc. USA	0.00	0.00*
100 (31 March 2017: 100) Equity shares of Elitecore Technologies SDN, BHD##	-	-
Investment in Joint venture at fair value through P&L		
166 (31 March 2017: 166) Equity shares of Metis Eduventures Pvt Ltd$	2.00	2.00
Investments - Other at fair value through OCI		
10 (31 March 2017: 10) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	-	0.00*
Investment in debentures (unquoted)		
Investment in debentures- (Others, at fair value through OCI)		
1,599,990 (31 March 2017: 1,599,990) 0.001% Compulsorily	-	3.20
Convertible Debentures of Singularity Healthcare IT Systems Private		
Limited of ₹ 10 each fully paid up		
Investment in debentures- Joint Venture at fair value through P&L		
17,600,000 (31 March 2017: 8,000,000) 0.001% Compulsorily	17.60	8.00
Convertible Debentures of Metis Eduventures Pvt Ltd		
Total Investments	**120.98**	**120.34**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	120.98	120.34
Aggregate amount of impairment in the value of investments	-	-

* Amount is below the rounding off norm followed by the Company.

** During the year, the Company has invested by converting unsecured loan given to subsidiary into Unsecured Compulsorily Convertible Debentures ('CCDs') of ₹ 10 each at a price of ₹ 10 each for ₹ 15.00 Crore. (31 March 2017 ₹ 17.42 Crore)

The amount of investment as at 31 March 2017, is adjusted for the merger of passive infrastructure business as per the order issued by NCLT. Refer note 51 for details related to the adjustment on account of merger.

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.

Note 9: Trade Receivables

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Trade receivables	4.09	4.52
	4.09	**4.52**
Break-up for security details		
- Secured, considered good	-	-
- Unsecured, considered good	4.09	4.52
- Unsecured, considered doubtful	-	-
	4.09	**4.52**
Total Non-current trade receivables	**4.09**	**4.52**
Current		
Trade receivables	855.12	666.42
Receivables from related parties (Refer Note 50)	31.42	38.92
	886.54	**705.34**
Break-up for security details		
- Secured, considered good	-	-
- Unsecured, considered good	862.46	694.79
- Unsecured, considered doubtful	24.08	10.55
	886.54	**705.34**
Impairment Allowance (allowance for bad and doubtful debts)		
- Unsecured, considered doubtful	24.08	10.55
	24.08	**10.55**
Total Current trade receivables	**862.46**	**694.79**

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.

Note 10: Loans

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current (Unsecured, considered good)		
Loans to related parties	89.59	55.25
Loans to employees	0.43	-
Total non-current loans	**90.02**	**55.25**

Note 11: Other Financial Assets
(Unsecured, considered good)

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Security deposits	7.02	10.89
Others	0.67	-
Total other non-current financial assets	**7.69**	**10.89**
Current		
Security deposits	3.45	2.99
Derivative instruments		
Foreign exchange forward contracts	2.26	4.89
Currency/ Interest rate swaps	1.31	1.74
Interest accrued on investments/deposits	0.29	0.17
Others (Refer note below)	60.89	57.75
Total other current financial assets	**68.20**	**67.54**

Note: Includes expenses incurred on behalf of customer as part of construction contract, amounting to ₹ 49.83 crores (31 March 2017: ₹ 56.42 crores)

Note 12: Other Assets

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	68.03	2.63
Advance income tax, including TDS (net of provisions)	24.57	4.65
Prepaid expenses	5.14	1.34
Others	-	5.95
Total other non-current assets	**97.74**	**14.57**
Current		
Prepaid expenses	10.83	-
Balances with Government authorities	30.43	32.62
Other advances	50.81	71.63
Gross amount due from customers for construction contracts (refer note 43)	148.98	98.76
Unbilled revenue	20.15	6.37
Toal other current assets	**261.20**	**209.38**

Note 13: Inventories

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Raw materials	74.25	81.38
[Includes stock in transit ₹ 15.59 crores (31 March 2017: ₹ 15.05 crores]		
Work-in-progress	20.38	21.43
Construction work-in-progress	98.80	124.75
Finished goods	53.34	39.66
[Includes stock in transit ₹ 48.63 crores (31 March 2017: ₹ 11.61 crores)]		
Traded goods	4.68	8.04
Stores, spares, packing materials and others	54.59	34.05
Total	**306.04**	**309.31**

Note 14: Current Investments

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
In mutual funds (At fair value through profit or loss) (quoted)		
Nil (31 March 2017: 88,246) units of Reliance Liquid Fund- Treasury Plan- Direct Growth Plan - Growth Option	-	35.01
17,386 (31 March 2017: Nil) units of Reliance Liquid Fund- Cash Plan- Direct Growth Plan - Growth Option	50.00	-
222,499 (31 March 2017: Nil) units of SBI Magnum Insta Cash Fund- Treasury Plan- Direct Growth Plan- Growth Option	50.00	-
2,290,514 (31 March 2017: Nil) units of ICICI Prudential Money Market Fund- Treasury Plan- Direct Growth Plan - Growth Option	55.00	-
Aggregate amount of quoted investments [Market Value: ₹ 155.00 Crores]	**155.00**	**35.01**

Note 15A: Cash and Cash Equivalents

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Balances with banks:		
On current accounts	69.17	68.98
On unpaid dividend account	-	2.43
Cash in hand	0.03	0.04
	69.20	**71.45**

Note 15B: Other Bank Balances

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Deposits with original maturity of more than 12 months*	2.41	1.90
Deposits with original maturity of more than 3 months but less than 12 months**	0.98	5.70
On unpaid dividend account	2.83	-
Total other bank balances	**6.22**	**7.60**

* Includes ₹ 2.38 crore (31 March 2017: ₹ 0.77 crore) held as lien by banks against bank guarantees

** ₹ 0.98 crore (31 March 2017: ₹ 2.38 crore) held as lien by banks against bank guarantees.

Note 16: Asset Classified as held for Sale

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Investment in equity shares of Maharashtra Transmission Communication Infrastructure Limited	20.77	-
	20.77	**-**

Post demerger of the power business in the financial year ended March 2017, the Company was 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. Based on developments during the current year, the company anticipates completion of the sale by March 2019.

On reclassification, the investment in the subsidiary has been measured at lower of carrying amount and fair value less cost to sell. No right 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 (Refer note 49).

Note 17: Share Capital

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2017: 75.00) equity shares of ₹ 2 each	**150.00**	**150.00**
Issued, subscribed and fully paid-up shares (no. crores)		
40.10 (31 March 2017: 39.83) equity shares of ₹ 2 each fully paid - up.	80.20	79.66
Total issued, subscribed and fully paid-up share capital	**80.20**	**79.66**

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

	31 March 2018		31 March 2017	
	No. in crores	(₹ in crores)	No. in crores	(₹ in crores)
At the beginning of the year	39.83	79.66	39.52	79.04
Issued during the year against employee stock option	0.27	0.54	0.31	0.62
Outstanding at the end of the year	**40.10**	**80.20**	**39.83**	**79.66**

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 2017: 85,550) equity shares held by custodian bank against Global Depository Receipts ('GDRs') 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 2018		31 March 2017	
	No. in crores	% holding	No. in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	20.94	52.22%	20.94	52.58%
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 :

	31 March 2018	31 March 2017
	Nos in crores	Nos 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 2018		31 March 2017	
	No. in crores	% holding	No. in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.22%	20.94	52.58%

f. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 35.

Note 18: Other Equity

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Securities premium account		
Opening balance	16.04	4.67
Add: Additions on ESOPs exercised	11.89	11.37
Closing balance	**27.93**	**16.04**
Other reserves		
Capital reserve		
Opening balance	(19.06)	0.04
Add: Additions on account of merger (Refer note 51)	-	(19.10)
Closing balance	**(19.06)**	**(19.06)**
Employee stock option outstanding		
Opening balance	19.74	19.05
Add: Employees stock option expenses for the year (refer note 35)	13.39	11.30
Add: Amount charged to group company for issuance of ESOP to its employees	-	0.76
Less: Transferred to Securities premium account	(11.89)	(11.37)
Closing balance	**21.24**	**19.74**
Debenture redemption reserve		
Opening balance	37.50	37.50
Add: Amount transferred from surplus in the statement of profit and loss	37.50	37.50
Less: Amount transferred to general reserve	-	(37.50)
Closing balance	**75.00**	**37.50**
General reserve		
Opening balance	112.50	75.00
Add: Amount transferred from debenture redemption reserve	-	37.50
Closing balance	**112.50**	**112.50**
Cash flow hedge reserve		
Opening balance	(1.69)	2.30
Add: Cash flow hedge reserve created on currency forward contracts	(45.77)	2.18
Add: Cash flow hedge reserve created on swap contracts	(2.15)	(2.72)
Less: Deferred hedging gain/(losses) transferred to the carrying value of inventory value	(1.09)	-
Less: Amount to be reclassified to statement of profit and loss	1.69	(3.45)
Less: Income tax effect	16.74	-
Closing balance	**(32.27)**	**(1.69)**
Total other reserves	**157.41**	**148.99**
Retained earnings		
Opening balance	626.48	676.59
Add : Addition of account of merger of passive infrastructure business (Refer note 51)	-	(96.30)
Add: Net profit for the year	254.68	155.93
Add: Remeasurement of post employment benefit obligation, net of tax	0.06	(0.48)
Less: Change in fair value of FVOCI equity instrument	(3.20)	-
Less: Equity dividend and tax thereon (note 48)	(36.07)	(71.76)
Less: Transfer to debenture redemption reserve	(37.50)	(37.50)
Total retained earnings	**804.45**	**626.48**
Total other equity	**989.79**	**791.51**

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.

Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sales and purchases and interest rate risk associated with variable interest rate borrowings as described within 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 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.

Share options outstanding account

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 is available for payment of interest for the purpose of redemption of debentures as per provisions of the Companies Act, 2013

Capital Reserve

Capital reserve is created on account of merger of passive infrastructure business of wholly owned subsidiary. Refer note 51 for details related to the merger.

Note 19: Borrowings

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current borrowings		
Debentures (Secured)		
1,500 (31 March 2017 :1,500) 8.45% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
1,500 (31 March 2017 :Nil) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	-
Term loans		
Indian rupee loans from banks (secured)	101.14	163.36
Foreign currency loan from banks (secured)	164.31	164.06
Long term maturities of finance lease obligation (secured)	-	1.55
Deferred payment liabilities (unsecured)	135.03	-
	700.48	**478.97**
The above amount includes		
Secured borrowings	565.45	478.97
Unsecured borrowings	135.03	-
Total Non-current borrowings	**700.48**	**478.97**
Less: Current maturities of long term debt disclosed under the head "other current financial liabilities" (refer note 20)	84.26	74.40
Net Amount	**616.22**	**404.57**

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 And Nagar Haveli and Pune.

b) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures 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 ₹ 11.14 crores carries interest @ Base rate + 1.00 % p.a. Loan amount is repayable in quarterly equated first instalments of ₹ 6.25 crores (excluding interest) and 2nd installment of ₹ 4.89 crores.The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of the Company.

d) Indian rupee term loan from bank amounting to ₹ 90.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in nine quarterly equated instalments of ₹ 10.00 crores (excluding interest). 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 And Nagar Haveli

e) Foreign Currency term loan from banks amounting to ₹ 163.89 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated installments 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 and Nagar Haveli and Pune.

f) Foreign currency term loan from bank of ₹ 0.42 crores carries interest ranging from 6.20% to 6.65% p.a. Loan amount is repayable in one quarterly equated instalments of ₹ 0.42 crores (excluding interest) from the end of this financial period. The term loan is secured by first pari passu charge by way of hypothecation on certain present and future current assets and certain movable fixed assets of the Company and by way of mortgage on present and future immovable fixed assets of the Company.

g) Finance lease obligation is secured by hypothecation of laptops taken on lease. The interest rate implicit in the lease is 10% p.a. The gross investment in lease i.e. lease obligation and interest is payable in quarterly instalments of approximately ₹ 0.30 crore.

h) As per the contractual terms with creditors for property, plant and equipment 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 bps to 2% per annum.

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	-	20.38
Working capital demand loans from banks (secured)	-	30.00
Commercial paper from bank (unsecured)	50.00	175.00
Other loans from banks (secured)	345.52	318.34
Other loans from banks (unsecured)	67.22	45.00
	462.74	**588.72**
The above amount includes		
Secured borrowings	345.52	368.72
Unsecured borrowings	117.22	220.00
Net Amount	**462.74**	**588.72**

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 @ 7.80%.

(iii) Commercial Papers are unsecured and are generally taken for a period from 80 to 90 days and carry interest @ 6.50% - 7.00% p.a.

(iv) Other loans from banks 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. Buyer's credit is repaid / rolled over after a period of six months and carry interest @ 0.55% - 3.10% p.a. Export packing credit is taken for a period ranging from 90-180 days and carries interest @ 6.30% to 7.95% p.a.

Details of assets pledged as security

The company has pledged its all current assets,movable fixed assets and certain immovable assets located at aurangabaad and Dadra and Nagar Haveli as a security for the outstanding borrowings.

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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Cash and cash equivalents	69.20	71.45
Current investments	155.00	35.01
Current Borrowings	(462.74)	(588.72)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings and excluding deferred payment liabilties.)	(572.30)	(479.79)
Net Debt	**(810.84)**	**(962.05)**

Non-current borrowings

	(₹ in crores)
As on 31 March 2017	**479.79**
Cashflow	86.37
Interest expense	46.48
Interest paid	(40.40)
Forex adjustment	0.11
As on 31 March 2018	**572.35**

Current borrowings

	(₹ in crores)
As on 31 March 2017	**588.72**
Cashflow	(126.01)
Interest expense	54.98
Interest paid	(54.98)
Forex adjustment	0.03
As on 31 March 2018	**462.74**

Cash and cash equivalent

	(₹ in crores)
As on 31 March 2017	**71.45**
Cashflow	(2.25)
As on 31 March 2018	**69.20**

Current Investments

	(₹ in crores)
As on 31 March 2017	**35.01**
Cashflow	118.63
Realised gain on current investment	1.36
As on 31 March 2018	**155.00**

Note 20: Other Financial Liabilities

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Payables for purchase of property, plant and equipment	35.53	111.54
Security deposits	1.10	0.38
Derivative instruments		
Foreign exchange forward contracts	28.19	-
Total non-current financial liabilities	**64.82**	**111.92**
Current		
Derivative instruments		
Foreign exchange forward contracts	31.77	26.25
Currency / Interest Rate Swaps	12.04	10.33
	43.81	**36.58**

Note 20: Other Financial Liabilities (Contd.)

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Interest accrued but not due on borrowings	6.90	0.82
Interest accrued and due on borrowings	0.01	-
Current maturities of long-term borrowings and finance lease obligation (refer note 19)	84.26	74.40
Unclaimed dividend*	2.86	2.43
Deposits from customers	0.78	3.44
Deposits from vendors	0.46	0.78
Payables for purchase of property, plant and equipment	53.62	6.53
Employee benefits payable	23.56	13.94
Others	71.27	89.20
	243.72	**191.54**
Total current financial liabilities	**287.53**	**228.12**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 21: Trade Payables

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Total outstanding dues of micro enterprises & small enterprises (refer note 41)	**15.11**	**11.76**
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Trade payable to related parties (refer note 50)	33.40	19.17
Others	584.99	401.19
	618.39	**420.36**
Total Trade Payable	**633.50**	**432.12**

Note 22: Provisions

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Provision for warranty	24.96	22.90
Total non-current provision	**24.96**	**22.90**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	17.33	4.25
Total current provision	**26.83**	**13.75**

Provision for litigations / contingencies

The provision of ₹ 9.50 crores as at March 31, 2018 (31 March 2017: ₹ 9.50 Crores) is towards contingencies in respect of disputed claims against the Company as described in note 39, the timing of outflow and quantum 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 products and services forming part of construction contracts being undertaken by the Company to repair or replace the items that fail to perform satisfactorily during the warranty period and on telecom software and licences/services sold to customers. The timing of the outflow is expected to be within a period of three years from the date of completion of the projects and within six months from the date of sale of telecom software. Movement in provision for warranty is given below.

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
At the beginning of the year	27.15	15.47
Arising during the year	22.90	11.21
Unwinding of interest during the year	1.22	1.37
Utilized during the year	(8.98)	(0.90)
At the end of the year	**42.29**	**27.15**
Current portion	17.33	4.25
Non-current portion	24.96	22.90

Note 23: Other Current Liabilities

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current		
Unearned revenue	35.40	13.38
Indirect taxes payable	2.02	19.83
Withholding taxes (TDS) payable	5.90	4.25
Advance from customers	39.92	4.09
Others	53.19	5.58
Total other current liabilities	**136.43**	**47.13**

Note 24: Deferred Tax Liabilities (NET)

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Deferred tax liability		
Property,Plant &Equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	92.46	86.92
Fair valuation of Land on transition date	15.88	15.73
Others	2.58	4.12
Gross deferred tax liability	**110.92**	**106.77**
Deferred tax assets		
Provision for doubtful debts and advances but allowed for tax purposes on payment basis	8.41	3.65
Expenditure allowed for tax purposes on payment basis	9.12	8.85
Provision for inventory	3.63	4.95
Provision for litigations / contingencies	2.53	2.51
Provision for warranty	-	8.47
Net movement on cash flow hedges	16.74	0.29
Unused Tax Credit	18.90	30.06
Accumulated losses of passive infrastructure business merged in accordance with scheme of amalgamation	-	29.88
Fair Valuation of Plant & Machinery	7.39	9.15
Others	13.99	5.23
Gross deferred tax assets	**80.71**	**103.04**
Net deferred tax liability	**30.21**	**3.73**

Reconciliation of deferred tax liability

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Opening deferred tax liability, net	3.73	43.26
Deferred tax (credit) / charge recorded in statement of profit and loss	(1.12)	2.47
Deferred tax (credit) / charge recorded in OCI	(16.70)	(0.57)
Movement in Unused Tax Credit	44.30	(2.86)
Deferred tax on account of impact of merger	-	(39.03)
Others	-	0.46
Closing deferred tax liability, net	**30.21**	**3.73**

Reconciliation of tax expense

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Accounting profit before income tax	367.24	182.27
Tax at India's statutory income tax rate of 34.94% (31 March 2017: 34.61%)	128.31	63.08
Adjustments in respect of current income tax of previous years	(6.40)	-
Recognition of deferred tax assets on unused tax losses and other temporary differences on account of merger (Refer note 51)	-	(31.76)
Tax benefits under various sections of Income tax Act	(14.15)	(16.84)
Others	4.80	11.86
Income tax expense	**112.56**	**26.34**
Income tax expense reported in the statement of profit and loss	**112.56**	**26.34**

Note 25: Employee Benefit Obligations

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non Current		
Provision for gratuity	5.07	12.16
Provision for compensated absences	2.80	-
Total non-current employee benefits obligation	**7.87**	**12.16**
Current		
Provision for gratuity	13.96	4.12
Provision for compensated absences	8.79	9.57
Total current employee benefits obligation	**22.75**	**13.69**

i) Compensated Absences

The compensated absences cover the company's liability for sick and earned leave. The amount of the provision of ₹ 11.59 Crore (31 March 2017 ₹ 9.72 Crore). 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 Corportation 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. The gratuity plan for the employees of software division is unfunded.

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

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Defined benefit obligation at the beginning of the year	19.65	16.22
Current service cost	2.55	2.37
Interest cost	1.42	1.31
Actuarial (gain)/loss	0.04	0.60
Past service cost	0.27	-
Benefits paid	(1.13)	(0.85)
Defined benefit obligation, at the end of the year	**22.80**	**19.65**

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Fair value of plan assets at the beginning of the year	3.38	2.59
Expected return on plan assets	0.37	0.35
Contribution by employer	0.56	1.10
Benefits paid	(0.39)	(0.53)
Actuarial gain / (loss)	(0.15)	(0.14)
Fair value of plan assets at the end of the year	**3.77**	**3.37**

The company expects to contribute ₹ 4.16 crores (31 March 2017: ₹ 4.10 crores) to its gratuity plan in FY 2018-19.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2018 %	31 March 2017 %
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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Present value of defined benefit obligation	22.80	19.65
Fair value of plan assets	(3.77)	(3.37)
Benefit liability	**19.03**	**16.28**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Present value of funded obligations	17.25	14.59
Fair value of plan assets	(3.77)	(3.37)
Deficit of funded plan (A)	**13.48**	**11.22**
Unfunded plans (B)	**5.55**	**5.06**
Total net obligation (A+B)	**19.03**	**16.28**

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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current service cost	2.55	2.09
Interest cost on benefit obligation	1.42	1.26
Past service cost	0.27	-
Expected return on plan assets	(0.23)	(0.35)
Net benefit expense	**4.01**	**3.00**

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Actuarial Losses on Obligation For the Period	0.04	0.60
Return on Plan Assets, Excluding Interest Income	(0.14)	0.14
Net Expense For the Period Recognized in OCI	**(0.10)**	**0.74**

Amounts for the current and previous periods are as follows:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	31 March 2015 (₹ in crores)	31 March 2014 (₹ in crores)
Defined benefit obligation	22.80	19.65	16.22	11.87	6.59
Plan assets	3.77	3.37	2.59	2.08	1.41
Surplus / (deficit)	19.03	16.28	13.63	9.79	5.18
Experience adjustments on plan liabilities	(0.01)	(0.14)	1.90	0.41	0.65
Experience adjustments on plan assets	-	(0.15)	0.00*	(0.05)	(0.01)

* 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 2018	31 March 2017
Discount rate	7.80%	7.22%
Expected rate of return on plan asset	7.80%	7.22%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	8.00%	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. The overall expected rate of return on plan assets is determined based on the market expected return on the fund balance.

Sensitivity Analysis

Particulars	31 March 2018	31 March 2017
+1% Change in discount rate	(0.89)	(1.16)
-1% Change in discount rate	1.84	1.32
+1% Change in rate of salary increase	1.82	1.30
-1% Change in rate of salary increase	(0.90)	(1.17)
+1% Change in rate of employee turnover	0.31	(0.13)
-1% Change in rate of employee turnover	0.47	0.14

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.

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.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence company is encouraged to adopt asset-liability management.

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 8 years (2017 - 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:

The expected maturity analyses of undiscounted gratuity is as follows

	31 March 2018		31 March 2017	
Particulars	Funded	Non Funded	Funded	Non Funded
Projected Benefits Payable in Future Years From the Date of Reporting				
Less than 1 year	3.90	0.39	3.03	0.35
Betweeen 1 to 2 years	2.78	0.88	2.27	0.80
Betweeen 3 to 5 years	2.85	1.03	2.29	0.91
Over 5 years	20.64	9.33	6.87	2.98

Note 26: Revenue from Operations

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Sale of products		
- Finished goods	2,126.56	1,788.97
- Traded goods	19.02	49.33
Revenue from sale of products	**2,145.58**	**1,838.30**
Sale of services	63.57	60.57
Revenue from projects (Refer note 43)	493.22	340.71
Revenue from software products/licenses and implementation activities	123.20	119.47
Other operating revenue		
- Scrap sales	24.59	19.20
- Export incentives	43.41	22.40
Revenue from operation	**2,893.57**	**2,400.65**

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 and revenue for the period July 1, 2017 to March 31, 2018 is net of Goods and Services Tax ('GST'). However, revenue for the year ended March 31, 2017 is inclusive of excise duty of ₹ 144.80 crore.

Note 27: Other Income

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Management Fees	1.99	8.27
Rent Income	2.68	0.90
Miscellaneous Income	13.28	1.73
Exchange difference, (net)	4.24	-
Total other income	**22.19**	**10.90**

Note 28: Finance Income

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Interest income on		
Bank deposits	0.25	1.02
Current investments	1.36	0.19
Loans to related parties	3.34	3.37
Others	2.37	1.93
Interest subvention	7.52	5.86
Total finance income	**14.84**	**12.37**

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Inventory at the beginning of the year	81.38	72.95
Add : Purchases	1,123.97	1,014.52
Less : Inventory at the end of the year	(74.25)	(81.38)
Cost of raw material and components consumed	**1,131.10**	**1,006.09**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	8.04	3.25
work-in-progress	21.43	25.92
Construction work-in-progress	124.75	31.82
Finished goods	39.66	30.62
	193.88	**91.61**
Closing inventories		
Traded goods	4.68	8.04
Work-in-progress	20.38	21.43
Construction work-in-progress	98.80	124.75
Finished goods	53.34	39.66
	177.20	**193.88**
(Increase)/Decrease in inventories	**16.68**	**(102.27)**

Note 30: Employee Benefits Expense

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Salaries, wages and bonus	277.57	239.62
Contribution to provident fund	8.01	6.93
Gratuity expenses (refer note 25)	4.01	3.00
Employees stock option expenses (refer note 35)	13.39	11.30
Staff welfare expenses	13.12	10.26
Total Employee benefits expense	**316.10**	**271.11**

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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Contribution to Employees Provident Fund	8.01	6.93
Total	**8.01**	**6.93**

Note 31: Other Expenses

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Consumption of stores and spares	110.34	95.23
Consumption of packing materials	65.21	57.03
Increase/(decrease) of excise duty on inventory	(1.81)	(1.08)
Power, fuel and water	88.70	87.58
Labour Charges	34.03	28.92
Repairs and maintenance		
Building	3.90	3.50
Machinery	11.95	9.25
Others	17.15	18.09
Corporate Social Responsibility (CSR) expenses (refer note 45)	3.64	3.05
Sales commission (other than sole selling agent)	24.96	18.86
Sales promotion	21.09	12.85
Carriage outwards	45.92	38.12
Rent	21.47	24.78
Insurance	10.90	7.78
Legal and professional fees	49.39	43.05
Rates and taxes	3.10	4.48
Travelling and conveyance	47.80	41.51
Loss on sale of assets	1.65	0.46
Bad debts/ advances written off	10.54	0.29
Provision for doubtful debts and advances	13.53	4.32
Directors sitting fee and commission	0.75	0.62
Payment to auditor (refer note below)	0.61	1.23
Research and development expenses (refer note 42)		
Salaries, wages and bonus	16.07	8.25
Raw materials consumed	1.16	1.37
General expenses	11.10	5.65
Total Research and development expenses	**28.33**	**15.27**
Less Amount transferred to individual expense line item	(28.33)	(15.27)
Research and development expenses	-	-
Miscellaneous expenses	180.39	119.16
Total other expenses	**765.21**	**619.08**

Note 31: Other Expenses (Contd.)

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Payment to auditor		
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	0.52	0.79
Tax audit fee	0.02	0.08
In other capacity:		
Other services (including certification fees)	0.07	0.36
	0.61	**1.23**

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Depreciation of tangible assets	128.87	111.44
Depreciation of investment property	0.16	0.15
Amortisation of intangible assets	34.18	33.58
Provision/(reversal) for impairment of tangible assets	6.93	-
Total depreciation and amortisation expense	**170.14**	**145.17**

Note 33: Finance Cost

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	79.53	86.12
Bank charges	9.27	12.16
Exchange difference to the extent considered as an adjustment to borrowing costs	12.66	16.33
Fair value changes on interest rate swaps designated as cash flow hedges	-	1.02
Unwinding of discount on provision	1.22	1.36
Total finance cost	**102.68**	**116.99**

* During the year, the Company has capitalised borrowing costs of ₹ 2.67 crores (31 March 2017: ₹ 4.11 crores) incurred on the borrowings specifically availed for expansion of production facilities @ 10.10% p.a. The interest expense disclosed above is net of the interest amount capitalised.

Note 34: Tax Expenses

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current tax on profit for the year	120.08	51.55
Deferred tax	(1.12)	(28.43)
Adjustment for current tax of prior periods	(6.40)	3.22
Total tax expenses	**112.56**	**26.34**

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.

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 ₹ 13.39 crore (31 March 2017: ₹ 11.30 crores) to the statement of profit and loss in respect of options granted under ESOP schemes

a) Set Out Below is the summary of options granted under the plan.

Particulars	31 March 2018		31 March 2017	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	71,34,568	2	78,54,492
Granted During the year	2	17,12,500	2	35,79,647
Forfeited During the year	2	-	2	-
Exercised During the year	2	(27,14,978)	2	(30,87,147)
Expired During the year	2	(10,81,112)	2	(12,12,424)
Closing Balance		**50,50,978**		**71,34,568**
Vested and Exercisable		**2,54,827**		**8,22,452**

Average share price for the year ended March 31, 2018 is 244.84 (March 31, 2017: ₹ 98.48)

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 2018	Share options outstanding on 31 March 2017
July 13, 2016	July 13, 2022	2	4,37,584	8,43,164
December 29, 2011*	December 29, 2017	2	1,800	25,254
April 30, 2014	April 30, 2020	2	4,14,250	7,45,300
March 30, 2015	March 30, 2021	2	13,24,500	28,41,250
January 28, 2016	January 26, 2022	2	5,73,000	9,80,000
July 25, 2016	July 25, 2022	2	8,44,344	16,19,600
January 18, 2017	January 18, 2023	2	-	80,000
July 19, 2017	July 19, 2023	2	13,93,000	-
October 16, 2017	October 16, 2023	2	50,300	-
January 17, 2018	January 19, 2023	2	12,200	-
Total			**50,50,978**	**71,34,568**

*** Note:** 1800 shares with a grant date of 29 December 2011 have been exercised during the year. These options have not been alloted as at 31st March 2018 and therefore cosidered in outstanding balance of options as at year end.

Weighted Average remaining contractual life of the options outstanding at the end of the period	2.88	2.65

b) Fair Value of the options granted during the year

During the current year remuneration committee has approved three 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, 2017

The company has granted options under ESOP scheme based on following two criteria and related assumption

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 19 July 2018	Vest 2 19 July 2019	Vest 3 19 July 2020	Vest 4 19 July 2021	Vest 5 19 July 2022
Weighted Average Stock Price	172.30	172.30	172.30	172.30	172.30
Expected volatility	37.00%	44.80%	46.40%	47.90%	46.70%
Risk Free rate	6.20%	6.20%	6.40%	6.50%	6.60%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	1.50	2.50	3.50	4.50	5.00
Dividend Yield	2.20%	2.20%	2.20%	2.20%	2.20%
Outputs					
Option Fair value	166.6	163.2	159.7	156.4	153.2
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**162.87**

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	172.30
Expected volatility	37.00%
Risk Free rate	6.40%
Exercise Price (₹ per Option)	2.00
Dividend Yield	2.20%
Outputs	
Fair Value of the option	**92.90**

Date of Grant- October 16, 2017

Vesting Criteria- Continuous Employment with the company.
Fair Valuation Method- Black Scholes options Pricing Model

	Vest 1	**Vest 2**	**Vest 3**	**Vest 4**	**Vest 5**
Variables	**16 Oct 2018**	**16 Oct 2019**	**16 Oct 2020**	**16 Oct 2021**	**16 Oct 2022**
Weighted Average Stock Price	268.60	268.60	268.60	268.60	268.60
Expected volatility	42.75%	47.05%	49.19%	48.88%	47.62%
Risk Free rate	6.27%	6.34%	6.50%	6.64%	6.76%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity	1.50	2.50	3.50	4.50	5.00
Dividend Yield	1.90%	1.90%	1.90%	1.90%	1.90%
Outputs					
Option Fair value	266.01	265.62	265.23	264.83	264.43
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option					**265.58**

Date of Grant- January 17, 2018

Vesting Criteria- Continuous Employment for 5 years
Fair Valuation Method- Black Scholes options Pricing Model

	Vest 1	**Vest 2**	**Vest 3**	**Vest 4**	**Vest 5**
Variables	**17 Jan 2018**	**17 Jan 2019**	**17 Jan 2020**	**17 Jan 2021**	**17 Jan 2022**
Weighted Average Stock Price	377.59	377.59	377.59	377.59	377.59
Expected volatility	43.28%	45.97%	47.00%	48.24%	47.30%
Risk Free rate	6.54%	6.81%	7.03%	7.21%	7.36%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity	1.50	2.50	3.50	4.50	5.00
Dividend Yield	1.30%	1.30%	1.30%	1.30%	1.30%
Outputs					
Option Fair value	378.00	377.63	377.26	376.88	376.50
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option					**377.59**

Note 36: Earnings Per Share (EPS)

The following table shows the computation of basic and diluted EPS.

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Profit for the year	254.68	155.93
Weighted average number of equity shares in calculating basic EPS	39.89	39.69
Adjustments for calculation of diluted EPS:		
Employee stock option outstanding during the year	0.64	0.59
Weighted average number of equity shares in calculating diluted EPS	40.53	40.27
Earnings per share		
Basic	6.38	3.93
Diluted	6.28	3.87

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: 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 :

(₹ in crores)

Particulars	31 March 2018	31 March 2017
Lease payments recognised in the statement of profit and loss	21.47	24.78
The future minimum lease payments payable over the next one year	19.21	21.51
The future minimum lease payments payable later than one year but not later than five years	45.56	34.24
The future minimum lease payments payable later than five years	5.40	15.55

Company as lessor

The Company has given 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:

(₹ in crores)

Particulars	31 March 2018	31 March 2017
Lease income recognised in the statement of profit and loss for the year	2.68	0.90
The future minimum lease payments receivable over the next one year	1.98	1.94
The future minimum lease payments receivable later than one year but not later than five year	2.14	2.57

Finance lease

The company does not have any significant finance lease as at March 31, 2018.

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 ₹ 685.85 crores (31 March 2017: ₹ 79.09 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 :

(₹ in crores)

Year of Issue	Year upto Export obligation to be fulfilled	31 March 2018	31 March 2017
2016-17	2022-23	-	70.32
2017-18	2023-24	1011.75	-

In this respect, the Company has given bonds of ₹ 684.66 crores (31 March 2017: ₹ 209.37 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

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
1. Disputed liabilities		
a) Sales tax	0.43	0.43
b) Excise duty [Including excise duty case in Supreme Court, refer note 22 and note 44]	241.32	262.25
c) Customs duty	74.08	75.38
d) Service tax	0.63	0.63
e) Income tax	29.96	25.32
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
3. Corporate guarantees given on behalf of its subsidiaries for loans and hedging facilities taken from bank/financial institution (to the extent of loans and hedging facilities outstanding as at balance sheet date)	-	4.71

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. Accordingly, no provision for the contingent liability has been recognised in the financial statements. 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 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.

	31 March 2018		31 March 2017	
Name of Subsidiary	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Global Ventures (Mauritius) Limited	0.33	0.33	0.26	0.26
Speedon Network Limited	20.52	35.50	24.91	24.91
Maharashtra Transmission Communication Infrastructure Limited	3.98	3.98	1.65	1.65
Sterlite Technologies UK Ventures Limited	21.99	21.99	18.83	19.80
STH Inc USA	8.18	8.18	-	-
Elitecore Technologies SDN. BHD	0.40	0.40	-	-
Total	**55.40**		**45.65**	

Note 41: Details of dues to Micro and Small Enterprises as Defined under MSMED Act, 2006

Description	31 March 2018 (₹ in crores)	31 March 2017 (₹ 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	15.11	11.76
Interest due on above	0.10	0.08
(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.	0.10	0.08
(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	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.10 crore (31 March 2017: ₹ 0.08 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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Capital expenditure		
Plants and machinery - capitalized during the year	4.23	21.38
Plants and machinery - purchased during the year but pending for capitalization	2.92	-
Software - capitalized during the year	0.25	-
	7.40	**21.38**
Revenue expenditure		
Salaries, wages and bonus	16.07	8.25
Raw materials consumed	1.16	1.37
General expenses	11.10	5.65
Total	**28.33**	**15.27**

The company has three Research and Development Centres. Centre wise breakup of expenditure is as follows :

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Sterlite Centre of Research-Aurangabad		
Capital Expenditure	1.51	0.53
Revenue Expenditure	15.36	11.92
	16.87	**12.45**
Sterlite Tech Smart Network Centre-Gurgaon		
Capital Expenditure	2.72	20.85
Revenue Expenditure	4.47	3.35
	7.19	**24.20**
Sterlite Technologies - Ahmedabad		
Capital Expenditure	3.17	-
Revenue Expenditure	8.50	-
	11.67	**-**

Note 43: Disclosures Pursuant to Indian Accounting Standard (Ind As) 11 "Construction Contracts"

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Amount of contract revenue recognised during the year	493.22	340.71
The aggregate amount of costs incurred and recognised profits for all contracts in progress upto the reporting date	1,203.92	779.42
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	63.43
Gross amount due from customers for construction contracts	148.98	98.76

Note 44: Excise/Customs Matter Pending With Hon. 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 2017: ₹ 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 2017: ₹ 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 Company has spent an amount of ₹ 3.64 crores (31 March 2017: ₹ 3.05 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of skill development, education and health. The amount of ₹ 3.64 crores (31 March 2017: ₹ 2.71 crore) was spent by way of contribution to Sterlite Tech Foundation, in which directors/senior executives of the Company and their relatives are trustees.

Details of CSR expenditure:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
A. Gross amount required to be spent by the Company	3.64	3.05
B. Amount spent during the year on	3.64	3.05
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	3.64	3.05

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 ₹ 29.64 crore 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 derive 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 include 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 2018 and 31 March 2017.

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 2018 and 31 March 2017.

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 2018, after taking into account the effect of interest rate swaps, approximately 90% of the Company's borrowings are at a fixed rate of interest (31 March 2017: 80%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Variable rate borrowings	359.39	387.13
Fixed rate borrowings	803.83	680.56
Total borrowings	**1,163.22**	**1,067.69**

As at the end of the year, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 March 2018		31 March 2017	
	Balance	% of total loans	Balance	% of total loans
Variable rate borrowings	359.39	31%	387.13	36%
Interest rate swaps (notional principal amount)	163.00		166.00	
Net exposure to cash flow interest rate risk	196.39		221.13	

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
March 31, 2018		
Base Rate	+50	1.80
Base Rate	-50	(1.80)
March 31, 2017		
Base Rate	+50	1.94
Base Rate	-50	(1.94)

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 Chinese renminbi (RMB). 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 the foreign currency risk.

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.

The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. During the year ended 31 March 2018 and 2017, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

Out of total foreign currency exposure the Company has hedged the significant exposure as at March 31, 2018 and as at March 31, 2017.

The Company exposure to foreign currency risk at the end of the year expressed in INR are as follows

March 31, 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	-

March 31, 2018

(₹ in crores)

Financial Liabilities	**USD**	**EUR**	**GBP**	**AUD**	**AED**
Foreign currency					-
Bank Loan (including deferred payment liabilities)	297.63	-	-	-	-
Trade Payables	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	-	-	-

March 31, 2017

(₹ in crores)

Financial Assets	**USD**	**EUR**	**GBP**	**AUD**	**AED**
Trade receivable	63.71	44.08	23.50	-	0.67
Bank Balances	2.59	1.38	4.04	-	-
Derivative Assets					
Foreign exchange forward contracts - Sell foreign currency	63.54	44.08	23.50	-	0.35
Net Exposure to foreign currency risk (Assets)	2.76	1.38	4.04	-	0.32

March 31, 2017

(₹ in crores)

Financial Liabilities	**USD**	**EUR**	**GBP**	**AUD**	**AED**
Foreign currency					
Bank Loan	164.31	-	-	-	-
Trade Payables (including payable for purchase of property, plant and equipment)	410.69	69.12	36.71	0.02	0.13
Derivative Liabilities					
Foreign exchange forward contracts - Buy foreign currency	410.69	69.12	36.71	-	-
Principal Swap	162.10	-	-	-	-
Net Exposure to foreign currency risk (Liabilities)	2.21	-	-	0.02	0.13

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
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
March 31, 2017	+5%	0.05/(2.99)	+5%	0.08/(1.30)	+5%	(0.00*)/0.38
	-5%	(0.05)/2.99	-5%	(0.08)/1.30	-5%	0.00*/(0.38)

* Amount is below the rounding off norm followed by the Company.

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's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

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 reviews and approves all equity investment decisions.
At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 19.60 crores (31 March 2017: ₹ 13.20 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

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 period, the company made write-offs of ₹ 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 construction 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 project 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.

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 countparty'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 2018 and 31 March 2017 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	> 5 years	Total
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 equipment's	-	15.83	37.79	35.53	-	89.15
Derivatives	-	10.67	33.14	28.19	-	72.00
	3.01	**824.31**	**556.45**	**681.04**	**-**	**2,064.81**
As at March 31, 2017						
Borrowings	50.38	309.73	303.01	396.47	8.10	1,067.69
Other financial liabilities	2.43	87.65	20.53	0.38	-	110.99
Trade payables	174.64	94.41	163.07	-	-	432.12
Payables for purchase of Property, plant and equipment's	-	2.63	3.90	111.54	-	118.07
Derivatives	10.33	7.60	18.64	-	-	36.57
	237.78	**502.02**	**509.15**	**508.39**	**8.10**	**1,765.44**

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. As per the risk management policy, management hedges the highly probable forecast sales and purchase transactions and hedge accounting is followed till such transaction are recognised in books of accounts.

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 March 31, 2018 and March 31, 2017

The cash flow hedges for such derivative contracts as at 31 March 2018 were assessed to be highly effective and a net unrealised loss of ₹ 47.92 crore, with a deferred tax liability of ₹ 16.74 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2017 were assessed to be highly effective and an unrealised gain of ₹ 0.83 crore, with a deferred tax liability of ₹ 0.29 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2018 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2019.

At 31 March 2018, the Company had currency/interest rate swap agreements in place with a notional amount of USD 2.50 crore (₹ 163.89 crore) 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.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

March 31, 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		1.31	3-Jan-23	1:1	N/A	(0.44)	0.44

March 31, 2017

(₹ 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	38.23	0.95	April 2017 - June 2017	1:1	EUR:INR- 83.98 GBP:INR- 90.52	(1.82)	1.82
(ii) Foreign exchange forward contracts-Liabilities	18.67	0.65	April 2017 - June 2019	1:1	EUR:INR- 82.86 GBP:INR- 109.86 USD:INR- 66.40	3.81	(3.81)
(iii) Foreign Currency Loan	(165.96)	(10.33)	3-Jan-23	1:1	USD:INR 66.39	(4.56)	4.56
Interest rate risk							
Interest rate swap		1.74	3-Jan-23	1:1	N/A	1.74	(1.74)

*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 therfore 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

March 31, 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

March 31, 2017

(₹ 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	(2.57)	-	(3.45)	Other expenses
Interest Risk	1.74	(1.02)	-	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 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.

Note 48: Capital Management (Contd.)

Particulars	As at 31 March 2018 (₹ in crores)	As at 31 March 2017 (₹ in crores)
Interest Bearing Loans and borrowings	1,163.22	1,067.69
Trade Payables	633.50	432.12
Other Financial Liabilities	268.09	265.64
Less: Cash and Cash equivalents & current investment	(224.20)	(106.46)
Net debt	**1,840.61**	**1,658.99**
Equity share capital	80.20	79.66
Other equity	989.79	791.51
Total capital	**1,069.99**	**871.17**
Capital and net debt	**2,910.60**	**2,530.16**
Gearing ratio	63.24%	65.57%

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 March 31, 2018 and March 31, 2017.

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.

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2017: ₹ 0.75 per share (31 March 2016: ₹ 1.00 per share)	29.97	39.74
Dividend Distribution Tax on final dividend	6.10	8.07
Interim dividend for the year ended on 31 March 2018: ₹ Nil per share (31 March 2017: ₹ 0.50 per share)	-	19.90
Dividend Distribution Tax on interim dividend	-	4.05
	36.07	**71.76**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (31 March 2017: ₹ 0.75 per share)	80.20	29.87
Dividend Distribution Tax on proposed dividend	16.33	6.08
	96.53	**35.95**

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 2017 and 31 March 2016, 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, 2018:

(Amount in ₹ Crores)

	31 March 2018			31 March 2017		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	2.00	-	-	2.00	-	-
Debentures	17.60	-	-	8.00	3.20	-
Mutual funds	155.00	-	-	35.01	-	-
Trade receivables	-	-	866.55	-	-	699.31
Loans	-	-	90.02	-	-	55.25
Cash and cash equivalents	-	-	75.42	-	-	79.05
Derivative financial assets	2.21	1.36	-	-	6.63	
Security deposits	-	-	10.47	-	-	13.88
Other financials assets	-	-	61.85	-	-	57.92
Total financial assets	**176.81**	**1.36**	**1,104.31**	**45.01**	**9.83**	**905.41**
Financial liabilities						
Borrowings	-	-	1,163.22	-	-	1,067.69
Derivative financial liabilities	17.03	54.97	-	-	36.58	-
Trade Payables	-	-	633.50	-	-	432.12
Payables for purchase of Property, plant and equipment	-	-	89.15	-	-	118.07
Security deposits			1.10			0.38
Other Financial Liabilities	-	-	105.84			110.61
Total financial liabilities	**17.03**	**54.97**	**1,992.81**	**-**	**36.58**	**1,728.87**

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		
Financial assets and liabilities measured at fair value - recurring fair value measurements	**Amount**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Investments in Equity Shares of joint venture				
As at March 31, 2018	2.00	-	-	2.00
As at March 31, 2017	2.00	-	-	2.00
Investments in Debentures				
As at March 31, 2018	17.60	-	-	17.60
As at March 31, 2017	11.20	-	-	11.20
Investments in Mutual Funds				
As at March 31, 2018	155.00	155.00	-	-
As at March 31, 2017	35.01	35.01	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at March 31, 2018	2.26	-	2.26	-
As at March 31, 2017	4.89	-	4.89	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at March 31, 2018	1.31	-	1.31	-
As at March 31, 2017	1.74	-	1.74	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at March 31, 2018	59.96	-	59.96	-
As at March 31, 2017	26.25	-	26.25	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at March 31, 2018	12.04	-	12.04	-
As at March 31, 2017	10.33	-	10.33	-

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, 2018 and March 31, 2017:

(₹ in crores)

Particulars	Investments in Equity Shares of JV	Investments in Debentures
As at March 31, 2017	**2.00**	**11.20**
Acquisitions	-	9.60
Changes in Fair value	-	(3.20)
As at March 31, 2018	**2.00**	**17.60**

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, 2018 : 5% March 31, 2017 : 5%	1% (March 31,2017 : 1%) increase/ (decrease) in the terminal growth rate would result in increase /(decrease) in fair value by ₹ 1.51/ (0.59) crore (31 March 2017: ₹ 1.09/(0.38) crore)
		WACC (pre-tax)	March 31, 2018 : 20% March 31, 2017 : 20%	1% (March 31,2017 : 1%) increase/ (decrease) in the WACC would result in decrease/ (increase) in fair value by ₹ 1.03/ (2.0) crore (31 March 2017: ₹ 1.14 crore)
		Long-term operating margin	March 31, 2018 : 3.1% - 14.2% March 31, 2017 : 15% - 23%	1% (March 31,2017 : 1%) increase/ (decrease) in the margin would result in increase/ (decrease) in fair value by ₹ 1.24/ (0.47) crore (31 March 2017: ₹ 0.59 crore)

*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 comapny'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 pre-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 2018 and 31 March 2017 are as shown below:

g) Financial assets and liabilities measured at amortised cost

	31 March 2018 (₹ in crores)	
	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.45%	150.00	148.92

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. The Debentures @8.70% have been issued on 27 March 2018 and hence their fair value approximates to their carrying value.

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

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

(i) Fellow Subsidiaries

Bharat Aluminium Company Limited
Sterlite Power Transmission Ltd.
Twin Star Technologies Limited
Sterlite Power Grid Ventures Limited
Sterlite Grid 1 Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda
Metis Eduventures Private Limited

(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)
Mr. Sandip Das (Non executive & Independent Director) (from 16 October 2017)
Mr. Pratik Agarwal (Non executive Director)

(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 / 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)

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

(₹ in crores)

S. No.	Particulars	Subsidiaries		Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Susidiaries/EKMP	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Transactions												
1	Remuneration	-	-	-	-	-	-	27.26	21.47	3.04	1.96	-	-
2	Sitting Fees	-	-	-	-	-	-	0.12	0.10	-	0.01	-	-
3	Commission	-	-	-	-	-	-	0.63	0.38	-	0.13	-	-
4	Dividend received / (paid)	-	-	-	-	(15.71)	(31.41)	(0.22)	(0.25)	(0.09)	(0.24)	(0.36)	(0.71)
5	Investments made during the year	15.02	17.42	9.60	-	-	-	-	-	-	-	-	-
6	Loans and advances given	20.82	7.59	0.35	0.45	-	-	-	1.37	-	-	40.85	50.11
7	Repayment of loans	-	2.02	-	0.16	-	-	1.37	-	-	-	17.30	24.18
8	Trade advances	-	-	-	-	-	-	-	-	-	-	-	0.84
9	Advances from subsidiary	-	0.44	-	-	-	-	-	-	-	-	-	-
10	Repayment of advances	0.44	0.35	-	-	-	-	-	-	-	-	0.17	-
11	Interest charged on loans	1.69	5.42	-	-	-	-	0.12	-	-	-	1.47	2.07
12	Management fees paid	-	-	-	-	-	-	-	-	-	-	3.10	0.21
13	Management fees charge	-	-	-	-	-	-	-	-	-	-	1.99	8.27
14	Corporate guarantee commission charged	-	0.04	-	-	-	-	-	-	-	-	-	-
15	Purchase of goods & services	7.70	14.83	-	-	-	-	-	-	-	-	74.86	64.42
16	Sale of goods & services (net of excise duty)	62.12	120.60	12.21	7.62	-	-	-	-	-	-	28.91	20.23
17	Expenses incurred	-	-	-	-	-	-	-	-	-	-	-	1.19
18	Contributions made for CSR	-	-	-	-	-	-	-	-	-	-	3.64	2.71
19	Rental income	-	-	-	-	-	-	-	-	-	-	0.08	0.06
20	ESOP expenses charged	-	-	-	-	-	-	-	-	-	-	-	0.76
21	Professional fees paid	-	-	-	-	-	-	-	-	-	-	0.27	0.47
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Outstanding Balances (Unsecured)												
1	Advance outstanding against supplies	-	-	-	-	-	-	-	-	-	-	-	0.84
2	Loans/advance receivables##	55.40	45.64	-	-	-	-	-	1.37	-	-	34.19	9.60
3	Loans/advance payables##	-	1.67	-	-	-	-	-	-	-	-	-	-
4	Trade receivables	10.67	16.47	20.75	20.07	-	-	-	-	-	-	-	2.38
5	Trade payables	2.99	3.86	-	-	-	-	-	-	-	-	30.41	15.31
6	Investment in equity shares and preference shares	101.38	107.14	19.60	-	-	-	-	-	-	-	-	-
7	Corporate and bank guarantees given and outstanding	-	4.71	-	-	-	-	-	-	-	-	114.00	114.00

(C) Disclosure in respect of material related party transaction during the year:

	Particulars	Relationship	31 March 2018	31 March 2017
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	13.72	10.89
	Dr. Anand Agarwal	KMP	10.04	8.69
	Mr. Ankit Agarwal	Relative of KMP	3.04	1.96
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.05	0.05
	Mr. A. R. Narayanaswamy	KMP	0.04	0.03
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.13	0.13
	Mr.A. R. Narayanaswamy	KMP	0.13	0.13
	Ms.Avaantika Kakkar	KMP	0.13	0.13
	Mr.C V Krishnan	KMP	0.13	-
	Mr.Pratik Agarwal	KMP	0.13	0.13
4	**Dividend received / (paid)**			
	Twin Star Overseas Limited	Holding Company	(15.71)	(31.41)
	Vedanta Limited	Fellow Subsidiary	(0.36)	(0.71)
5	**Investments made during the year**			
	Speedon Network Limited#*	Subsidiary	15.02	17.42
	Metis Eduventures Pvt Ltd#	Joint Venture	9.60	-

This amount pertains to Compulsory convertible debenture (CCDs)

* During the year, the Company has invested by converting unsecured loan given to subsidiary into Unsecured Compulsorily Convertible Debentures ('CCDs') of ₹ 10 each at a price of ₹ 10 each for ₹ 15.00 Crore. (31 March 2017 ₹ 17.42 Crore).

	Particulars	Relationship	31 March 2018	31 March 2017
6	**Loans given**			
	Speedon Network Limited	Subsidiary	9.89	5.70
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	2.33	1.89
	Sterlite Tech Holding Inc USA	Subsidiary	8.06	-
	Twinstar Display Technologies Limited.	Fellow Subsidiary	22.14	9.87
	Twin Star Technologies Ltd	Fellow Subsidiary	9.99	-
	Sterlite Power Transmission Limited.	Fellow Subsidiary	8.64	40.24
	Sterlite Conduspar Industrial Ltda	Joint Venture	0.35	0.45
7	**Repayment of loans**			
	Speedon Network Limited	Subsidiary	-	1.76
	Sterlite Power Transmission Limited	Fellow Subsidiary	7.80	20.69
	Twinstar Display Technologies Limited	Fellow Subsidiary	9.50	3.49
8	**Trade Advances**			
	Vedanta Limited	Fellow Subsidiary	-	0.84
9	**Advances from subsidiary**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	-	0.44
10	**Repayment of advances**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	0.44	0.35
	Sterlite Grid 1 ltd	Fellow Subsidiary	0.17	-
11	**Interest charged on loans**			
	Speedon Network Limited	Subsidiary	1.42	5.18
	Sterlite Technologies UK Ventures Limited	Subsidiary	0.21	0.20
	Twin Star Display Technologies Limited	Fellow Subsidiary	1.47	0.14
12	**Management fees paid**			
	Vedanta Limited	Fellow Subsidiary	-	0.21
	Sterlte Power Transmission Limited	Fellow Subsidiary	3.10	-
13	**Management fees charge**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	1.99	8.27
14	**Corporate guarantee commission charged**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	-	0.04
15	**Purchase of goods & services**			
	Fujairah Gold FZE	Fellow Subsidiary	70.62	64.42
	Speedon Network Limited	Subsidiary	3.83	10.03
	Elitecore Technologies (Mauritius) Limited	Subsidiary	1.18	1.83
	Sterlite (Shanghai) Trading Company Limited	Subsidiary	2.55	2.94

	Particulars	Relationship	31 March 2018	31 March 2017
16	**Sale of goods & services (net of excise duty)**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	57.74	120.16
	Sterlite Conduspar Industrial Ltda	Joint Venture	12.21	7.62
	Sterlite Power Transmission Limited	Fellow Subsidiary	28.91	20.23
17	**Expenses incurred**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	1.02
18	**Contributions made**			
	Sterlite Tech Foundation	EKMP	3.64	2.71
19	**Rental income**			
	Universal Floritech LLP	EKMP	0.08	0.06
20	**ESOP Expenses**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	0.76
21	**Payment of professional fees**			
	Khaitan & Co. LLP	EKMP	0.27	0.47

(D) Compensation of Key management personnel of the company

Particulars	31 March 2018	31 March 2017
Short term employee benefits	25.78	21.47
Long term & Post employment benefits	0.38	0.40
Share based payment transaction*	4.14	0.89
Total compensation paid to key management personnel	**30.30**	**22.76**

#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 51: Note on Merger

During the year, the National Company Law Tribunal vide Order dated 27 July 2017 has approved a scheme of merger of the passive infrastructure business (merged undertaking) of Speedon Network Limited (SNL), a wholly owned subsidiary (Demerged company) with the Company.

The standalone financial results for the current year include the operations of the merged undertaking. The figures for the previous year ended March 31, 2017 have been restated accordingly to incorporate the impact of the Scheme of Arrangement in accordance with the requirements of the IndAS 103. Accordingly, the following are the details of key financial statement line items pertaining to passive infrastructure business recorded in the books of the company.

Balance sheet	31 March 2017 (₹ in crores)
Total assets	115.14
Total Liabilities	72.02
Reserves and surplus	(96.30)

As per the scheme,

1. The Resulting company shall record all assets and liabilities (including negative balance of reserves, if any) pertaining to the demerged undertaking at their respective book values as appearing the books of the Demerged Company immediately before the demerger.

2. The value of investment in the Demerged Company (including by way of equity, debentures or any other instruments) as appearing int the books of the resulting company shall be reduced to the extent it is not respresented by the assets transferred pursuant to demerger so as to reflect the value of the investment in demerged company at its fair value on the date when scheme became effective i.e. as on 1 October 2016 (appointed date).

3. The surplus /deficit arising after recording the above shall be adjusted against the capital reserve.

   Accordingly, the cost of investment pertaining to the demerged undertaking has been detemined based on the representative fair values of the demerged undertaking (Passive infrastructure business) and the remaining undertaking (Active infrastructure business) as on the appointed date. The surplus /deficit arising after recording the above has been adjusted against the capital reserve, in accordance with the following adjustments have been made in the opening reserves as at 01 October 2016:

The deficit arising after recording the above is to be adjusted against the capital reserve

Particulars	31 March 2017 (₹ in crores) Capital reserve
Investment in Speedon Network Limited before taking effect of merger	
- In the form of compulsorily convertible debentures (treated as equity)	50.00
- In the form of equity shares including equity component of loan	41.23
Total investment before demerger	**91.23**
Less: Net investment in the form of compulsorily convertible debentures pertaining to passive infrastructure business eliminated on account of merger	(39.64)
Less: Excess of book value of assets over the book value of liabilities transferred on account of merger	(32.49)
Total investment after taking effect of merger (A)	**19.10**
Fair value of investment in demerged company after considering effect of demerger (B)	-
Capital reserve to be created in the books of resulting company (B-A)	**(19.10)**

Note 52: Segment Reporting

The company has only one operating segment which is Telecom products and Solutions. Accordingly, seperated segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
(1) Revenue from external customers		
- Within India	1,623.74	1,705.91
- Outside India	1,269.83	694.74
Total revenue per statement of profit and loss	**2,893.57**	**2,400.65**
The revenue information above is based on the locations of the customers		
(2) Non-current operating assets		
- Within India	1,314.25	1,149.34
- Outside India	-	-
Total	**1,314.25**	**1,149.34**
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 one customer in India amounted to ₹ 360.02 crores (31 March 2017: ₹ 340.71 crores)		

Note 53: Disclosure Related to Specified Bank Notes for the year ended 31 March 2017

Following is the disclosure relating to details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs:

Particulars	Specified Bank Notes (Amount in ₹)	Other Denomination Notes (Amount in ₹)	Total (Amount in ₹)
Closing cash in hand on 08.11.2016	98,500	42,355	1,40,855
Add: Permitted receipts	6,500	4,85,628	4,92,128
Less: Permitted payments	-	4,77,409	4,77,409
Less: Amount deposited in banks	1,04,500	-	1,04,500
Closing cash in hand on 30.12.2016	**500**	**50,574**	**51,074**

The above disclosure is not applicable for the year ended 31 March 2018

Note 54: Previous Year Figures

The financial statements for the year ended 31 March 2017 and 31 March 2018 incorporate the impact of the merger as mentioned in Note 51. Previous year figures have been reclassified to conform to this years classification.

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
Chartered Accountants

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 25, 2018

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 25, 2018

Independent Auditors' Report

To the Members of Sterlite Technologies Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Sterlite Technologies Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture; (refer Note 37 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 11 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient

and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

7. We draw your attention to Note 44 to the consolidated Ind AS financial statements, which states that the Company in earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties but excluding interest) (₹ 188 crores as at March 31, 2017) in relation to an excise/customs matter. The Company's appeal against this order with the Honorable 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, 2018 (₹ 4.5 crores as on March 31, 2017) in respect of this matter based on its best estimate. Pending disposal of the matter by the Honorable Supreme Court, we are unable to comment on the adequacy of the provision made towards the amount of excise / customs duty payable.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanation given to us, except for the indeterminate effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated Ind AS financial statements give the information required by 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 joint venture as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 46 to the consolidated Ind AS financial statements 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 that is 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 qualified in respect of this matter.

Other Matter

10. We did not audit the financial statements of eight subsidiaries whose financial statements reflect total assets of ₹223.64 Crores and net assets of ₹82.30 Crores as at March 31, 2018, total revenue of ₹ 16.61 Crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (5.84) Crores and net cash inflows amounting to ₹ 8.06 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements.
    The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.92) Crores for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of one joint venture whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint venture, 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.

11. The financial statements of two subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 367.30 Crores and net assets of ₹ 310.49 Crores as at March 31, 2018, total revenue of ₹ 395.62 Crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹125.74 Crores and net cash outflows amounting to ₹ 15.97 Crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion on the consolidated Ind AS 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.

12. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017 was audited by another firm of Chartered Accountants, who vide their report dated April 26, 2017, expressed a modified opinion on those financial statements with respect to the matter described in the Basis for Qualified opinion paragraph 7 above. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. 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 Ind AS financial statements.

    b. In our opinion, except for the matter described in the basis for qualified opinion 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 Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and its subsidiaries included in the Group incorporated in India.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the Consolidated Ind AS financial statements.

    d. In our opinion, except for the indeterminate effect of the matter described in the Basis for qualified opinion paragraph, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. The outcome of the matter described in the Basis for qualified opinion paragraph above may have 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, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    g. The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.

    h. With respect to the adequacy of the internal financial controls with reference to 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 information and according to the explanations given to us:

        i. Except for the matter described in the basis for qualified opinion above, the consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its joint venture. Refer Note 22, 40 and 44 to the consolidated Ind AS financial statements.

        ii. Provision has been made in the consolidated Ind AS 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, 2018 – Refer (a) Note 20 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and (b) Note 51 to the consolidated Ind AS 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, 2018. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by subsidiaries incorporated in India.

iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Holding Company and its subsidiaries incorporated in India for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: (FRN 012754N/N500016)
Chartered Accountants

Neeraj Sharma
Partner
Membership Number 108391
Place: Pune
Date: April 25, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (h) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting as at March 31, 2018:

9. 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 Indian Accounting Standards (Ind AS) Financial Statements.

10. 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

11. 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

12. 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 financial statements of the Company for the year ended March 31, 2018, and the material weakness has affected our opinion on the financial statements of the Company and we have accordingly issued a modified report on the financial statements.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: (FRN 012754N/N500016)
Chartered Accountants

Neeraj Sharma
Partner
Membership Number 108391
Place: Pune
Date: April 25, 2018

Consolidated Balance Sheet
as at March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2018	31 March 2017
Assets			
Non-current assets			
Property, plant & equipment	4	1,135.10	1,183.05
Capital work-in progress		357.02	65.91
Investment property	7	8.88	9.04
Goodwill	5,6	73.93	103.57
Other intangible assets	5	16.17	17.05
Deferred tax assets (net)	24	-	3.41
Financial assets			
Investments	8	19.60	14.12
Trade receivables	9	4.09	4.52
Loans	10	35.01	7.08
Other non-current financial assets	11	7.69	11.77
Other non-current assets	12	98.05	18.64
		1,755.54	**1,438.16**
Current assets			
Inventories	13	337.85	333.49
Financial assets			
Investments	14	155.00	35.01
Trade receivables	9	867.19	686.69
Cash and cash equivalents	15A	119.56	129.81
Other bank balances	15B	18.92	7.60
Other current financial assets	11	69.41	65.61
Other current assets	12	271.86	214.58
Assets classified as held for sale	16	116.41	-
		1,956.20	**1,472.79**
Total Assets		**3,711.74**	**2,910.95**
Equity And Liabilities			
Equity			
Equity share capital	17	80.20	79.66
Other Equity	18	1,095.12	800.41
Equity attributable to equity holders of the parent		**1,175.32**	**880.07**
Non-controlling interest		81.95	45.20
Total Equity		**1,257.27**	**925.27**
Non-current liabilities			
Financial liabilities			
Borrowings	19	630.54	427.07
Other financial liabilities	20	64.82	112.31
Employee benefit obligations	25	7.86	14.29
Provisions	22	25.12	22.90
Deferred tax liabilities (net)	24	22.16	-
		750.50	**576.57**
Current liabilities			
Financial liabilities			
Borrowings	19	462.74	591.00
Trade payables [Trade Payables to MSME ₹15.14 Crore (31 March 2017- ₹11.76 Crore)]	21	656.18	448.64
Other financial liabilities	20	290.76	286.72
Other current liabilities	23	146.44	57.30
Employee benefit obligations	25	22.77	11.69
Provisions	22	28.07	13.76
Liabilities directly associated with assets classified as held for sale	16	97.01	-
		1,703.97	**1,409.11**
Total liabilities		**2,454.47**	**1,985.68**
Total Equity & Liabilities		**3,711.74**	**2,910.95**
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
Chartered Accountants

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 25, 2018

Place : Pune
Date: April 25, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2018	31 March 2017
Income			
Revenue from operations	26	3,205.49	2,593.56
Other income	27	25.62	11.56
Total Income (I)		**3,231.11**	**2,605.12**
Expenses			
Cost of raw material and components consumed	29	1,218.08	1,065.10
Purchase of traded goods		32.99	40.69
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	15.93	(106.07)
Excise duty on sale of goods		28.38	144.71
Employee benefits expense	30	348.79	298.55
Other expense	31	811.97	631.67
Total Expenses (II)		**2,456.14**	**2,074.65**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**774.97**	**530.47**
Depreciation and amortisation expense	32	182.21	159.23
Finance costs	33	103.83	122.93
Finance Income	28	(13.65)	(11.89)
Profit before tax & share in loss of joint venture		**502.58**	**260.20**
Share of loss of joint venture		(0.92)	(2.83)
Profit before tax		**501.66**	**257.37**
Tax expense:			
Current tax	34	135.18	66.92
Deferred tax	34	(2.03)	(27.26)
Total tax expenses		**133.15**	**39.66**
Profit from continuing operations		**368.51**	**217.71**
Discontinued operations			
Loss from discontinued operation before tax		(4.38)	-
Tax expense of discontinued operations		-	-
Profit from discontinued operation		**(4.38)**	**-**
Profit for the year		**364.13**	**217.71**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods :			
Net movement on cash flow hedges		(49.01)	(0.83)
Income tax effect on the above		17.12	0.29
Exchange differences on translation of foreign operations		25.25	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(6.64)**	**(0.55)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
Re-measurement loss defined benefits plan		0.10	(0.82)
Income tax effect on the above		(0.04)	0.28
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		**(2.43)**	**(0.53)**
Other comprehensive income for the year, net of tax		**(9.07)**	**(1.08)**
Total comprehensive income for the year, net of tax		**355.06**	**216.63**
Profit for the year attributable to:			
Owners of the company		334.33	201.38
Non-controlling interest		-	16.33
		364.13	**217.71**
Other comprehensive income attributable to:			
Owners of the company		(15.38)	(1.08)
Non-controlling interest		6.31	-
		(9.07)	**(1.08)**
Total comprehensive income attributable to:			
Owners of the company		318.95	200.30
Non-controlling interest		6.31	16.33
		325.26	**216.63**
Total comprehensive income attributable to owners:			
Continuing Operations		321.66	200.30
Discontinued Operations		(2.71)	-
		318.95	**200.30**
Earnings per equity share	36		
Basic			
Computed on the basis of profit for the year (₹)		8.38	5.07
Diluted			
Computed on the basis of profit for the year (₹)		8.25	4.98
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
Chartered Accountants

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 25, 2018

Place : Pune
Date: April 25, 2018

Consolidated Statement of Changes in Equity

(All amounts in ₹ crores unless otherwise stated)

A. Equity Share Capital

	Note	No. in Crs.	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid			
At 1 April 2016		**39.52**	**79.04**
Changes in equity share capital	17	0.31	0.62
At 31 March 2017		**39.83**	**79.66**
Changes in equity share capital	17	0.27	0.54
At 31 March 2018		**40.10**	**80.20**

B. Other Equity

	Capital Reserve	Securities Premium	Employee stock option	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign currency translation reserve	Total	Non Controlling interest
As at 1 April 2016	**0.04**	**4.67**	**19.05**	**37.50**	**75.00**	**528.56**	**2.21**	**8.57**	**675.60**	**31.21**
Profit for the year	-	-	-	-	-	201.38	-	-	201.38	16.33
Other comprehensive income	-	-	-	-	-	(0.53)	(0.55)	-	(1.08)	-
Total comprehensive income	**0.04**	**4.67**	**19.05**	**37.50**	**75.00**	**729.41**	**1.66**	**8.57**	**875.90**	**47.54**
Exercise of ESOPs	-	11.37	(11.37)	-	-	-	-	-	-	-
Employees stock option expenses for the year (refer note 35)	-	-	11.30	-	-	-	-	-	11.30	-
Amount charged to resulting company for issuance of ESOP to its employees	-	-	0.76	-	-	-	-	-	0.76	-
Amount transferred from debenture redemption reserve	-	-	-	(37.50)	37.50	-	-	-	-	-
Amount transferred to debenture redemption reserve	-	-	-	37.50	-	(37.50)	-	-	-	-
Equity dividend including taxes thereon	-	-	-	-	-	(71.76)	-	-	(71.76)	-
Recycled to statement of profit and loss	-	-	-	-	-	-	(3.44)	-	(3.44)	-
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	-	(10.46)	(10.46)	(2.34)
Equity investment in Sterlite Conduspar Industrial Ltda	-	-	-	-	-	-	-	(1.89)	(1.89)	-
As at 31 March 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	-
Other comprehensive income	-	-	-	-	-	(3.14)	(31.18)	18.94	(15.38)	6.31
Total comprehensive income	**0.04**	**16.04**	**19.74**	**37.50**	**112.50**	**951.34**	**(32.96)**	**15.16**	**1,119.36**	**51.51**
Exercise of ESOPs	-	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	-	-	-	-	-	(36.07)	-	-	(36.07)	-
Reclassified to statement of profit and loss	-	-	-	-	-	-	0.60	-	0.60	-
Transaction with non-controlling interest	-	-	-	-	-	(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**	**52.15**

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
Chartered Accountants

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 25, 2018

Place : Pune
Date: April 25, 2018

Consolidated Statement of Cash Flows
for the year ended March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

	31 March 2018	31 March 2017
A. Operating activities		
Profit before tax		
From continuing operations	501.66	257.37
From discontinued operation	(4.38)	-
	497.28	**257.37**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	147.59	125.88
Amortization & impairment of intangible assets	34.47	33.20
Depreciation of investment properties	0.15	0.15
Provision for doubtful debts and advances	13.53	4.32
Provision for warranty	13.92	10.32
Bad debts / advances written off	10.54	0.32
Cash Flow hedge movement	0.60	-
Loss on sale of plant and equipment, net	1.65	0.46
Employees stock option expenses	13.39	11.30
Finance costs	103.83	122.93
Finance income	(13.65)	(11.89)
Share of loss of joint venture	0.92	(2.83)
Unrealized exchange difference	(2.31)	(29.42)
	324.63	**264.74**
Operating profit before working capital changes	**821.91**	**522.11**
Working capital adjustments:		
Increase/(decrease) in trade payables	202.52	92.42
Increase (decrease) in long-term provisions	0.62	-
Increase/(decrease) in short-term provisions	1.24	(0.53)
Increase/(decrease) in other current liabilities	95.54	26.38
Increase/(decrease) in other current financial liabilities	(15.74)	55.76
Increase/(decrease) in other non-current financial liabilities	28.91	-
Increase/(decrease) in current employee benefit obligations	12.06	0.82
Increase/(decrease) in non-current employee benefit obligations	(6.49)	2.48
Decrease/ (increase) in trade receivable	(202.34)	18.27
Decrease/ (increase) in non-current trade receivable	0.43	-
Decrease/ (increase) in inventories	(7.09)	(128.18)
Decrease/ (increase) in long-term loans	(30.55)	(7.08)
Decrease/ (increase) in other current financial assets	(1.19)	29.59
Decrease/ (increase) in other non-current financial assets	4.07	0.93
Decrease/ (increase) in other current assets	(62.52)	(60.57)
Decrease/ (increase) in other non-current assets	0.91	12.43
Change in working capital	**20.38**	**42.71**
	-	**-**
Cash generated from operations	**842.29**	**564.83**
Income tax paid (net of refunds)	(110.68)	(76.33)
Net cash flow from operating activities	**731.61**	**488.50**

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(All amounts in ₹ crores unless otherwise stated)

	31 March 2018	31 March 2017
B. Investing activities		
Purchase of property, plant & equipments	(450.09)	(212.73)
Purchase of intangible assets	(7.61)	(1.73)
Proceeds from sale of property, plant & equipment	1.82	0.67
Investment in Joint Venture	(9.60)	(6.88)
Sale of Investment in subsidiaries	-	0.01
Purchase of current investments	(357.49)	-
Proceeds from current investments	238.86	(35.01)
Investment in bank deposits (having original maturity of more than three months)	(11.38)	-
Redemption of bank deposits (having original maturity of more than three months)	3.82	3.70
Unpaid dividend	(2.83)	-
Redemption of margin money deposits	-	7.60
Interest received (finance income)	9.66	12.08
Net cash flow used in investing activities	**(584.84)**	**(232.28)**
C. Financing activities		
Proceeds of long term borrowings	174.47	150.00
Repayment of long term borrowings	(63.63)	(383.01)
Proceeds/(repayment) of short term borrowings (net)	(129.24)	236.80
Proceeds from issue of shares to non-controlling interest	0.93	-
Proceeds of issue of shares against employee stock options	0.54	0.62
Interest paid	(96.51)	(120.39)
Dividend paid on equity shares	(2.02)	(58.79)
Dividend paid to minority share holder - foreign operations	(29.96)	-
Tax on equity dividend paid	(6.10)	(12.13)
Net cash flow used in financing activities	**(151.52)**	**(186.89)**
Net increase/decrease in cash and cash equivalents	**(4.75)**	**69.32**
Foreign exchange relating to cash and cash equivalents of Foreign operations	(4.30)	-
Cash and cash equivalents as at beginning of year	129.81	60.48
Cash and cash equivalents as at year end	**120.76**	**129.81**
Components of cash and cash equivalents:		
	31 March 2018	31 March 2017
Balances with banks:		
On current accounts	119.53	113.82
On unpaid dividend account	-	2.43
Deposit with original maturity of less than 3 months	-	13.51
Cash in hand	0.03	0.05
Total cash and cash equivalents	**119.56**	**129.81**
Cash & cash equivalents from discontinued operation	**1.20**	**-**
Total cash and cash equivalents	**120.76**	**129.81**

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
Chartered Accountants

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 25, 2018

Place : Pune
Date: April 25, 2018

Notes
to consolidated financial statements for the year ended March 31, 2018

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 2018. 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.

Telecom products and solutions mainly include integrated optical fiber, other telecom products such as fiber optical cables, copper telecom cables, structured data cables and access equipments, fiber connectivity and system integration solution offerings for telecom networks, Operations Support Systems /Business Support Service solutions, billing & bandwidth management solutions to organizations and other service design, engineering, implementation and maintenance of Optical Fiber Cable (OFC) Network.

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 26, 2017.

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.

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 2018. 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 31 March. 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 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 a net basis within other gains/(losses).

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 Recognition

Revenue is recognised to the extent and specific criteria have been met for each of the activities as described below that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties. Freight charged on sales and recovered is included as a part of revenue.

Rendering of services

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from Construction Contracts

Revenue from fixed price construction contracts is recognised based on the stage of completion of the individual contract using the percentage completion method, provided the outcome as well as expected total costs can be reliably estimated. Where the income from a contract cannot be estimated reliably, revenue is recognised to the extent of the expenses incurred to the extent that it is probable that the expenses will be recovered. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses after giving effect to the most recent estimates of total cost.

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

Prepayments from customers are recognised as liabilities. A contract in progress for which the contract revenue earnings performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the contract revenue earned are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

Contracts from rendering of services directly related to construction contracts is recognised as part of construction contracts.

Revenue from telecom software and solutions

Revenue from the sale of software/licenses for telecom software applications is recognized on transfer of the title in the user license. In case of fixed price contracts involving sale of software/licenses and significant implementation services, the revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion method. The Group re-assesses the estimates of total contract revenue and cost on a periodic basis. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Revenue from supply of hardware and third party software/licenses incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Revenue from fixed-price maintenance contracts are recognized over the period in which the services are rendered. Revenue from client training, support and other services arising due to the sale of software products/services is recognized as the related services are performed.

Revenue in excess of billings is classified as unbilled revenue while billing in excess of revenue is classified as unearned revenue in the Balance Sheet.

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.

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.

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.

f) 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 included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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.

g) 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 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 reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

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.

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.

h) Property, plant and equipment

All property, plant and equipment and Capital work in progress are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such historical cost includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the 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 - 20 Years *	Continous 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.

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.

i) 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 depreciates building component of investment property using straight line method over 60 years from the date of original purchase.

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.

j) 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.

Softwares 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.

k) Borrowing Costs

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

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 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. 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 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 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 first-in first-out 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
- 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) Financial assets

i) Classification:

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.

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 11 and Ind AS 18.

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 17

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.

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.

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 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) 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 as they are considered an integral part of the Group's cash management.

w) 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.

x) 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.

y) 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.

z) Accounts receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

aa) 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.

bb) 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.

cc) Rounding of amount

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

2.4 Recent accounting pronouncements

a) Ind AS 115- Revenue from Contract with Customers:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an group'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 group expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted.

The group is in the process of assessing the detailed impact of Ind AS 115. Presently, the group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

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 2018 and that comparatives will not be restated.

b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

- retrospectively for each period presented applying Ind AS 8;
- prospectively to items in scope of the appendix that are initially recognised
  - on or after the beginning of the reporting period in which the appendix is first applied (i.e. 1 April 2018 for entities with March year-end); or
  - from the beginning of a prior reporting period presented as comparative information (i.e. 1 April 2017 for entities with March year-end).

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The group expects this change to impact its accounting for long-term revenue contracts involving multiple advance payments in foreign currency.

c) Other pronouncements

Following accounting pronouncements are not expected to have significant impact on the group's financial statement.

- Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses which clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base
- Amendments to Ind AS 40 Investment property - Transfers of investment property which clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence.

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 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 matters
The Group 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, 2017) in a pending excise/customs matter against which the Group'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 Construction Contracts
The Group is also engaged in business of construction of assets which are accounted using percentage of completion method, recognising revenue as the performance on the contract progresses. The percentage of completion method requires management to make significant estimates of the extent of progress towards completion. The significant estimates include costs to complete, contract risks, price variation claims, liquidated damages and other judgements including identifying multiple contracts which need to be combined and considered as a single contract. The Group continually reviews the estimates involved and adjust them as necessary. For the purpose of revenue recognition on fixed price projects based on percentage of completion method, the Group determines the stage of completion of the project as proportion of actual cost incurred to total estimated cost of the project. The Group estimates the total cost of the project at each period end (including the estimates of liquidated damages and other related judgements). These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience. These estimates are re-assessed at each reporting date. Refer note 43 for details related to construction contracts.

Share-based payments
The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte Carlo's 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 making 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 other post-employment benefits 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 and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Note 4: Property, Plant & Equipment

(Amount ₹ iin crores)

	Freehold land	Leasehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments*	Office equipments	Electrical fittings	Vehicles	Total
Cost										
At 1 April 2016	**63.29**	**29.34**	**194.38**	**1,411.32**	**13.89**	**36.62**	**10.28**	**34.04**	**7.39**	**1,800.55**
Additions	-	5.83	57.32	229.42	4.17	14.08	4.42	11.81	2.96	330.01
Borrowing cost (Refer Note 33)	-	-	-	4.11	-	-	-	-	-	4.11
Translation Adjustments	-	(0.15)	(2.65)	(8.50)	(0.04)	-	(0.03)	(0.34)	-	(11.71)
Disposals/Adjustments	-	-	(1.26)	(3.98)	(1.38)	(1.19)	(0.84)	(0.36)	(1.18)	(10.19)
At 31 March 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**
Depreciation,amortization and Impairment										
At 1 April 2016	**-**	**2.00**	**45.11**	**706.44**	**6.62**	**24.64**	**7.56**	**20.39**	**3.02**	**815.78**
Additions	-	0.29	10.79	101.23	2.25	4.56	1.56	2.74	1.45	124.87
Impairment	-	-	-	-	-	-	-	-	-	-
Translation Adjustments	-	(0.02)	(0.33)	(1.71)	(0.02)	-	(0.02)	(0.06)	-	(2.16)
Disposal/Adjustments	-	-	(1.12)	(3.63)	(0.89)	(1.12)	(0.76)	(0.33)	(0.92)	(8.77)
At 31 March 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**
Net Book Value										
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
At 31 March 2017	63.29	32.75	193.34	830.04	8.68	21.43	5.49	22.41	5.62	1,183.05

Movement in Capital work in progress	
Opening balance as at 31 March 2017	**65.91**
Additions during the year	443.03
Borrowing cost capitalised during the year (Refer Note 33)	2.67
Assets included in disposal group classified as held for sale	(34.56)
Transfers during the year	(120.03)
Closing balance as at 31 March 2018	**357.02**

Buildings include those constructed on leasehold land:

	31 March 2018	31 March 2017
Gross Block	118.25	118.25
Depreciation for the year	4.25	5.28
Accumulated depreciation	35.54	31.29
Net Block	82.71	86.96

The lease term in respect of assets acquired under finance leases generally expires within three years.
Refer note 19 for information on property, plant and equipment pledged as security by the Company.

* Data processing equipment's include laptops taken on finance lease:

	31 March 2018	31 March 2017
Gross Block	3.28	3.28
Depreciation for the year	1.09	1.09
Accumulated depreciation	2.40	1.31
Net Block	0.88	1.97

Note 5: Intangible Assets

	Software/ licenses	Patents	Customer acquisition	Right of Way	Indefeasible right of use	Goodwill	Total
Cost							
At 1 April 2016	**19.09**	**9.32**	**5.65**	**5.10**	**0.99**	**148.19**	**188.34**
Additions	3.00	-	0.01	-	-	-	3.01
Disposals/Adjustments	(0.35)	-	-	-	-	-	(0.35)
Translation Adjustments	(0.01)	-	-	-	-	-	(0.01)
At 31 March 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 (Refer note 47)	(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**
Amortization and Impairment							
At 1 April 2016	**9.15**	**9.32**	**2.24**	**0.23**	**0.24**	**14.98**	**36.16**
Additions	3.68	-	0.82	-	0.07	29.64	34.21
At 31 March 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 (Refer note 47)	(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**
Net Book Value							
At 31 March 2018	8.60	-	2.09	4.87	0.61	73.93	90.10
At 31 March 2017	8.90	-	2.60	4.87	0.68	103.57	120.62

Net Book Value	31 March 2018	31 March 2017
Goodwill	73.93	103.57
Other Intangible Assets	16.17	17.06

Note 6: Impairment Testing Of Goodwill

Goodwill generated on acquisition of Elitecore Technologies Private Limited ('ETPL') which was merged with the Group with effect from 29 September 2015 is attributable to Telecom software product Cash Generating Units ('CGU') (acquired as a result of merger of ETPL with the Group) for impairment testing.

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Goodwill	73.93	103.57

The Group performed its annual impairment test for the year ended 31 March 2018 as of 28 February 2018. The recoverable amount of Telecom software product CGU as at 28 February 2018 is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The post-tax discount rate applied to the cash flow projections for impairment testing during the current year is 15.50%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 5% which is consistent with the industry forecasts for entity's operating in similar lines of business. As a result of the analysis, management did not identify impairment for this CGU.

Key assumptions used in the value in use calculations

The calculation of value in use for units is most sensitive to the following assumptions :

EBIDTA margins

EBITDA margins are based on the actual EBITDA of telecom software product division based on the past trend and future expectations. The EBITDA margins considered are from 7%-13% over the budget period on the anticipated order flows.

Discount Rate

Discount rate represent 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 rates used to estimate cash flows beyond the forecast period
The Group has considered growth rate of 5% to extrapolate cash flows beyond the forecast period which is consistent with the industry forecasts.

Sensitivity to changes in assumptions
The implications of the key assumptions for the recoverable amount are discussed below:

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 to 2% in the long-term growth rate would result in impairment.

Discount rates - A rise in post-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 below 10% would result in impairment.

Note 7: Investment Property

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Cost		
Opening gross block	10.03	10.03
Addition	-	-
Disposal	-	-
Closing gross block	**10.03**	**10.03**
Accumulated Depreciation		
Opening balance	0.99	0.84
Additions	0.16	0.15
Disposal	-	-
Closing balance	**1.15**	**0.99**
Net Block	**8.88**	**9.04**

Amounts recognised in profit and loss for investment property

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Rental income derived from investment properties	0.86	0.76
Direct operating expenses (including repairs and maintenance) from property generating rental income	(0.01)	(0.01)
Profit arising from investment properties before depreciation	**0.85**	**0.75**
Less: Depreciation	(0.15)	(0.15)
Profit arising from investment properties	**0.70**	**0.60**

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Fair Value	15.07	14.64

The Group's investment properties consists of a commercial property in India.

As at 31 March 2018 and 31 March 2017 the fair values of the investment property are ₹ 15.07 crores and ₹ 14.64 crores respectively. These values are based on valuations performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities. Resulting fair value estimates for Investment properties are included in level 3.

The Group has 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.

Note 8: Investments

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current investments		
Investment in Joint Venture		
Equity investment in Sterlite Conduspar Industrial Ltda (refer note 52)	-	0.92
Investment in Joint venture at fair value through P&L		
166 (31 March 2017: 166) Equity shares of Metis Eduventures Pvt Ltd$	2.00	2.00
Investments - Other at fair value through OCI		
10 (31 March 2017: 10) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	-	0.00*
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture at fair value through P&L		
17,600,000 (31 March 2017: 8,000,000) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Pvt Ltd	17.60	8.00
Investment in debentures- (Others, at fair value through OCI)		
1,599,990 (31 March 2017: 1,599,990) 0.001% Compulsorily Convertible Debentures of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	-	3.20
Total Investments	**19.60**	**14.12**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	19.60	14.12
Aggregate amount of impairment in the value of investments	-	-

* Amount is below the rounding off norm followed by the Group.

$ 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.

Note 9: Trade Receivables

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Trade receivables	4.09	4.52
	4.09	**4.52**
Break-up for security details		
Secured, considered good	-	
Unsecured, considered good	4.09	4.52
Unsecured, considered doubtful	-	-
	4.09	**4.52**
Current		
Trade receivables	870.58	664.24
Receivables from related parties (refer note 51)	20.75	22.45
	891.33	**686.69**
Break-up for security details		
Secured, considered good	-	-
Unsecured, considered good	867.19	686.69
Unsecured, considered doubtful	24.14	10.55
	891.33	**697.24**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered doubtful	24.14	10.55
	24.14	**10.55**
Total Current trade receivables	**867.19**	**686.69**

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.

Note 10: Loans

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current (Unsecured , considered good)		
Loans to related parties (Refer note 51)	34.55	7.08
Loans to employees	0.46	-
Total non-current loans	**35.01**	**7.08**

Note 11: Other Financial Assets

(Unsecured, considered good)

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Non-current bank balance (refer note 15 B)	-	0.90
Security deposits	7.02	10.86
Others	0.67	-
Total other non-current financial assets	**7.69**	**11.77**
Current		
Security deposits	3.75	3.10
Derivative instruments		
Foreign exchange forward contracts	2.26	4.89
Currency/ Interest rate swaps	1.31	1.74
Interest accrued on investments/deposits	0.29	0.17
Others (Refer note below)	61.80	55.71
Total other current financial assets	**69.41**	**65.61**

Note: Includes recoverable against expenses incurred on behalf of customer as part of construction contract, amounting to ₹ 49.83 crores (31 March 2017: ₹ 55.42 crores)

Note 12: Other Assets

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	68.03	2.63
Advance income tax, including TDS (net of provisions)	24.86	0.00*
Prepaid expenses	5.16	1.34
Balances with Government authorities	-	14.67
Total other non-current assets	**98.05**	**18.64**
Current		
Prepaid expenses	11.23	-
Balances with Government authorities	33.61	33.14
Other advances	60.70	71.35
Gross amount due from customers for construction contracts (refer note 43)	148.98	98.76
Unbilled revenue	17.34	6.19
Advance income tax, including TDS (net of provisions)	-	5.16
Total other current assets	**271.86**	**214.58**

* Amount is below the rounding off norm followed by the Group.

Note 13: Inventories

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Raw materials	91.24	93.93
[Includes stock in transit ₹15.59 crores (31 March 2017: ₹ 15.05 crores]		
Work-in-progress	25.25	24.90
Construction work-in-progress	98.80	124.75
Finished goods	55.62	42.58
[Includes stock in transit ₹ 48.63 crores (31 March 2017: ₹ 11.61 crores)]		
Traded goods	4.68	8.04
Stores, spares, packing materials and others	62.26	39.29
Total	**337.85**	**333.49**

Note 14: Current Investment

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
In mutual funds(at fair value through profit or loss) (quoted)		
Nil (31 March 2017: 88,246) units of Reliance Liquid Fund- Treasury Plan- Direct Growth Plan - Growth Option	-	35.01
17,386 (31 March 2017: Nil) units of Reliance Liquid Fund- Cash Plan- Direct Growth Plan - Growth Option	50.00	-
222,499 (31 March 2017: Nil) units of SBI Magnum Insta Cash Fund- Treasury Plan- Direct Growth Plan- Growth Option	50.00	-
2,290,514 (31 March 2017: Nil) units of ICICI Prudential Money Market Fund- Treasury Plan- Direct Growth Plan - Growth Option	55.00	-
Aggregate amount of quoted investments [Market Value: ₹ 155.00 Crores (March 31, 2017: ₹ 35.01 Crores)]	**155.00**	**35.01**

* Amount is below the rounding off norm followed by the Group.

Note 15A: Cash and Cash Equivalents

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Balances with banks:		
On current accounts	119.53	113.82
Deposit with original maturity of less than 3 months	-	13.51
On unpaid dividend account	-	2.43
Cash in hand	0.03	0.05
Total cash and cash equivalents	**119.56**	**129.81**

Note 15B: Other Bank Balances

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Deposits with original maturity of more than 12 months*	15.11	2.80
Deposits with original maturity of more than 3 months but less than 12 months**	0.98	5.70
On unpaid dividend account	2.83	-
	18.92	**8.50**
Amount disclosed under non current financial assets (refer note 11)	-	0.90
Total other bank balances	**18.92**	**7.60**

* Includes ₹ 2.38 crore (31 March 2017: ₹ 0.77 crore) held as lien by banks against bank guarantees
** ₹ 0.98 crore (31 March 2017: ₹ 2.38 crore) held as lien by banks against bank guarantees.

Note 16: Asset Classified as Held for Sale

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Assets classified as held for sale		
Property, plant and equipment	60.73	-
Capital work-in-progress	34.90	-
Intangible assets	3.66	-
Other non-current financial assets	0.02	-
Other non-current assets	9.94	-
Trade receivables	5.41	-
Cash and cash equivalents	1.20	-
Other bank balances	0.45	-
Other financial assets	0.02	-
Other current assets	0.08	-
Total assets of disposal group held for sale	**116.41**	**-**
Liabilities directly associated with assets classified as held for sale		
Borrowings	32.64	-
Trade payables	0.15	-
Employee benefit obligations	0.12	-
Other financial liabilities	55.91	-
Other Liabilities	8.19	-
Total liabilities directly associated with assets classified as held for sale	**97.01**	**-**
Net assets of disposal group held for sale	**19.40**	**-**

Post demerger of the power business in the financial year ended March 2017, the Group was 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. Based on developments during the current year, the Group anticipates completion of the sale by March 2019.

Accordingly assets amounting to INR 116.41 crore and liabilities amounting to INR 97.01 crore in respect of the disposal group have been reclassified as ""held for sale"" in the financial statements. On reclassification, the investment has been measured at the lower of carrying amount and fair value less cost to sell. Operations of the Disposal group for the year have been classified as discontinued operations.

Financial performance and cash flow information

	31 March 2018 (₹ in crores)
Revenue	1.70
Expenses	(6.08)
Loss before income tax	**(4.38)**
Income tax	-
Loss for the year	**(4.38)**
Other comprehensive income	-
Total comprehensive income	**(4.38)**
Net cash inflow from operating activities	8.29
Net cash inflow from investing activities	(19.10)
Net cash inflow from financing activities	11.71
Net increase in cash generated from discontinuing operation	**0.90**

Note 17: Share Capital

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2017: 75.00) equity shares of ₹ 2 each	**150.00**	**150.00**
Issued, subscribed and fully paid-up shares (no. crores)		
40.10 (31 March 2017: 39.83) equity shares of ₹ 2 each fully paid - up.	80.20	79.66
Total issued, subscribed and fully paid-up share capital	**80.20**	**79.66**

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

	31 March 2018		31 March 2017	
	No. in crores	₹ in crores	No. in crores	₹ in crores
At the beginning of the year	39.83	79.66	39.52	79.04
Issued during the year against employee stock option	0.27	0.54	0.31	0.63
Outstanding at the end of the year	**40.10**	**80.20**	**39.83**	**79.66**

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 2017: 85,550) equity shares held by custodian bank against Global Depository Receipts ('GDRs') 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 2018		31 March 2017	
	No. in crores	% holding	No. in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	20.94	52.22%	20.94	52.58%
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 :

	No. in crores	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

	No. in crores	% holding	No. in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.22%	20.94	52.58%

f. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 35.

Note 18: Other Equity

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Securities premium account		
Balance as per last financial statements	16.04	4.67
Add: Additions on ESOPs exercised	11.89	11.37
Closing balance	**27.93**	**16.04**
Other Reserve		
Capital reserve	**0.04**	**0.04**
Employee stock option outstanding		
Balance as per last financial statements	19.74	19.05
Add: Employees stock option expenses for the year (refer note 35)	13.39	11.30
Add : Amount charged to resulting company	-	0.76
Less: Transferred to Securities premium account	(11.89)	(11.37)
Closing balance	**21.24**	**19.74**
Foreign currency translation reserve		
Balance as per last financial statements	(3.78)	8.57
Add: Exchange differences on translation of foreign operations for the year	18.94	(12.35)
Closing balance	**15.16**	**(3.78)**
Debenture redemption reserve		
Balance as per last financial statements	37.50	37.50
Add: Amount transferred from surplus in the statement of profit and loss	37.50	37.50
Less: Amount transferred to general reserve	-	(37.50)
Closing balance	**75.00**	**37.50**
General reserve		
Balance as per last financial statements	112.50	75.00
Add: Amount transferred from debenture redemption reserve	-	37.50
Closing balance	**112.50**	**112.50**
Cash flow hedge reserve		
Balance as per last financial statements	(1.78)	2.21
Add: Cash flow hedge reserve created on currency forward contracts	(45.77)	2.18
Add: Cash flow hedge reserve created on swap contracts	(2.15)	(2.72)
Less: Deferred hedging gain/(losses) transferred to the carrying value of inventory value	(1.09)	-
Less: Amount reclassified to statement of profit and loss	1.69	(3.44)
Less: Income tax effect	16.74	-
Closing balance	**(32.36)**	**(1.78)**
Total Other Reserves	**191.58**	**164.22**
Retained earnings		
Balance as per last financial statements	620.15	528.56
Add: Net profit for the year	334.33	201.38
Add: Remeasurement of post employment benefit obligation, net of tax	0.06	(0.53)
Less: Equity dividend and tax thereon (note 17)	(36.07)	(71.76)
Less: Change in fair value of FVOCI equity instrument	(3.20)	-
Less: Transfer to debenture redemption reserve	(37.50)	(37.50)
Less: Transaction with non-controlling interest	(2.16)	-
Total retained earnings	**875.61**	**620.15**
Total other equity	**1,095.12**	**800.41**

Nature and Purpose of reserves other than retained earning

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.

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 within 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. Amounts 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.

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees issued 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

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Debentures (Secured)		
1,500 (31 March 2017 : 1,500) 8.45% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
1,500 (31 March 2017 :Nil) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	-
Term loans		
Indian rupee loans from banks (secured)	101.14	185.87
Foreign currency loan from banks (secured)	178.63	164.05
Long term maturities of finance lease obligation (secured)	-	1.55
Deferred payment liabilities (unsecured)	135.03	-
	714.80	**501.47**
The above amount includes		
Secured borrowings	579.77	501.47
Unsecured borrowings	135.03	-
Total Non-current borrowings	**714.80**	**501.47**
Less: Current maturities of long term debt disclosed under the head "other current financial liabilities" (refer note 20)	84.26	74.40
Net Amount	**630.54**	**427.07**

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 STL located at Dadra And Nagar Haveli and Pune.

b) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures 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 STL located at Aurangabad.

c) Indian rupee term loan from bank amounting to ₹ 11.14 crores carries interest @ Base rate + 1.00 % p.a. Loan amount is repayable in quarterly equated first instalments of ₹ 6.25 crores (excluding interest) and 2nd instalment of ₹ 4.89 crores. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of STL.

d) Indian rupee term loan from bank amounting to ₹ 90.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in nine quarterly equated instalments of ₹ 10.00 crores (excluding interest). 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 STL located at Dadra And Nagar Haveli

e) Foreign Currency term loan from banks amounting to ₹ 163.89 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 STL located at Dadra and Nagar Haveli and Pune.

f) Foreign currency term loan from bank of ₹ 0.42 crores carries interest ranging from 6.20% to 6.65% p.a. Loan amount is repayable in one quarterly equated instalments of ₹ 0.42 crores (excluding interest) from the end of this financial period. The term loan is secured by first pari passu charge by way of hypothecation on certain present and future current assets and certain movable fixed assets of STL and by way of mortgage on present and future immovable fixed assets of STL.

g) Finance lease obligation is secured by hypothecation of laptops taken on lease. The interest rate implicit in the lease is 10% p.a. The gross investment in lease i.e. lease obligation and interest is payable in quarterly instalments of approximately ₹ 0.30 crore.

h) As per the contractual terms with creditors for property, plant and equipment 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 bps to 2% per annum.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency term loan from bank of ₹ 14.32 crores (31 March 2017 ₹ Nil) carries interest @ 4.75% p.a. The term loan is secured by first charge on immovable fixed assets (land and buildings) of JSTFCL.

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	-	29.63
Working capital demand loans from banks (secured)	-	30.00
Commercial paper from bank (unsecured)	50.00	175.00
Other loan from banks (secured)	345.52	311.37
Other loan from banks (unsecured)	67.22	45.00
	462.74	**591.00**
The above amount includes		
Secured borrowings	345.52	371.00
Unsecured borrowings	117.22	220.00
Net Amount	**462.74**	**591.00**

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 @ 7.80%.

(iii) Commercial Papers are unsecured and are generally taken for a period from 80 to 90 days and carry interest @ 6.50% - 7.00% p.a.

(iv) Other loans from banks 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. Buyer's credit is repaid / rolled over after a period of six months and carry interest @ 0.55% - 3.10% p.a. Export packing credit is taken for a period ranging from 90-180 days and carries interest @ 6.30% to 7.95% p.a.

Details of assets pledged as security

The Group has pledged its all current assets, movable fixed assets and certain immovable assets located at Aurangabad, Dadra and Nagar Haveli and Jiangsu, China, as a security for the outstanding borrowings.

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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Cash and cash equivalents	120.76*	129.81
Current investments	155.00	35.01
Current Borrowings (including interest accrued but not due)	(462.74)	(591.00)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings)	(618.50)**	(501.47)
Net Debt	**(805.48)**	**(927.65)**

*Includes cash and cash equivalents of ₹ 1.20 crores relating to disposal group (MTCIL) classified as discontinued operations

** Includes non current borrowing ₹ 32.64 crores relating to disposal group (MTCIL) classified as discontinued operations and excludes deferred payment liabilities.

Non-current borrowings

	(₹ in crores)
As on March 31, 2017	**501.47**
Cashflow	110.84
Interest expense	47.63
Interest paid	(41.55)
Forex adjustment	0.11
As on March 31, 2018	**618.50**

Current borrowings

	(₹ in crores)
As on March 31, 2017	**591.00**
Cashflow	(129.24)
Interest expense	54.98
Interest paid	(54.98)
Forex adjustment	0.98
As on March 31, 2018	**462.74**

Cash and cash equivalent

	(₹ in crores)
As on March 31, 2017	**129.81**
Cashflow	(4.75)
Forex adjustment	(4.30)
As on March 31, 2018	**120.76**

Current Investments

	(₹ in crores)
As on March 31, 2017	**35.01**
Cashflow	118.63
Realised gain on current investments	1.36
As on March 31, 2018	**155.00**

Note 20: Other Financial Liabilities

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Payables for purchase of property, plant and equipment	35.53	111.93
Security deposit	1.10	0.38
Derivative instruments		
Foreign exchange forward contracts	28.19	-
Total non-current financial liabilities	**64.82**	**112.31**
Current		
Derivative instruments		
Foreign exchange forward contracts	31.77	26.25
Currency / Interest Rate Swaps	12.04	10.33
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	6.91	0.82
Interest accrued and due on borrowings	0.01	-
Current maturities of long-term borrowings (refer note 19)	84.26	74.40
Unclaimed dividend*	2.86	2.43
Deposit from customers	0.79	3.44
Deposit from vendors	0.46	12.47
Payables for purchase of property, plant and equipment	56.83	44.62
Employee benefits payable	23.56	13.94
Others	71.27	98.02
Total current financial liabilities	**290.76**	**286.72**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 21: Trade Payables

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Total outstanding dues of micro enterprises & small enterprises (refer note 41)	15.14	11.76
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Trade payable to related parties (refer note 51)	30.41	15.31
Others	610.63	421.57
	641.04	**436.88**
Total Trade Payable	**656.18**	**448.64**

Note 22: Provisions

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Provision for warranty	24.96	22.90
Others	0.16	-
Total non-current provision	**25.12**	**22.90**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	17.33	4.26
Others	1.24	-
Total current provision	**28.07**	**13.76**

Provision for litigations / contingencies

The provision of ₹ 9.50 crores as at March 31, 2018 (31 March 2017: ₹ 9.50 Crores) is towards contingencies in respect of disputed claims against the Group as described in note 40 and note 44, the timing of outflow and quantum 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 products and services forming part of construction contracts being undertaken by the Group to repair or replace the items that fail to perform satisfactorily during the warranty period and on telecom software and licences / services sold to customers. The timing of the outflow is expected to be within a period of three years from the date of completion of the projects and within six months from the date of sale of telecom software. Movement in provision for warranty given below.

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
At the beginning of the year	27.16	15.47
Arising during the year	22.90	11.23
Unwinding of interest during the year	1.22	1.37
Utilized during the year	(8.99)	(0.90)
At the end of the year	**42.29**	**27.16**
Current portion	17.33	4.26
Non-current portion	24.96	22.90

Note 23: Other Current Liabilities

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current		
Unearned revenue	35.40	17.53
Indirect taxes payable	2.03	19.68
Withholding taxes (TDS) payable	6.37	4.37
Advance from customers	40.86	9.69
Others	61.78	6.03
Total other current liabilities	**146.44**	**57.30**

Note 24: Deferred Tax Liabilities (NET)

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Deferred tax liability		
Property, Plant &Equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	92.46	86.92
Fair valuation of Land on transition date	15.88	15.73
Others	2.34	1.06
Gross deferred tax liability	**110.68**	**103.72**
Deferred tax assets		
Provision for doubtful debts and advances	8.41	3.65
Expenditure allowed for tax purposes on payment basis	9.12	8.85
Provision for inventory	3.63	4.95
Provision for litigations / contingencies	2.53	2.51
Provision for warranty	-	8.47
Net movement on cash flow hedges	16.74	-
Unused Tax Credit	18.90	30.06
Deferred tax asset recognised on losses	-	31.76
Fair Valuation of Plant & Machinery	7.39	8.39
Others	21.79	8.49
Gross deferred tax assets	**88.52**	**107.13**
Net deferred tax (assets)/liability	**22.16**	**(3.41)**

Reconciliation of deferred tax liability / deferred tax asset

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Opening deferred tax liability, net	(3.41)	28.10
Deferred tax (credit) / charge recorded in statement of profit and loss	(2.03)	(27.26)
Deferred tax (credit) / charge recorded in OCI	(16.70)	(0.57)
Movement in Unused Tax Credit	44.30	(2.86)
Others	-	(0.82)
Closing deferred tax liability, net	**22.16**	**(3.41)**

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Profit or loss section		
Current Income Tax		
Current tax on profit for the year	141.58	63.70
Adjustment to current tax of prior period	(6.40)	3.22
Deferred Tax		
Relating to origination and reversal of temporary differences	(2.03)	(27.26)
Income tax expenses reported in the statement of profit or loss	**133.15**	**39.66**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	16.74	(0.68)
Re-measurement loss defined benefit plans	(0.04)	1.16
Income tax charged through OCI	**16.70**	**0.47**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Profit before tax & share in profit/(loss) of joint venture	502.58	260.20
At India's statutory income tax rate of 34.94% (31 March 2017: 34.61%)	175.60	68.52
At lower tax rate of Subsidiaries	(25.10)	12.18
Adjustments in respect of current income tax of previous years	(6.40)	3.22
Utilisation of previously unrecognised tax losses	-	(31.76)
Tax benefits available under various sections of income tax act	(14.15)	(16.84)
Deferred tax asset recognised on other subsidiary adjustment	-	2.02
Others	3.20	2.33
Income tax expense	**133.15**	**39.66**
Income tax expense reported in the statement of profit and loss	**133.15**	**39.66**

Note 25: Employee Benefit Obligations

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Non-current		
Provision for gratuity	5.07	12.32
Provision for compensated absences	2.79	1.97
Total non-current employee benefits obligation	**7.86**	**14.29**
Current		
Provision for gratuity	13.96	4.10
Provision for compensated absences	8.81	7.59
Total current employee benefits obligation	**22.77**	**11.69**

i) Compensated absences

The compensated absences cover the Group's liability for sick and earned leave. The amount of the provision of ₹ 11.60 Crore (31 March 2017 ₹ 9.57 Crore). 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 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 estimates of expected gratuity payments. The gratuity plan for the employees of software division is unfunded.

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Defined benefit obligation at the beginning of the year	19.51*	16.62
Current service cost	2.55	2.13
Interest cost	1.42	1.33
Actuarial (gain)/loss	0.04	0.58
Past service cost	0.27	-
Benefits paid	(0.99)	(0.86)
Defined benefit obligation, at the end of the year	**22.80**	**19.80**

* Excludes defined benefit obligation relating to disposal group classified as discontinued operations

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Fair value of plan assets at the beginning of the year	3.38	2.59
Expected return on plan assets	0.37	0.36
Contribution by employer	0.56	1.10
Benefits paid	(0.39)	(0.52)
Actuarial gain / (loss)	(0.15)	(0.15)
Fair value of plan assets at the end of the year	**3.77**	**3.38**

The Group expects to contribute ₹ 4.16 crores (31 March 2017: ₹ 4.10 crores) to its gratuity plan in FY 2018-19.

Particulars	31 March 2018 %	31 March 2017 %
Insurance fund with Life Insurance Corporation (LIC)	100	**100**

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Present value of defined benefit obligation	22.80	19.80
Fair value of plan assets	(3.77)	(3.38)
Benefit liability	**19.03**	**16.42**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Present value of funded obligations	17.25	14.74
Fair value of plan assets	(3.77)	(3.38)
Deficit of funded plan (A)	**13.48**	**11.36**
Unfunded plans (B)	**5.55**	**5.06**
Total net obligation (A+B)	**19.03**	**16.42**

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.

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

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current service cost	2.55	2.06
Interest cost on benefit obligation	1.42	1.30
Past service cost	0.27	-
Expected return on plan assets	(0.23)	(0.36)
Net benefit expense	**4.01**	**3.00**

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Actuarial Losses on Obligation for the Period	0.04	0.67
Return on Plan Assets, Excluding Interest Income	(0.14)	0.15
Net Expense For the Period Recognized in OCI	**(0.10)**	**0.82**

Amounts for the current and previous years are as follows:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	31 March 2015 (₹ in crores)	31 March 2014 (₹ in crores)
Defined benefit obligation	22.80	19.80	16.62	13.30	7.24
Transfer on account of demerger	-	-	-	3.24	-
Plan assets	3.77	3.38	2.59	2.08	1.41
Surplus / (deficit)	19.03	16.42	13.63	7.98	5.83
Experience adjustments on plan liabilities	(0.01)	(0.14)	1.90	0.49	0.75
Experience adjustments on plan assets	-	(0.15)	-*	(0.05)	(0.01)

* Amount is below the rounding off norms of the Group.

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

Particulars	31 March 2018	31 March 2017
Discount rate	7.80%	7.22%
Expected rate of return on plan asset	7.80%	7.22%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	8.00%	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. The overall expected rate of return on plan assets is determined based on the expected return on the fund balance.

Sensitivity Analysis

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
+1% Change in discount rate	(0.89)	(1.16)
-1% Change in discount rate	1.84	1.31
+1% Change in rate of salary increase	1.82	1.29
-1% Change in rate of salary increase	(0.90)	(1.16)
+1% Change in rate of employee turnover	0.31	(0.13)
-1% Change in rate of employee turnover	0.47	0.13

The above sensitivity analysis are 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.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements. Hence Group is encouraged to adopt asset-liability management.

The Group's all assets are maintained in a trust fund managed by public sector insurance Group 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 8 years (2017 - 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:
The expected maturity analyses of undiscounted gratuity is as follows

	31 March 2018		31 March 2017	
	Funded	Non Funded	Funded	Non Funded
Projected Benefits Payable in Future Years From the Date of Reporting				
Less than 1 year	3.90	0.39	3.03	0.35
Between 1 to 2 years	2.78	0.88	2.27	0.80
Between 3 to 5 years	2.85	1.03	2.29	0.91
Over 5 years	20.64	9.33	6.87	2.98

Note 26: Revenue from Operations

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Sale of products		
Finished goods	2,433.77	1,961.50
Traded goods	19.99	49.34
Revenue from sale of products	**2,453.76**	**2,010.84**
Sale of services	67.31	79.94
Revenue from projects (also refer note 43)	493.22	340.71
Revenue from software products/licenses and implementation activities	123.20	119.47
Other Operating income		
Scrap sales	24.59	20.20
Export incentives	43.41	22.40
Revenue from operation	**3,205.49**	**2,593.56**

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 and revenue for the period July 1, 2017 to March 31, 2018 is net of Goods and Services Tax ('GST'). However, revenue for the year ended March 31, 2017 is inclusive of excise duty of ₹ 144.80 crore.

Note 27: Other Income

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Management Fees	1.99	8.27
Rent Income	2.68	-
Miscellaneous Income	14.67	3.29
Exchange difference, (net)	6.28	-
Total other income	**25.62**	**11.56**

Note 28: Finance Income

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Interest income on		
Bank deposits	0.74	1.80
Current investments	1.36	0.19
Loans to related parties	1.65	2.07
Others	2.38	1.68
Interest subvention	7.52	6.15
Total finance income	**13.65**	**11.89**

Note 29: Cost of Raw Material and Components Consumed

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Inventory at the beginning of the year	93.93	82.23
Add : Purchases	1,215.39	1,076.80
	1,309.32	**1,159.03**
Less : Inventory at the end of the year	91.24	93.93
Cost of Raw Material and components consumed	**1,218.08**	**1,065.10**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	8.04	3.25
Work-in-progress	149.66	26.58
Construction work-in-progress	-	31.82
Finished goods	42.58	32.55
	200.28	**94.20**
Closing inventories		
Traded goods	25.25	8.04
Work-in-progress	98.80	24.90
Construction work-in-progress	55.62	124.75
Finished goods	4.68	42.58
	184.35	**200.27**
(Increase) / decrease in inventories	**15.93**	**(106.07)**

Note 30: Employee Benefits Expense

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Salaries, wages and bonus	308.21	265.26
Contribution to provident fund	8.03	6.96
Gratuity expenses (refer note 23)	4.01	3.10
Employees stock option expenses (refer note 35)	13.39	11.30
Staff welfare expenses	15.15	11.93
Total Employee benefits expense	**348.79**	**298.55**

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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Contribution to Employees Provident Fund	8.03	6.96
Total	**8.03**	**6.96**

Note 31: Other Expenses

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Consumption of stores and spares	116.78	124.16
Consumption of packing materials	70.95	61.80
Increase / (decrease) of excise duty on inventory	(1.81)	(1.08)
Power, fuel and water	98.98	96.37
Repairs and maintenance		
Building	4.11	3.69
Machinery	14.19	10.14
Corporate Social Responsibility (CSR) expenses (refer note 45)	3.64	3.05
Sales commission	28.17	15.85
Sales promotion	21.09	13.31
Carriage outwards	46.70	38.34
Rent	23.04	26.58
Insurance	11.12	7.98
Legal and professional fees	55.11	43.05
Rates and taxes	8.69	9.02
Travelling and conveyance	52.06	44.35
Loss on sale of plant and equipment, net	1.65	0.46
Bad debts / advances written off	10.54	0.32
Provision for doubtful debts and advances	13.53	4.32
Directors sitting fee and commission	0.75	0.61
Payment to auditor	0.66	1.33
Research and development expenses (refer note 42)		
Salaries, wages and bonus	16.07	8.25
Raw materials consumed	1.16	1.37
General expenses	11.10	5.65
Total Research and development expenses	**28.33**	**15.27**
Less Amount transferred to individual expense line item	(28.33)	(15.27)
Research and development expenses	-	-
Miscellaneous expenses	232.02	128.02
Total other expenses	**811.97**	**631.67**

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Payment to auditor		
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	0.56	0.83
Tax audit fee	0.03	0.10
In other capacity:		
Other services (including certification fees)	0.07	0.40
	0.66	**1.33**

Note 32: Depreciation and Amortisation Expense

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Depreciation of tangible assets	140.65	124.87
Depreciation of investment property	0.16	0.15
Amortisation of intangible assets	34.47	34.21
Provision/(reversal) for impairment of tangible assets	6.93	-
Total depreciation and amortisation expense	**182.21**	**159.23**

Note 33: Finance Cost

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	80.28	89.60
Bank charges	9.88	12.93
Exchange difference to the extent considered as an adjustment to borrowing costs	12.45	18.02
Fair value changes on interest rate swaps designated as cash flow hedges	-	1.02
Unwinding of discount on provision	1.22	1.37
Total finance cost	**103.83**	**122.93**

* During the year, the Group has capitalised borrowing costs of ₹ 2.67 crores (31 March 2017: 4.11 crores) incurred on the borrowings specifically availed for expansion of production facilities @ 10.10% p.a. The interest expense disclosed above is net of the interest amount capitalised.

Note 34: Tax Expenses

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current tax	141.58	63.70
Deferred tax	(2.03)	(27.26)
Adjustment for current tax of prior periods	(6.40)	3.22
Total tax expenses	**133.15**	**39.66**

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.

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 ₹ 13.39 crore (31 March 2017: ₹ 11.30 crores) to the statement of profit and loss in respect of options granted under ESOP schemes

a) Set Out Below is the summary of options granted under the plan.

	31 March 2018		31 March 2017	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	71,34,568	2	78,54,492
Granted During the year	2	17,12,500	2	35,79,647
Forfeited During the year	2	-	2	-
Exercised During the year	2	(27,14,978)	2	(30,87,147)
Expired During the year	2	(10,81,112)	2	(12,12,424)
Closing Balance		**50,50,978**		**71,34,568**
Vested and Exercisable		2,54,827		8,22,452

Average share price for the year ended March 31, 2018 is 244.84 (March 31, 2017: ₹ 98.48)
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 2018	Share options outstanding on 31 March 2017
July 13, 2016	July 13, 2022	2	4,37,584	8,43,164
December 29, 2011*	December 29, 2017	2	1,800	25,254
April 30, 2014	April 30, 2020	2	4,14,250	7,45,300
March 30, 2015	March 30, 2021	2	13,24,500	28,41,250
January 28, 2016	January 26, 2022	2	5,73,000	9,80,000
July 25, 2016	July 25, 2022	2	8,44,344	16,19,600
January 18, 2017	January 18, 2023	2	-	80,000
July 19, 2017	July 19, 2023	2	13,93,000	-
October 16, 2017	October 16, 2023	2	50,300	-
January 17, 2018	January 19, 2023	2	12,200	-
Total			**50,50,978**	**71,34,568**

Note: 1800 shares with a grant date of 29 December 2011 have been exercised during the year. These options have not been allotted as at 31st March 2018 and therefore considered in outstanding balance of options as at year end.

Weighted Average remaining contractual life of the options outstanding at the end of the period	2.88	2.65

b) Fair Value of the options granted during the year

During the current year remuneration committee has approved three 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, 2017

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 19 July 2018	Vest 2 19 July 2019	Vest 3 19 July 2020	Vest 4 19 July 2021	Vest 5 19 July 2022
Weighted Average Stock Price	172.30	172.30	172.30	172.30	172.30
Expected volatility	37.00%	44.80%	46.40%	47.90%	46.70%
Risk Free rate	6.20%	6.20%	6.40%	6.50%	6.60%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	1.50	2.50	3.50	4.50	5.00
Dividend Yield	2.20%	2.20%	2.20%	2.20%	2.20%
Outputs					
Option Fair value	166.6	163.2	159.7	156.4	153.2
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**162.87**

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	172.30
Expected volatility	37.00%
Risk Free rate	6.40%
Exercise Price (₹ per Option)	2.00
Dividend Yield	2.20%
Outputs	
Fair Value of the option	**92.90**

Date of Grant- October 16, 2017

Vesting Criteria- Continuous Employment with the company.
Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1 16 Oct 2018	Vest 2 16 Oct 2019	Vest 3 16 Oct 2020	Vest 4 16 Oct 2021	Vest 5 16 Oct 2022
Weighted Average Stock Price	268.60	268.60	268.60	268.60	268.60
Expected volatility	42.75%	47.05%	49.19%	48.88%	47.62%
Risk Free rate	6.27%	6.34%	6.50%	6.64%	6.76%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity	1.50	2.50	3.50	4.50	5.00
Dividend Yield	1.90%	1.90%	1.90%	1.90%	1.90%
Outputs					
Option Fair value	266.01	265.62	265.23	264.83	264.43
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option					**265.58**

Date of Grant- January 17, 2018

Vesting Criteria- Continuous Employment for 5 years
Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1 17 Jan 2018	Vest 2 17 Jan 2019	Vest 3 17 Jan 2020	Vest 4 17 Jan 2021	Vest 5 17 Jan 2022
Weighted Average Stock Price	377.59	377.59	377.59	377.59	377.59
Expected volatility	43.28%	45.97%	47.00%	48.24%	47.30%
Risk Free rate	6.54%	6.81%	7.03%	7.21%	7.36%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity	1.50	2.50	3.50	4.50	5.00
Dividend Yield	1.30%	1.30%	1.30%	1.30%	1.30%
Outputs					
Option Fair value	378.00	377.63	377.26	376.88	376.50
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option					**377.59**

Note 36: Earnings Per Share

The following table reflects the basic and diluted EPS

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Profit/(Loss) for the year from continuing operations attributable to owners of the company	337.04	201.38
Profit /(Loss) for the year from discounted operations attributable to owners of the company	(2.71)	-
Weighted average number of equity shares in calculating basic EPS	39.89	39.69
Adjustments for classification of diluted EPS:		
Employee stock options outstanding during the year	0.64	0.59
Weighted average number of equity shares in calculating diluted EPS	40.53	40.27
Earnings/(loss) per share		
Basic		
From continuing operations	8.45	5.07
From discontinued operations	(0.07)	-
Diluted		
From continuing operations	8.32	4.98
From discontinued operations	(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 2018	Effective ownership as on 31 March 2017	Country of incorporation
List of subsidiaries			
Speedon Network Limited	100.00%	100.00%	India
Maharashtra Transmission Communication Infrastructure Limited	61.86%	67.55%	India
Sterlite Telesystems Limited	100.00%	100.00%	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 Group Limited	100.00%	100.00%	China
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%	100.00%	Cyprus
Sterlite Technologies UK Ventures Limited	100.00%	100.00%	United Kingdom
Sterlite Tech Holding Inc.	100.00%	-	USA
Sterlite Technologies Inc.	100.00%	-	USA
List of joint venture			
Sterlite Conduspar Industries Ltda	58.05%	58.05%	Brazil

Note 38: Leases

Operating lease

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 :

(₹ in crores)

Particulars	31 March 2018	31 March 2017
Lease payments recognised in the statement of profit and loss	23.04	26.58
The future minimum lease payments payable over the next one year	19.66	21.96
The future minimum lease payments payable later than one year but not later than five years	46.82	35.75
The future minimum lease payments payable later than five years	6.08	16.53

Group as lessor :

The Group has given 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 :

(₹ in crores)

Particulars	31 March 2018	31 March 2017
Lease income recognised in the statement of profit and loss for the year	2.68	1.03
The future minimum lease payments receivable over the next one year	1.98	1.94
The future minimum lease payments receivable later than one year but not later than five year	2.14	2.57

Finance lease

The Group does not have any significant finance lease as at March 31, 2018.

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 ₹ 992.10 crores (31 March 2017: ₹ 64.94 crores)

b] Entities in telecom network business has entered into master service agreements (MSAs) / Indefeasible right of use (IRU) agreement with internet service providers pursuant to which entities have committed minimum availability of telecom networks over the period of respective MSAs. The MSAs contain provision for disincentives and penalties in case of certain defaults.

c] The Group has imported certain machineries under the Export Promotion Capital Goods (EPCG) scheme as per details below :

(₹ in crores)

Year of Issue	Year upto Export obligation to be fulfilled	31 March 2018	31 March 2017
2016-17	2022-23	-	70.32
2017-18	2023-24	1,011.75	-

In this respect, the Group has given bonds of ₹ 684.66 crores (31 March 2017: ₹ 209.37 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

d] For commitments relating to lease arrangements please refer note 38.

e] 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

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
1 Disputed liabilities		
a) Sales tax	0.67	0.43
b) Excise duty [Including excise duty case in Supreme Court, refer note 20 and note 50]	241.32	262.25
c) Customs duty	74.08	75.38
d) Service tax	0.63	0.63
e) Income tax	29.96	25.32
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 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 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. Accordingly, no provision for the contingent liability has been recognised in the financial statements. 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 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 41: Details of Dues to Micro and Small Enterprises as Defined Under Msmed Act, 2006

	31 March 2018 (₹ in crores)	31 March 2017 (₹ 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	15.14	11.76
Interest due on above	0.10	0.08
(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.	0.10	0.08
(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	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.10 crore (31 March 2017: ₹ 0.08 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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Capital expenditure		
Plants and machinery - capitalized during the year	4.23	21.38
Plants and machinery - purchased during the year but pending for capitalization	2.92	-
Software - capitalized during the year	0.25	-
	7.40	**21.38**
Revenue expenditure		
Salaries, wages and bonus	16.07	8.25
Raw materials consumed	1.16	1.37
General expenses	11.10	5.65
Total	**28.33**	**15.27**

The Group has three Research and Development Centres. Centre wise breakup of expenditure is as follows :

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Sterlite Centre of Research-Aurangabad		
Capital Expenditure	1.51	0.53
Revenue Expenditure	15.36	11.92
	16.87	**12.45**
Sterlite Tech Smart Network Centre-Gurgaon		
Capital Expenditure	2.72	20.85
Revenue Expenditure	4.47	3.35
	7.19	**24.20**
Sterlite Technologies - Ahmedabad		
Capital Expenditure	3.17	-
Revenue Expenditure	8.50	-
	11.67	**-**

Note 43: Disclosures Pursuant to Indian Accounting Standard (Ind As) 11 "Construction Contracts"

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Amount of contract revenue recognised during the year	493.22	340.71
The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the reporting date	1,203.92	779.42
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	63.43
Gross amount due from customers for construction contracts	148.98	98.76

Note 44: Excise /Customs Matter Pending with Hon. Supreme Court

The Group had in an earlier year received an order of CESTAT upholding the demand of ₹ 188 crores (including penalties and excluding interest) (31 March 2017: ₹ 188 crores) in the pending excise/custom matters on various grounds. The Group's appeal with the Honourable High Court of Mumbai was rejected on the grounds of jurisdiction. The Group preferred an appeal with the Honourable Supreme Court of India against the order of CESTAT which has been admitted. The Group 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 2017: ₹ 4.50 crores) made by the Group 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 ₹ 3.64 crores (31 March 2017: 3.05 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of skill development, education and health. The amount of ₹ 3.64 crores (31 March 2017: ₹ 2.71 crore) was spent by way of contribution to Sterlite Tech Foundation, in which directors/senior executives of the Group and their relatives are trustees.

Details of CSR expenditure:

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
A. Gross amount required to be spent by the Group	3.64	3.05
B. Amount spent during the year	3.64	3.05
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	3.64	3.05

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 Group. ETPL has been merged with the Group with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Hon'ble 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 ₹ 29.64 crore for the year. Consequently, the auditors have included an emphasis of matter paragraph in regards to this matter.

Note 47 Note on Merger

The Board of Directors had approved the merger of passive infrastructure business of Speedon Network Limited ('SNL') (a wholly owned subsidiary of the Company) with the Company with the appointed date of 1 October 2016. During the year, the National Company Law Tribunal vide Order dated 27 July 2017 has approved a scheme of merger of the passive infrastructure business (merged undertaking) of Speedon Network Limited (SNL), a wholly owned subsidiary (Demerged company) with the Company. The standalone financial statements for the current year include the operations of the merged undertaking.

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 derive 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.

The management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit Risk, Liquidity Risk and Market risk. The risk to which Group is exposed and related risk management policies are summarized 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 include 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 2018 and 31 March 2017.

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 2018 and 31 March 2017.

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 2018, after taking into account the effect of interest rate swaps, approximately 83% of the Group's borrowings are at a fixed rate of interest (31 March 2017: 80%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Variable rate borrowings	359.39	387.13
Fixed rate borrowings	818.15	705.34
Total borrowings	**1,177.54**	**1,092.47**

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 March 2018		31 March 2017	
	Balance (₹ In crores)	% of total loans	Balance (₹ In crores)	% of total loans
Variable rate borrowings	359.39	31%	387.13	35%
Interest rate swaps (notional principal amount)	163.00		166.00	
Net exposure to cash flow interest rate risk	196.39		221.13	

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:

(Amount in ₹ crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
March 31, 2018		
Base Rate	+50	1.80
Base Rate	-50	(1.80)
March 31, 2017		
Base Rate	+50	1.94
Base Rate	-50	(1.94)

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 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 the foreign currency risk.

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.

The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. During the years ended 31 March 2018 and 2017, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

Out of total foreign currency exposure the Group has hedged the significant exposure as at March 31, 2018 and as at March 31, 2017. The Group's foreign currency exposure at the year end is as follows

March 31, 2018

(₹ in crores)

Financial Assets	USD	EUR	GBP	AUD	AED	MYR
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)

Financial Liabilities	USD	EUR	GBP	AUD	AED	MYR
Foreign currency	-	-	-	-	-	-
Bank Loan (including deferred payment liabilities)	297.63	-	-	-	-	-
Trade Payables	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	-	-	-	-	-
Buy foreign currency	-	-	-	-	-	
Net Exposure to foreign currency risk (Liabilities)	88.67	19.59	-	-	-	-

March 31, 2017

(₹ in crores)

Financial Assets	USD	EUR	GBP	AUD	AED	MYR
Trade receivable	63.71	44.08	23.50	-	0.67	3.14
Bank Balances	3.36	1.38	4.04	-	-	1.68
Derivative Assets						
Foreign exchange forward contracts - Sell foreign currency	63.54	44.08	23.50	-	0.35	-
Net Exposure to foreign currency risk (Assets)	3.53	1.38	4.04	-	0.32	4.82

March 31, 2017

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	AUD	AED	MYR
Bank Loan	164.05	-	-	-	-	-
Trade Payables (including payable for purchase of property, plant and equipment)	410.69	69.12	36.71	0.02	0.13	-
Derivative Liabilities						
Foreign exchange forward contracts - Buy foreign currency	410.69	69.12	36.71	-	-	-
Principal Swap	162.10	-	-	-	-	-
Net Exposure to foreign currency risk (Liabilities)	1.95	-	-	0.02	0.13	-

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, 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
March 31, 2017	+5%	0.05/(2.99)	+5%	0.08/(1.30)	+5%	(0.00*)/0.38
	-5%	(0.05)/2.99	-5%	(0.08)/1.30	-5%	0.00*/(0.38)

* Amount is below the rounding off norm followed by the Group.

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's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

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 reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 19.60 crores (31 March 2017: ₹ 13.20 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

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 10. 54 crore trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

The Group's customer profile for construction 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 project 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.

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.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 and 31 March 2017 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, 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 equipment's	-	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**
As at March 31, 2017						
Borrowings	50.38	333.61	280.86	419.52	8.10	1,092.47
Other financial liabilities	116.87	-	14.25	0.38	-	131.50
Trade payables	343.07	94.41	10.87	0.29	-	448.64
Payables for purchase of Property, plant and equipment's	-	2.77	41.40	112.38	-	156.55
Derivatives	10.33	7.60	6.93	11.72	-	36.58
	520.65	**438.39**	**354.31**	**544.29**	**8.10**	**1,865.74**

* Based on the maximum amount that can be called for under the financial guarantee contract.

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 March 31, 2018 and March 31, 2017

The cash flow hedges as at 31 March 2018 were assessed to be highly effective and a net unrealised loss of ₹ 47.92 crore, with a deferred tax liability of ₹ 16.74 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2017 were assessed to be highly effective and an unrealised gain of ₹ 0.83 crore, with a deferred tax liability of ₹ 0.29 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2018 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2019.

At 31 March 2018, the Group had currency/interest rate swap agreements in place with a notional amount of USD 2.50 crore (₹ 163.89 crore) whereby the Group receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.04% on the notional amount with USD-INR rate fixed at INR 66.38 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

March 31, 2018

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		1.31	3-Jan-23	1:1	N/A	(0.44)	0.44

March 31, 2017

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	38.23	0.95	April 2017 - June 2017	1:1	EUR:INR- 83.98 GBP:INR- 90.52	(1.82)	1.82
(ii Foreign exchange forward contracts-Liabilities	18.67	0.65	April 2017 - June 2019	1:1	EUR:INR- 82.86 GBP:INR- 109.86 USD:INR- 66.40	3.81	(3.81)
(iii) Foreign Currency Loan	(165.96)	(10.33)	3-Jan-23	1:1	USD:INR 66.39	(4.56)	4.56
Interest rate risk							
Interest rate swap		1.74	3-Jan-23	1:1	N/A	1.74	(1.74)

*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

March 31, 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

March 31, 2017

(₹ 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	(2.57)	-	(3.45)	Other expenses
Interest Risk	1.74	(1.02)	-	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.

Note 49: Capital Management (Contd.)

Particulars	As at 31 March 2018 (₹ in crores)	As at 31 March 2017 (₹ in crores)
Interest Bearing Loans and borrowings	1,177.54	1,092.47
Trade Payables	656.18	448.64
Other Financial Liabilities	271.32	324.63
Less: Cash and Cash equivalents & current investment	(274.56)	(164.83)
Net debt	**1,830.48**	**1,700.92**
Equity share capital	80.20	79.66
Other equity	1,095.12	800.41
Total capital	**1,175.32**	**880.07**
Capital and net debt	**3,005.80**	**2,580.99**
Gearing ratio	60.90%	65.79%

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, 2018 and March 31, 2017.

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.

Distribution Made and Proposed

Particulars	As at 31 March 2018 (₹ in crores)	As at 31 March 2017 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2017: ₹ 0.75 per share (31 March 2016: ₹ 1.00 per share)	29.97	39.74
Dividend Distribution Tax on final dividend	6.10	8.07
Interim dividend for the year ended on 31 March 2018: ₹ Nil per share (31 March 2017: ₹ 0.50 per share)	-	19.90
Dividend Distribution Tax on interim dividend	-	4.05
	36.07	**71.76**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2018: ₹ 2 per share (31 March 2017: ₹ 0.75 per share)	80.20	29.87
Dividend Distribution Tax on proposed dividend	16.33	6.08
	96.53	**35.95**

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.

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, 2018:

(Amount in ₹ crores)

	31 March 2018			31 March 2017		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	2.00	-	-	2.00	0.92	-
Debentures	17.60			8.00	3.20	
Mutual funds	155.00	-	-	35.01	-	-
Trade receivables	-	-	871.28	-	-	691.21
Loans	-	-	35.01	-	-	7.08
Cash and cash equivalents		-	138.48	-	-	137.41
Derivative financial assets	2.21	1.36	-	-	6.63	-
Security deposits	-	-	10.77	-	-	13.96
Other financials assets	-	-	62.76	-	-	56.78
Total financial assets	**176.81**	**1.36**	**1,118.30**	**45.01**	**10.75**	**906.44**
Financial liabilities						
Borrowings	-	-	1,177.54	-	-	1,092.47
Trade Payables	-	-	656.18	-	-	448.64
Derivative financial liabilities	17.03	54.97	-	-	36.58	-
Payables for purchase of Property, plant and equipment's	-	-	92.36	-	-	156.55
Security deposits	-	-	1.10	-	-	0.38
Other Financial Liabilities	-	-	105.86	-	-	131.12
Total financial liabilities	**17.03**	**54.97**	**2,033.04**	**-**	**36.58**	**1,829.16**

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		
Financial assets and liabilities measured at fair value - recurring fair value measurements	**Amount**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
Investments in Equity Shares of joint venture				
As at March 31, 2018	2.00	-	-	2.00
As at March 31, 2017	2.00	-	-	2.00
Investments in Debentures				
As at March 31, 2018	17.60	-	-	17.60
As at March 31, 2017	11.20	-	-	11.20
Mutual fund investments				
As at March 31, 2018	155.00	155.00	-	-
As at March 31, 2017	35.01	35.01	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at March 31, 2018	2.26	-	2.26	-
As at March 31, 2017	4.89	-	4.89	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at March 31, 2018	1.31	-	1.31	-
As at March 31, 2017	1.74	-	1.74	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at March 31, 2018	59.96	-	59.96	-
As at March 31, 2017	26.25	-	26.25	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at March 31, 2018	12.04	-	12.04	-
As at March 31, 2017	10.33	-	10.33	-

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, 2018 and March 31, 2017:

(₹ in crores)

Particulars	Investments in Equity Shares of JV	Investments in Debentures
As at March 31, 2017	2.92	11.20
Acquisitions	-	9.60
Changes in Fair value	(0.92)	(3.20)
As at March 31, 2018	**2.00**	**17.60**

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, 2018 : 5% March 31, 2017 : 5%	1% (March 31,2017 : 1%) increase/ (decrease) in the terminal growth rate would result in increase /(decrease) in fair value by ₹ 1.51/ (0.59) crore (31 March 2017: ₹ 1.09/(0.38) crore)
		WACC (pre-tax)	March 31, 2018 : 20% March 31, 2017 : 20%	1% (March 31,2017 : 1%) increase/ (decrease) in the WACC would result in decrease/ (increase) in fair value by ₹ 1.03/ (2.0) crore (31 March 2017: ₹ 1.14 crore)
		Long-term operating margin	March 31, 2018 : 3.1% - 14.2% March 31, 2017 : 15% - 23%	1% (March 31,2017 : 1%) increase/ (decrease) in the margin would result in increase/ (decrease) in fair value by ₹ 1.24/ (0.47) crore (31 March 2017: ₹ 0.59 crore)

*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 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 pre-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.

g) Financial assets and liabilities measured at amortised cost

	31 March 2018 (₹ in crores)	
	Carrying value	**Fair value**
Financial liabilities		
Debentures @ 8.45%	150.00	148.92

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 hierarch 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 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

Bharat Aluminium Company Limited
Sterlite Power Transmission Ltd.
Twin Star Technologies Limited
Sterlite Power Grid Ventures Limited
Sterlite Grid 1 Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE
Sterlite Power Technologies Private Limited

(ii) Joint ventures
Sterlite Conduspar Industrial Ltda
Metis Eduventures Private Limited

(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)
Mr. Sandip Das (Non executive & Independent Director) (from 16 October 2017)
Mr. Pratik Agarwal (Non executive Director)

(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:-

(₹ in crores)

S. No.	Particulars	Joint Ventures		Holding Company		KMP		Relative of KMP		Fellow Subsidiaries/EKMP	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Transactions										
1	Remuneration	-	-	-	-	27.26	21.47	3.04	1.96	-	-
2	Sitting Fees	-	-	-	-	0.12	0.10	-	0.01	-	-
3	Commission	-	-	-	-	0.63	0.38	-	0.13	-	-
4	Dividend received / (paid)	-	-	(15.71)	(31.41)	(0.22)	(0.25)	(0.09)	(0.24)	(0.36)	(0.71)
5	Investments made during the year	9.60	-								
6	Loans and advances given	0.35	0.45	-	-	-	1.37	-	-	40.85	50.11
7	Repayment of loans	-	0.16	-	-	1.37	-	-	-	17.30	24.18
8	Trade advances	-	-	-	-	-	-	-	-	-	0.84
9	Repayment of advances	-	-	-	-	-	-	-	-	0.17	-
10	Interest charged on loans	-	-	-	-	0.12	-	-	-	1.47	2.07
11	Management fees paid	-	-	-	-	-	-	-	-	3.10	0.21
12	Management fees charge	-	-	-	-	-	-	-	-	1.99	8.27
13	Purchase of fixed asset	-	-	-	-	-	-	-	-	26.76	11.47
14	Purchase of goods & services	-	-	-	-	-	-	-	-	74.86	77.88
15	Sale of goods & services (net of excise duty)	12.21	7.62	-	-	-	-	-	-	28.91	20.23
16	Expenses incurred	-	-	-	-	-	-	-	-	-	1.19
17	Contributions made for CSR	-	-	-	-	-	-	-	-	3.64	2.71
18	Rental income	-	-	-	-	-	-	-	-	0.08	0.06
19	ESOP expenses charged	-	-	-	-	-	-	-	-	-	0.76
20	Professional fees paid	-	-	-	-	-	-	-	-	0.27	0.47
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Outstanding Balances										
1	Advance outstanding against supplies		-		-		-		-		0.84
2	Loans/advance receivables##	0.37	0.57	-	-	-	1.37	-	-	34.19	9.60
3	Trade receivables	20.75	20.07	-	-	-	-	-	-	-	2.38
4	Trade payables	-	-	-	-	-	-	-	-	30.41	15.31
5	Investment in equity shares & preference shares	19.60	-	-	-	-	-	-	-	-	-
6	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114.00	114.00

(C) Disclosure in respect of material related party transaction during the year:

(₹ in crores)

	Particulars	Relationship	31 March 2018	31 March 2017
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	13.72	10.89
	Dr. Anand Agarwal	KMP	10.04	8.69
	Mr. Ankit Agarwal	Relative of KMP	3.04	1.96
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.05	0.05
	Mr. A. R. Narayanaswamy	KMP	0.04	0.03
3	**Incentive / Commission**			
	Mr. Arun Todarwal	KMP	0.13	0.13
	Mr. A. R. Narayanaswamy	KMP	0.13	0.13
	Ms. Avaantika Kakkar	KMP	0.13	0.13
	Mr. C V Krishnan	KMP	0.13	-
	Mr. Pratik Agarwal	KMP	0.13	0.13
4	**Dividend received / (paid)**			
	Twin Star Overseas Limited	Holding Company	(15.71)	(31.41)
	Vedanta Limited	EKMP	(0.36)	(0.71)
5	**Investment during the year**			
	Metis Eduventures Private Limited*	Joint Venture	9.60	-
	* This amount pertains to Compulsory convertible debenture (CCDs)			
6	**Loans given**			
	Twinstar Display Technologies Limited.	Fellow Subsidiary	22.14	9.87
	Twin Star Technologies Ltd	Fellow Subsidiary	9.99	-
	Sterlite Power Transmission Limited.	Fellow Subsidiary	8.64	40.24
	Sterlite Conduspar Industrial Ltda	Joint Venture	0.35	0.45
7	**Repayment of loans**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	7.80	20.69
	Twinstar Display Technologies Limited	Fellow Subsidiary	9.50	3.49
8	**Trade Advances**			
	Vedanta Limited	Fellow Subsidiary	-	0.84
9	**Repayment of advances**			
	Sterlite Grid 1 ltd	Fellow Subsidiary	0.17	-
10	**Interest charged on loans**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	1.47	0.14
	Sterlte Power Transmission Limited	Fellow Subsidiary	-	1.92
11	**Management fees paid**			
	Vedanta Limited	Fellow Subsidiary	-	0.21
	Sterlte Power Transmission Limited	Fellow Subsidiary	3.10	-
12	**Management fees charge**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	1.99	8.27
13	**Purchase of fixed asset**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	26.76	11.47
14	**Purchase of goods & services**			
	Fujairah Gold FZE	Fellow Subsidiary	70.62	64.42
15	**Sale of goods & services (net of excise duty)**			
	Sterlite Conduspar Industrial Ltda	Joint Venture	12.21	7.62
	Sterlite Power Transmission Limited	Fellow Subsidiary	28.91	20.23
16	**Expenses incurred**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	1.02
17	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	3.64	2.71
18	**Rental income**			
	Universal Floritech LLP	EKMP	0.08	0.06
19	**ESOP expenses charged**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	0.76
20	**Payment of professional fees**			
	Khaitan & Co. LLP	EKMP	0.27	0.47

(D.) Compensation of Key management personnel of the company

(₹ in crores)

Particulars	31 March 2018	31 March 2017
Short term employee benefits	25.78	21.47
Long term & Post employment benefits	0.38	0.40
Share based payment transaction*	4.14	0.89
Total compensation paid to key management personnel	**30.30**	**22.76**

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: Interest in Joint Venture

The Group has a 58.05% (March 31,2017: 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 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Current assets	28.08	26.32
Non-current assets	15.94	19.94
Total Asset (A)	**44.02**	**46.26**
Current liabilities	45.50	43.69
Non-current liabilities	1.87	0.98
Total Liabilities (B)	**47.37**	**44.67**
Net Assets (A+B)	**(3.35)**	**1.59**
Proportion of the Group's ownership	58.05%	58.05%
Carrying amount of the investment	-	0.92

Summarised statement of profit and loss of the Joint Venture:

	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Revenue	43.98	31.18
Other Income	0.28	0.01
Cost of raw material and components consumed	33.30	23.57
Depreciation & amortization	1.23	1.13
Finance cost	0.60	0.90
Employee benefit	4.06	3.64
Other expense	10.29	6.82
Loss before tax	**(5.22)**	**(4.88)**
Income tax expense	-	-
Loss for the year	**(5.22)**	**(4.88)**
Other comprehensive income	**-**	**-**
Total comprehensive income for the year	**(5.22)**	**(4.88)**
Group's share of loss for the year	**(3.03)**	**(2.83)**
Unrecognised share of loss of joint venture	**(2.11)**	**-**

Note 53: Disclosure for Non-Controlling Interests

This information is based on amounts before inter-Group 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 2018	Effective ownership as on 31 March 2017	Country of incorporation
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Power Transmission	61.86%	67.55%	India
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)	Manufacturing of Optical Fibre	75.00%	75.00%	China

Summarised statement of profit and loss for the year ended 31 March 2018:

	31 March 2018		31 March 2017	
	MTCIL (₹ in crores)	JSTFCL (₹ in crores)	MTCIL (₹ in crores)	JSTFCL (₹ in crores)
Revenue	1.70	372.16	0.26	302.54
Profit for the year	**(4.38)**	**125.88**	**(4.20)**	**70.79**
Total comprehensive income	**(4.38)**	**125.88**	**(4.20)**	**70.79**
Attributable to non-controlling interests	(1.67)	31.47	(1.36)	17.70
Dividends paid to non-controlling interests	-	(2.02)	-	-

Summarised balance sheet as at 31 March 2018 and 31 March 2017:

	31 March 2018		31 March 2017	
	MTCIL (₹ in crores)	JSTFCL (₹ in crores)	MTCIL (₹ in crores)	JSTFCL (₹ in crores)
Non current assets	109.25	259.05	89.33	129.78
Current assets	7.16	106.90	0.83	83.47
Total Asset (A)	**116.41**	**365.95**	**90.17**	**213.25**
Non current liability	(32.64)	(14.31)	(22.12)	-
Current liability	(64.37)	(42.20)	(49.17)	(48.72)
Total Liability (B)	**(97.01)**	**(56.51)**	**(71.29)**	**(48.72)**
Net Assets (A+B)	**19.40**	**309.44**	**18.88**	**164.53**

Summarised cash flows

	31 March 2018		31 March 2017	
	MTCIL (₹ in crores)	JSTFCL (₹ in crores)	MTCIL (₹ in crores)	JSTFCL (₹ in crores)
Net cash inflow from operating activities	8.29	111.34	(0.53)	74.15
Net cash inflow from investing activities	(19.10)	(115.25)	(0.28)	(28.40)
Net cash inflow from financing activities	11.72	(2.93)	0.90	(16.47)
Net increase /(decrease) in cash and cash equivalents	**0.91**	**(6.84)**	**0.09**	**29.28**

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 other 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 2018	70.05%	880.75	69.48%	252.99	169.62%	(15.38)	66.92%	237.61
Balance as at 31 March 2017	61.71%	571.02	66.40%	144.56	100.00%	(1.08)	66.24%	143.48
Subsidiaries								
Indian								
1. Speedon Network limited								
Balance as at 31 March 2018	2.33%	29.26	(0.99%)	(3.59)	-	-	(1.01%)	(3.59)
Balance as at 31 March 2017	14.52%	134.32	4.05%	8.81	-	-	4.07%	8.81
2. Maharashtra Transmission Communication Infrastructure Limited								
Balance as at 31 March 2018	0.84%	10.51	(0.74%)	(2.71)	-	-	(0.76%)	(2.71)
Balance as at 31 March 2017	1.80%	16.70	(0.72%)	(1.56)	-	-	(0.72%)	(1.56)
3. Sterlite Telesystems Limited								
Balance as at 31 March 2018	0.00%	0.02	(0.01%)	(0.03)	-	-	(0.01%)	(0.03)
Balance as at 31 March 2017	0.00%	0.03	(0.01%)	(0.02)	-	-	(0.01%)	(0.02)
Foreign								
1. Sterlite Global Ventures (Mauritius) Limited								
Balance as at 31 March 2018	0.31%	3.92	(0.01%)	(0.04)	-	-	(0.01%)	(0.04)
Balance as at 31 March 2017	0.00%	(0.01)	(0.04%)	(0.08)	-	-	(0.04%)	(0.08)
2. Jiangsu Sterlite and Tongguang Fibre Co. Ltd.								
Balance as at 31 March 2018	19.19%	241.26	25.93%	94.41	-	-	26.59%	94.41
Balance as at 31 March 2017	14.84%	137.33	23.80%	51.81	-	-	23.92%	51.81
3. Sterlite (Shanghai) Trading Company Limited								
Balance as at 31 March 2018	-0.04%	(0.48)	(0.04%)	(0.14)	-	-	(0.04%)	(0.14)
Balance as at 31 March 2017	0.12%	1.07	0.18%	0.39	-	-	0.18%	0.39
4. Sterlite Technologies Europe Ventures Limited								
Balance as at 31 March 2018	0.01%	0.08	0.00%	0.01	-	-	0.00%	0.01
Balance as at 31 March 2017	0.01%	0.08	0.00%	(0.00)	-	-	0.00%	(0.00)
5. Sterlite Technologies UK Ventures Limited								
Balance as at 31 March 2018	0.22%	2.83	(0.14%)	(0.52)	-	-	(0.15%)	(0.52)
Balance as at 31 March 2017	1.80%	16.63	0.00%	-	-	-	0.00%	-

Note 54: Statutory Group Information (Contd.)

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other 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
6. Elitecore Techologies (Mauritius) Limited								
Balance as at 31 March 2018	0.01%	0.13	(0.02%)	(0.06)	-	-	(0.02%)	(0.06)
Balance as at 31 March 2017	0.07%	0.62	0.02%	0.05	-	-	0.02%	0.05
7. Elitecore Techologies Sdn Bhd.								
Balance as at 31 March 2018	0.42%	5.22	0.35%	1.29	-	-	0.36%	1.29
Balance as at 31 March 2017	0.25%	2.27	0.12%	0.25	-	-	0.12%	0.25
8. Sterlite Tech Holding Inc.								
Balance as at 31 March 2018	0.20%	2.55	(0.06%)	(0.23)	-	-	(0.07%)	(0.23)
Balance as at 31 March 2017	0.00%	-	0.00%	-	-	-	0.00%	-
9. Sterlite Technologies Inc								
Balance as at 31 March 2018	-0.06%	(0.73)	(1.68%)	(6.13)	-	-	(1.73%)	(6.13)
Balance as at 31 March 2017	0.00%	-	0.00%	0.00	-	0.00	0.00%	-
10. Share of Profit/(Loss) of Joint Venture								
Balance as at 31 March 2018		-	(0.25%)	(0.92)	-	-	(0.26%)	(0.92)
Balance as at 31 March 2017		-	(1.30%)	(2.83)	-	0.00	(1.31%)	(2.83)
Non controlling interest in all subsidiaries								
Balance as at 31 March 2018	6.52%	81.95	8.18%	29.80	(69.62%)	6.31	10.17%	36.11
Balance as at 31 March 2017	4.88%	45.20	7.50%	16.33	-	-	7.54%	16.33
Total								
Balance as at 31 March 2018	**100.00%**	**1,257.27**	**100.00%**	**364.13**	**100.00%**	**(9.07)**	**100.00%**	**355.06**
Balance as at 31 March 2017	**100.00%**	**925.27**	**100.00%**	**217.71**	**100.00%**	**(1.08)**	**100.00%**	**216.62**

Note 55: Segment Reporting

The Group has only one operating segment which is Telecom Products and Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
(1) Revenue from external customers		
- Within India	1,620.36	1,702.07
- Outside India	1,585.13	891.49
Total revenue per statement of profit and loss	**3,205.49**	**2,593.56**
(2) Non-current operating assets		
- Within India	1,332.05	1,248.81
- Outside India	259.05	129.80
Total	**1,591.10**	**1,378.61**
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 one customer in India amounted to ₹ 360.02 crores (31 March 2017: ₹ 340.71 crores)		

Note 56 Disclosure Related to Specified Bank Notes for the year ended 31 March 2017

Following is the disclosure relating to details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs :

Particulars	Specified Bank Notes (Amount in ₹)	Other Denomination Notes (Amount in ₹)	Total (Amount in ₹)
Closing cash in hand on 08.11.2016	98,500	42,355	140,855
Add: Permitted receipts	6,500	485,628	492,128
Less: Permitted payments	-	477,409	477,409
Less: Amount deposited in banks	104,500	-	104,500
Closing cash in hand on 30.12.2016	**500**	**50,574**	**51,074**

The above disclosure is not applicable for the year ended 31 March 2018

Note 57: Previous Year Figures

Previous year figures have been reclassified to conform to this years classification.

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
Chartered Accountants

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 25, 2018

Place : Pune
Date: April 25, 2018

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	7.62	22.91	32.08	0.02	3.81	(3.59)	-	(3.59)	-	100.00
2	Sterlite Telesystems Limited	India	INR	NA	0.02	(0.10)	0.10	0.02	-	-	(0.03)	-	(0.03)	-	100.00
3	Elitecore Technologies (Mauritius) Limited	Mauritius	MUR	1.93	0.14	0.35	0.64	1.13	-	1.18	(0.06)	-	(0.06)	-	100.00
4	Elitecore Technologies Sdn Bhd.	Malaysia	MYR	16.85	-	2.71	4.13	6.83	-	11.21	1.29	-	1.29	-	100.00
5	Sterlite Global Ventures (Mauritius) Limited	Mauritius	USD	65.17	67.02	3.87	0.36	71.25	66.97	-	4.18	-	4.18	-	100.00
6	Maharashtra Transmission Communication Infrastructure Limited*	India	INR	NA	21.82	(6.39)	100.99	116.42	-	1.70	(4.38)	-	(4.38)	-	49.91
7	Jiangsu Sterlite Tongguang Fiber Co. Limited	China	RMB	10.37	89.49	219.96	56.51	365.95	-	368.76	147.38	21.50	125.88	-	75.00
8	Sterlite Technologies Europe Ventures Limited	Cyprus	Euro	80.22	0.11	(0.03)	0.01	0.08	-	-	0.01	-	0.01	-	100.00
9	Sterlite Technologies UK Ventures Limited	UK	GBP	91.25	0.04	(0.98)	20.47	19.52	19.15	-	(0.52)	-	(0.52)	-	100.00
10	Sterlite Tech Holding Inc.	America	USD	65.17	-	(0.23)	8.21	7.98	-	-	(0.23)	-	(0.23)	-	100.00
11	Sterlite Technologies Inc	America	USD	65.17	-	(6.13)	6.55	0.43	-	-	(6.13)	-	(6.13)	-	100.00
12	Sterlite Conduspar Industrial Ltda	Brazil	Real	19.70	19.14	(21.07)	27.50	25.57	-	25.53	(3.03)	-	(3.03)	-	58.05
13	Sterlite (Shanghai) Trading Co. Limited	China	RMB	10.37	1.53	(0.50)	0.31	1.35	-	22.97	(0.14)	-	(0.14)	-	100.00

* The figures for this company have not been consolidated as it has been classified as 'Asset held-for-sale' under IndAS

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	31-03-2018
2	Shares of Associate/Joint Ventures held by the Company on the year end	USD 1,23,75,000 being 75%, held indirectly
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	(1.93)
6	Profit/Loss for the year	
a	Considered in consolidation	0.92
b	Not considered in consolidation	2.11

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
Whole-time Director

Anand Agarwal
CEO & Whole-time Director

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 25, 2018

Notes:

Corporate Information

Board of Directors

Anil Agarwal

Pravin Agarwal

Dr. Anand Agarwal

A.R. Narayanaswamy

Sandip Das

Arun Todarwal

Avaantika Kakkar

Pratik Agarwal

Chief Financial Officer

Anupam Jindal

Company Secretary

Amit Deshpande

Leadership Team

Dr. Anand Agarwal (Chief Executive Officer)

Anupam Jindal (Chief Finance Officer)

K S Rao (Chief Operating Officer – Telecom Products and Services)

Ankit Agarwal (Global Sales Director, Telecom Products)

Dr. Badri Gomatam (Chief Technology Officer)

Gaurav Basra (Chief Strategy Officer)

Amitabh Hajela (Chief People Officer)

Nischal Gupta (Chief Transformation Officer)

Manish Sinha (Chief Marketing Officer)

Phill Coppin (Head – Global Application Engineering)

Swati Rangachari (Chief of Corporate Affairs)

Anshoo Gaur (EVP - Software)

Pankaj Priyadarshi (Chief Supply Chain Officer)

Nikhil Jain (Head – Telecom Software)

Thomas Yang (Head – China Sales)

Juhi Hajela (Head – Corporate Communications)

Vaibhav Mehta (Head – Sales, Telecom Software)

Richard Eichhorn (Head – EMEA Sales)

Auditors

Price Waterhouse Chartered Accountants LLP

Bankers

Axis Bank

Bank of Baroda

Bank of China

Bank of Maharashtra

China Merchants Bank

Citi Bank

Corporation Bank

Export-Import Bank of India

HDFC Bank

ICICI Bank

IDBI Bank

IDFC Bank

Indusind Bank

Industrial and Commercial Bank of China

Kotak Mahindra Bank

Oriental Bank of Commerce

People Development Bank

Shinhan Bank

Societe Generale

State Bank of India

The Federal Bank

Union Bank of India

Yes Bank

Registered Office

E 1, MIDC Industrial Area,
Waluj, Aurangabad,
Maharashtra – 431 136

Locations

Brazil, China, France, Germany, India, Italy, Ivory Coast, Malaysia, Mauritius, Mexico, Netherlands, Singapore, South Africa, Sweden, Turkey, United Arab Emirates, United Kingdom, United States

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Sterlite Tech

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