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Jiangsu Sterlite Tongguang Fiber Co., Ltd

Report of the Auditors and Financial Statements

For the year ended 31st, March, 2017

江苏公证天业会计师事务所(特殊普通合伙)南通分所
Nantong Branch, Jiangsu Gongzheng Tianye Certified Public Accountants, SGP
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SUGONG T(2017) No.E4008

Auditor's Report

To the shareholders of Jiangsu Sterlite Tongguang Fiber Co., Ltd.

We have audited the accompanying financial statements of Jiangsu Sterlite Tongguang Fiber Co., Ltd. (hereinafter "Sterlite Tongguang Company"), which comprise the balance sheet as at March 31, 2017, and the income statement, owner's equity changes statement and cash flow statement for the year then ended, and notes to the financial statements.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises. This responsibility includes: (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (b) selecting and applying appropriate accounting policies; and (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sterlite Tongguang Company as at March 31, 2017, and its financial performance and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

Nantong Branch, Jiangsu Gongzheng Tianye Certified Public Accountants, SGP
(Stamp)

Chinese Certified Public Accountant:

中国注册会计师
郝东
320600060006

(Signature and stamp)

Chinese Certified Public Accountant:

中国注册会计师
张玉林
320600310002

(Signature and stamp)

Nantong, China

April 13th, 2017

Appendix I

BALANCE SHEET

审验专用章

Prepared by: Jiangsu Sterlite Tongguang Fiber Co., Ltd. Mar. 31, 2017 Monetary Unit: RMB Yuan

ASSETS	REMAINING AT END OF YEAR	REMAINING AT BEG. OF YEAR	LIABILITIES AND OWNER'S EQUITY	REMAINING AT END OF YEAR	REMAINING AT BEG. OF YEAR
CIRCULATING ASSETS:			**CIRCULATING LIABILITIES**		
Monetary funds	58,952,806.49	25,482,314.97	Short-term loans	9,830,054.53	6,864,392.26
Trading financial debt			Trading financial debt		
Notes receivable			Notes payable		
Accounts receivable	402,466.03		Accounts payable	31,208,531.59	33,656,951.74
Accounts prepayments	4,470,294.82	4,167,850.62	Advance receivable	5,953,260.78	4,827,723.37
Interest receivable			Accrued staff's payroll	850,000.00	210,000.00
Dividends receivable			Taxes and expenses payable	7,087,873.07	1,539,101.78
Other receivable	55,450.00	357,792.84	Interest payable		
Inventories	28,262,209.82	21,112,342.22	Dividends payable		
Un-circulating assets maturing within one year			Amount other accrued payable	296,330.76	763,323.81
Other circulating assets	281,407.00	263,233.00	Un-circulating liabilities due within one year		7,540,000.00
TOTAL CIRCULATING ASSETS	**92,424,634.16**	**51,383,533.65**	Other circulating liabilities		
UN-CIRCULATING ASSETS:			**TOTAL CIRCULATING LIABILITIES**	**55,226,050.73**	**55,401,492.96**
Financial assets of sales supply-able			**UN-CIRCULATING LIABILITIES:**		
Investment from keeping to maturity			Long-term loans		11,045,327.86
Long-term receivable			Bond payable		
Long-term investment in stock ownership			Long-term payables		
Investment real estate			Related payable		
Fixed assets	121,868,860.62	111,104,965.56	Estimated liabilities		
Construction in progress	11,735,917.34	2,958,788.97	Deferral income-tax debt		
Engineering material			Other un-circulating liabilities		
Liquidation of the fixed assets			**TOTAL UN-CIRCULATING LIABILITIES**		**11,045,327.86**
Productive living things assets			**TOTAL LIABILITIES**	**55,226,050.73**	**66,446,820.82**
Oil and gas assets					
Intangible assets	5,313,026.34	5,505,874.31	**OWNER'S EQUTIY**		
Development expenditure			Paid-in capital	103,836,015.19	103,836,015.19
Business reputation			Capital surplus		
Long-term prepaid expense		36,092.00	Less: Shares in stock		
Assets in deferred-income-tax			Surplus reserves	4,821,040.49	
Other Un-circulating assets			Undistributed profit	67,459,332.05	706,418.48
TOTAL UN-CIRCULATING ASSETS	**138,917,804.30**	**119,605,720.84**	**TOTAL OWNER'S EQUITY**	**176,116,387.73**	**104,542,433.67**
SUM TOTAL ASSETS	**231,342,438.46**	**170,989,254.49**	**SUM TOTAL LIABILITIES AND OWNER'S EQUT**	**231,342,438.46**	**170,989,254.49**

Appendix Ⅱ

Income Statements

Prepared by: Jiangsu Sterlite Tongguang Fiber Co., Ltd.　April 2016 to March 2017　Monetary Unit: RMB Yuan

ITEM	AMOUNT OF CURRENT YEAR	AMOUNT OF LAST YEAR
Ⅰ. TOTAL OPERATING INCOME	**303,567,792.61**	**218,865,476.75**
Including: Operating income	303,567,792.61	218,865,476.75
Including: Income from main operation	302,567,026.87	218,516,506.65
Income from other operation	1,000,765.74	348,970.10
Interest income		
Earned from insurance charge		
Payment for service charge and commission fee		
Ⅱ. TOTAL OPERATION COST	**220,792,127.83**	**196,850,231.92**
Including: Operation cost	193,093,538.45	170,210,452.80
Including: Cost of main operation	193,093,538.45	170,210,452.80
Other business payment		
Main operation tax & additional expenses	2,495,490.11	185,546.39
Sales expense	3,850,625.36	2,161,042.20
General & administrative expense	19,668,526.47	17,186,295.92
Financial expense	1,683,947.44	7,106,894.61
Losses from depreciation of assets		
Others		
Add: Gain form fair value charge (deficit, using "-")		
Investment income (deficit, using "-")		
Remittance gain and loss (deficit, using "-")		
Ⅲ. OPERATING PROFITS (deficit, using "-")	**82,775,664.78**	**22,015,244.83**
Add: Non-operating income	962,851.81	418,655.25
Less: Non-operating expenditure	60,434.92	56,130.31
Including: Disposal loss from un-circulating assets		
Ⅳ. SUM OF PROFIT (deficit, using "-")	**83,678,081.67**	**22,377,769.77**
Less: Expenses for income tax	12,104,127.61	124,662.09
Ⅴ. NET PROFIT (deficit, using "-")	**71,573,954.06**	**22,253,107.68**

Appendix III

Cash Flow Sheet

Prepared by: Jiangsu Sterlite Tongguang Fiber Co., Ltd. April 2016 to March 2017 Monetary Unit: RMB Yuan

ITEM	SUM
Ⅰ. CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from sale of goods or rendering of services	355,828,349.60
Refunds of taxes	
Other cash received relating to the operating activities	2,107,347.22
Sub-Total Cash Inflows of Operating Activities	**357,935,696.82**
Cash paid for goods and services	224,000,792.73
Cash paid to and on behalf of employees	17,738,152.52
Paid all types of taxes	26,627,473.56
Other cash paid to relating to operating activities	12,425,677.82
Sub-Total Cash Outflows of Operating Activities	**280,792,096.63**
Net Cash Flows from Operating Activities	**77,143,600.19**
Ⅱ. CASH FLOWS FROM INVESTMENT ACTIVITIES	
Cash received from return of investments	
Cash received from earning of investments	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	
Net cash received from disposal of sub-company and other operating body	
Other cash received relating to investment activities	
Sub-Total of Cash Inflows of Investing Activities	
Cash paid to acquire fixed assets, intangible assets and other long-term assets	27,623,946.03
Cash paid to investments	
Net cash received from sub-company and other operating body	
Other cash paid relating to investing activities	
Sub-Total of Cash Outflows of Investing Activities	**27,623,946.03**
Net cash flows from investing activities	**-27,623,946.03**
Ⅲ.CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received from the absorption of investments	
Cash received from borrowing	14,501,668.97
Other cash received relating to financing activities	
Sub-Total Cash Inflows of Financing Activities	**14,501,668.97**
Cash repayments Of amounts borrowed	30,121,334.56
Cash paid for distribution of dividends, profits or interests	397,802.18
Other cash paid relating to the financing activities	
Sub-Total Cash Outflows of Financing Activities	**30,519,136.74**
Net cash flows from financing activities	**-16,017,467.77**
Ⅳ. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALEN	**-31,694.87**
Ⅴ. NET INCEASE IN CASH AND CASH EQUIVALENTS	**33,470,491.52**
Add: Cash & remaining of cash equivalents at beginning of the period	**25,482,314.97**
Ⅵ. CASH & CASH EQUIVALENTS REMAINING AT END FO THE PERIOD	**58,952,806.49**

Appendix: Ⅳ

Owner's Equity Changes Statement

Prepared by: Jiangsu Shenlin Tongguang Fiber Co., Ltd.

April 2016 to March 2017

ITEM	Paid-in capital	Capital surplus	Less: Shares in stock	Surplus reserves	Undistributed profit	AMOUNT
Ⅰ. REMAINING AT END OF LAST YEAR	103,836,015.19	-	-	-	706,418.48	104,542,433.67
Add: Changes in accounting policy						
Correct to last period						
Ⅱ. REMAINTING AT BEGINNING OF CURRENT YEAR	103,836,015.19	-	-	-	706,418.48	104,542,433.67
Ⅲ.AMOUNT CHANGES OF CURRENT YEAR (decrement, using "-")	-	-	-	4,821,040.49	66,752,913.57	71,573,954.06
(Ⅰ). NET INCOME					71,573,954.06	71,573,954.06
(Ⅱ). GAIN AND LOSS OF DIRECTLY INTO OWNER'S EQUITY						
Fair value changes net amount from the financial assets of sales supply-able						
Amount influence from other owner's equity of the investee under equity method						
Amount of income-tax influence charged into owner's equity						
Others						
(Ⅲ). INCREASE OR DECREASE CAPITAL BY OWNERS						
Owner's capital						
Amount of shares payment into owner's equity						
Others						
(Ⅳ). PROFIT DISTRIBUTION				4,821,040.49	-4,821,040.49	-
Withdraw surplus				4,821,040.49	-4,821,040.49	-
Profit distributed to owners (or stock holder)						
Other						
(Ⅴ). INTERNAL TRANSFERING OF OWNER'S EQUITY						
Capital surplus splitting capital (or capital stock)						
Surplus splitting capital (or capital stock)						
Deficit coverage by surplus						
Other						
Ⅳ. REMAINING AT END OF THE CURRENT YEAR	103,836,015.19	-	-	4,821,040.49	67,459,332.05	176,116,387.73

Jiangsu Sterlite Tongguang Fiber Co., Ltd.

Notes to the Financial Statements

For the Year Ended 31st March, 2017

(All Amounts are in RMB unless otherwise stated)

Ⅰ. GENERAL INFORMATION

Jiangsu Sterlite Tongguang Fiber Co., Ltd. (the "Company" hereafter) is a Joint Venture Company set up by M/s Sterlite Global Ventures (Mauritius) Ltd., a wholly owned subsidiary of M/s Sterlite Technologies Ltd, India and M/s Jiangsu Tongguang Communication Co. Ltd., China according to the approval letter [2011] No 8384 issued by the People's Government of Jiangsu Province. The Company was registered with Nantong Haimen Administration Bureau of Industry and Commerce on January 19th, 2011 with the business license numbered 320684400011561. On March 15, 2016 it got the business license of a unified social code 91320684567766496K changed and issued by Haimen Administrative Approval Bureau .The Company's Legal Representative is Mr.Ankit Agarwal. The Company's approved business scope includes optical fiber technology consulting, development, design, manufacturing of optical fibers and optical fiber related products and sale of self-manufactured products.Optical fiber, optical fiber preform, and fiber optic cable products, wholesale, import and export and commission agency (excluding auction) of optical fiber, optical fiber preform, optical fiber cable and related products. The registered capital of the Company is USD 16.50 Million (i.e. RMB 103.84 million) same as the actual capital. M/s Sterlite Global Ventures (Mauritius) Ltd. has contributed USD 12.375 Million, accounting for 75% of the capital

infused till now and M/s Jiangsu Tongguang Communication Co. Ltd has contributed USD 4.125 Million, accounting for 25% of the capital infused till now. On 20th March 2014,Company changed the registered capital as RMB 103,836,015.19 equaled with USD 16.50 Million.

Ⅱ. BASIS OF PREPARATION

The Financial Statement is prepared on the basis of the Going Concern Principle.

Ⅲ. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting System and Accounting Standards Adopted

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and Accounting System for Business Enterprises of the People's Republic of China and other supplementary regulations.

Accounting Year

The Company has adopted the calendar year as its accounting year, i.e. from April 1 to March 31,it is special purpose financial statment prepared for period Apr to Mar.

Recording Currency

The recording currency of the Company is the Renminbi (RMB).

Basis of Accounting and Principle of Measurement

The Company has adopted the accrual basis of accounting and uses the historical cost convention as the principle of measurement.

Foreign Currency Translation

Transactions denominated in foreign currencies (currencies other than the recording currency) are converted into Renminbi at the applicable rate of exchange ("market exchange rate") prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted in to Renminbi at the market exchange rate prevailing at the balance sheet date. Exchange gains or losses are dealt with as finance costs, except for those attributable to foreign currency borrowings that have been used specifically for the construction of fixed assets before the assets are ready for their intended use, which are capitalized as part of the fixed asset costs.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts receivable and bad debt reserves

The provision method of bad debts:

The company's bad debt losses is using allowance method of accounting. When bad debt losses are occured, the corresponding provision for bad debts is written off with approval of Board and relevant management authorities.

The provision for bad debts method and ratio:

The provision for bad debts is made based on a combination of specific identification of assessments of probability and extent of loss referring to special accounts receivable, and the company should make provision of bad debts respectively. Specific accrual ratios are as follows:

Inventories

(1)Inventory category: inventories include raw materials, inventory of goods, work in progress, finished goods and so on. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

(2) The valuation method of acquisition and use: inventories are recorded by using the standard costing method when acquiring inventories. The cost of products includes standard costing and the differences between the standard costing and actual cost.

(3) The inventory system： the company is using the perpetual inventory system.

(4) Provisions for deduction of the inventories value and methods: the inventory is valued at the lower of its cost or its net realizable value. The inventory cost is higher than its net realizable value and provision for decline in value of inventory is credited to current profit and loss.

(5) Work-in-progress and finished goods are valued at lower of cost and net realizable value. cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

Fixed Assets and Depreciation

(1) Criteria of fixed assets

Fixed assets are the tangible assets in higher unit value. They are defined as the production of goods, the provision of services and the lease or management used for more than one year.

(2) Measurement of fixed assets

Fixed assets are recorded at cost on acquisition. The acquisition cost includes purchase price, import taxes, transportation costs, insurance costs and other related costs that are necessary for the fixed assets being ready for their intended use.

(3) Depreciation of fixed assets

Depreciation is provided to write off the cost of each category of fixed assets over their estimated useful lives from the month after they are put into use, using the straight-line method. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

Category of fixed assets	Residual value	Useful life	Annual depreciation rate
Electronic Equipment	10%	5 years	18%
Houses and buildings	10%	20years	4.5%
Machinery	10%	10-15years	9%-6%
Office furniture	10%	5 years	18%
tool of production	10%	5 years	18%

(4) Measurement of subsequent expenditures on fixed assets

Subsequent expenditures on fixed assets for major reconstruction, expansion, improvement and renovation are capitalized as a part of fixed assets cost when it is probable that future economic benefits in excess of the original assessment of performance will flow to the Company, such as extension of the useful lives of the fixed assets, substantial improvement of product quality, or substantial reduction in product cost. Capitalized expenditures arising from major reconstruction, expansion and improvement are depreciated using the straight-line method over the remaining useful lives of the fixed assets. The increased cost of the fixed assets is limited to their recoverable amount.

Subsequent expenditures on fixed assets except for the aforementioned are expensed as incurred. Capitalized expenditures arising from the renovation of fixed assets are depreciated on a reasonable basis over the shorter period of interval between the current renovation to the next and the expected remaining useful life of the renovated fixed assets.

(5) Measurement of fixed assets at the balance sheet date and impairment provision

Fixed assets are measured at the lower of carrying amount and recoverable amount at the balance sheet date. When the recoverable amount of fixed assets is lower than the carrying amount, due to factors such as continuous decline in market price, technological obsolescence, damages or long-time idleness, impairment provision for fixed assets is determined on an item-by-item basis at the excessive part of the carrying amount over the recoverable amount. For fixed assets that meet the conditions for full impairment provision, the impairment provision is determined at the full carrying amount of fixed assets on an item-by-item basis.

Construction in progress

(1)Construction in progress is measured at actual cost. The actual cost is determined specifically as follows:

A. Contracted projects under construction are recorded at the sum of construction price, installation cost, and capitalized interest expense, amortization of premium or discount, and foreign currency exchange differences that are relating to specific borrowings for financing the construction.

B. Self-built projects under construction are recorded at the sum of construction materials used, raw materials used and related non-deductible input value-added taxes， goods in stock used and related taxes and levies, cost of various services provided by the Company's auxiliary production departments, and capitalized interest expense, amortization of premium or discount, and foreign currency exchange differences that are relating to specific borrowings for financing the construction.

(2)Construction in progress is measured at the lower of the carrying amount and the recoverable amount. Impairment provision is made for construction in progress if there exists evidence that the value of construction in progress has declined.

Borrowing costs

(1) Recognition of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. The other costs are charged to the Profit & Loss Account. Borrowing costs include interests, ancillary costs, and foreign currency exchange differences incurred in connection with borrowing. Except borrowing costs relating to specific borrowings obtained for the acquisition or construction of fixed assets are capitalized as costs of the fixed assets as certain conditions are met, other borrowing costs are expensed as incurred.

(2) Capitalization period of borrowing costs

A. The capitalization of borrowing costs commences as the following three conditions are met: (a) the capital expenditures are incurred; (b) the borrowing costs are incurred; (c) the acquisition or construction activities have commenced to enable the assets to be ready for their intended use.

B. The capitalization of borrowing costs should be suspended during the periods when the acquisition or construction activities are abnormally interrupted and the interruption period is more than three consecutive months; the borrowing costs are incurred during the period until the acquisition or construction activities are resumed.

C. The capitalization of borrowing costs ceases when the assets being acquired or constructed are ready for their intended use. Borrowing costs incurred thereafter should be recognized as expense in the period in which they are incurred.

(3) Capitalization amount of borrowing costs

The capitalized borrowing costs for each accounting period are determined by using the weighted average amount of accumulated expenditures incurred in that period for the acquisition or construction of fixed assets and the capitalization rate of the borrowings. The procedures are in accordance with the Accounting Standards for Business Enterprises—Borrowing Costs.

Enterprise and local income taxes

The Company uses the taxes payable method to account for the enterprise and local income taxes. On October 10, 2015, the company obtained the certificate of high tech enterprise, enjoying the preferential policy of enterprise income tax rate of 15%.

Ⅳ. THE ACCOMPANYING NOTES ARE PART OF THE FINANCIAL STATEMENTS

1) MONETARY FUNDS

ITEMS	31/03/2017	01/04/2016
	RMB	RMB
Cash at Hand	11,098.00	12,476.00
Cash on Bank	37,577,655.69	23,124,678.57
Others:	21,364,052.80	2,345,160.40
Total	**58,952,806.49**	**25,482,314.97**

2) ACCOUNTS RECEIVABLE

ITEMS	31/03/2016			01/04/2015		
	Amount	Proportion	Bad Debt Provision	Amount	Proportion	Bad Debt Provision
	RMB	%	RMB	RMB	%	RMB
Within 1 year	402,466.03	100.00	-	-	-	-
Total	**402,466.03**	**100.00**	**-**	**-**	**-**	**-**

Major items of accounts receivable:

Customer names	Ending balance	Character
Jiangsu Tongguang Optical Fiber Cab	402,466.03	Payment for goods

3) ACCOUNTS PREPAYMENTS

ITEMS	31/03/2017			01/04/2016		
	Amount	Proportion	Bad Debt Provision	Amount	Proportion	Bad Debt Provision
	RMB	%	RMB	RMB	%	RMB
Within 1 year	4,470,294.82	100.00	-	4,167,850.62	100.00	-
1-2years	-	-	-	-	-	-
Total	**4,470,294.82**	**100.00**	**-**	**4,167,850.62**	**100.00**	**-**

Within the aforesaid balance, there is no amount due from shareholders that hold 5% or more of the Company's voting shares.

4) OTHER RECEIVABLES

ITEMS	31/03/2017			01/04/2016		
	Amount	Proportion	Bad Debt Provision	Amount	Proportion	Bad Debt Provision
	RMB	%	RMB	RMB	%	RMB
Within1year	48,720.00	87.86	-	351,062.84	98.12	-
1-2years	-	-	-	-	-	-
2-3years	6,730.00	12.14	-	6,730.00	1.88	-
Total	**55,450.00**	**100.00**	**-**	**357,792.84**	**100.00**	**-**

Within the aforesaid balance, there is no amount due from shareholders that hold 5% or more of the Company's voting shares.

5) INVENTORIES

ITEMS	31/03/2017 RMB	01/04/2016 RMB
Raw materials	14,150,042.38	15,392,638.40
Goods in Transit	1,738,616.42	3,194,970.23
Goods in Process	3,697,595.09	645,232.58
Finished Goods	3,106,569.18	1,879,501.01
Packing	55,534.85	-
Stores and Spares	5,513,851.90	-
Total	**28,262,209.82**	**21,112,342.22**

6) FIXED ASSETS

ITEMS	Houses and buildings RMB	Machinery RMB	Electronic Equipment RMB	Office furniture RMB	tool of production RMB	Total RMB
Cost						
1st April 2016	31,688,704.72	97,380,396.80	399,953.19	212,176.93	497,699.93	130,178,931.57
Additions	3,967,341.29	13,454,865.04	745,242.17	175,940.19	447,189.65	18,790,578.34
Disposals	-	-	-	-	-	-
31st March 2017	**35,656,046.01**	**110,835,261.84**	**1,145,195.36**	**388,117.12**	**944,889.58**	**148,969,509.91**
Accumulated Depreciation						
1st April 2016	3,435,658.86	15,195,309.79	193,089.73	120,940.86	128,966.77	19,073,966.01
Add	1,485,776.53	6,099,378.93	259,695.46	65,415.04	116,417.32	8,026,683.28
Less	-	-	-		-	-
31st March 2017	**4,921,435.39**	**21,294,688.72**	**452,785.19**	**186,355.90**	**245,384.09**	**27,100,649.29**
Net book value						
1st April 2016	**28,253,045.86**	**82,185,087.01**	**206,863.46**	**91,236.07**	**368,733.16**	**111,104,965.56**
31st March 2017	**30,734,610.62**	**89,540,573.12**	**692,410.17**	**201,761.22**	**699,505.49**	**121,868,860.62**

7) CONSTRUCTION IN PROGRESS

Items	01/04/2016	Additions	Amortization	31/03/2017
	RMB	RMB	RMB	RMB
200 tons RIC prefabricated bar expansion project	2,958,788.97	9,362,680.65	12,321,469.62	-
Machinery equipment	-	11,735,917.34	-	11,735,917.34
Total	**2,958,788.97**	**21,098,597.99**	**12,321,469.62**	**11,735,917.34**

8) INTANGIBLE ASSETS

Items	01/04/2016	Additions	Amortization	31/03/2017
	RMB	RMB	RMB	RMB
Land-use right	4,590,661.87	-	101,264.60	4,489,397.27
Software	915,212.44	-	91,583.37	823,629.07
Total	**5,505,874.31**	-	**192,847.97**	**5,313,026.34**

9) SHORT-TERM BORROWINGS

ITEMS	31/03/2017	01/04/2016
	RMB	RMB
State Bank of India ,Shanghai Branch	1,141,605.64	6,864,392.26
China Merchants Bank	6,917,808.27	-
Bank of China	1,770,640.62	-
Total	**9,830,054.53**	**6,864,392.26**

10) ACCOUNTS PAYABLE

ITEMS	31/03/2017		01/04/2016	
	Amount	Proportion	Amount	Proportion
	RMB	%	RMB	%
Within 1 year	31,208,531.59	100.00	33,656,951.74	100.00
1-2 year	-	-	-	-
Total	**31,208,531.59**	**100.00**	**33,656,951.74**	**100.00**

Major items of accounts payable:

Customer names	Ending balance	Character
STERLITE TECHNOLOGIES LIM	USD1,975,057.17	Payment for goods
HERAEUS QUARZGLAS GMBH & CO KG	EUR 378,701.91	Payment for goods

11) RECEIVED IN ADVANCE

ITEMS	31/03/2017		01/04/2016	
	Amount	Proportion	Amount	Proportion
	RMB	%	RMB	%
Within 1 year	5,953,260.78	100.00	4,827,723.37	100.00
Total	**5,953,260.78**	**100.00**	**4,827,723.37**	**100.00**

Major items of received in advance:

Customer names	Ending balance	Character
Fiberhome Telecommunication Technol	5,650,355.74	received in advance for goods

12) TAXES AND EXPENSES PAYABLE

ITEMS	31/03/2017	01/04/2016
	RMB	RMB
Individual income tax	82,631.17	45,029.64
Land use tax	20,000.00	20,000.01
Value added tax	2,379,115.19	1,150,154.32
Property tax	66,029.13	56,299.80
Business income taxes	4,247,641.36	124,662.09
Other	292,456.22	142,955.92
Total	**7,087,873.07**	**1,539,101.78**

13) AMOUNT OTHER ACCRUED PAYABLE

ITEMS	31/03/2017		01/04/2016	
	Amount	Proportion	Amount	Proportion
	RMB	%	RMB	%
Within 1 year	296,330.76	100.00	763,323.81	100.00
Total	**296,330.76**	**100.00**	**763,323.81**	**100.00**

Within the aforesaid balance, there is no amount due from shareholders that hold 5% or more of the Company's voting shares.

14) UN-CIRCULATING LIABILITIES DUE WITHIN ONE YEAR

ITEMS	31/03/2017 RMB	01/04/2016 RMB
State Bank of India ,Shanghai Branch	-	7,540,000.00
Total	**-**	**7,540,000.00**

15) LONG-TERM LOANS

ITEMS	31/03/2017 RMB	01/04/2016 RMB
State Bank of India ,Shanghai Branch	-	11,045,327.86
Total	**-**	**11,045,327.86**

16) PAID-IN CAPITAL

Name of owners	31/03/2017			01/04/2016		
	In original currency USD	%	In recording currency RMB	In original currency USD	%	In recording currency RMB
Jiangsu Tongguang Communication Co. Ltd.	4,125,000.00	25.00	25,960,410.05	4,125,000.00	25.00	25,960,410.05
Sterlite Global Ventures (Mauritius) Ltd.	12,375,000.00	75.00	77,875,605.14	12,375,000.00	75.00	77,875,605.14
Total	**16,500,000.00**	**100.00**	**103,836,015.19**	**16,500,000.00**	**100.00**	**103,836,015.19**

17) UNDISTRIBUTED PROFIT

Items	01/04/2016 RMB	Add RMB	Less RMB	31/03/2017 RMB
Undistributed profit	706,418.48	71,573,954.06	4,821,040.49	67,459,332.05
Total	**706,418.48**	**71,573,954.06**	**4,821,040.49**	**67,459,332.05**

18) OPERATING REVENUE

Items	April 2016 to March 2017	April 2015 to March 2016
	RMB	RMB
Optical sales	302,567,026.87	218,516,506.65
Wastage parts sales	1,000,765.74	348,970.10
Total	**303,567,792.61**	**218,865,476.75**

19) OPERATION COST

Items	April 2016 to March 2017	April 2015 to March 2016
	RMB	RMB
Optical cost	193,093,538.45	170,210,452.80
Total	**193,093,538.45**	**170,210,452.80**

20) SALE EXPENSES

Items	April 2016 to March 2017	April 2015 to March 2016
	RMB	RMB
Transportation costs	220,778.67	866,964.85
Advertising costs	600.00	-
Samples	803.32	-
Sales commission	3,628,443.37	1,294,077.35
Total	**3,850,625.36**	**2,161,042.20**

21) GENERAL & ADMINISTRATIVE EXPENSE

Items		April 2016 to March 2017	April 2015 to March 2016
		RMB	RMB
Total		**19,668,526.47**	**17,186,295.92**
Main :	Start-up cost	-	-
	Research cost	9,484,003.21	-
	Wage	2,709,509.47	4,183,923.51
	Welfare	1,282,969.94	1,012,774.18
	Social security costs	1,153,800.41	1,394,883.79
	Local Transportation	588,997.50	365,675.00

22) FINANCIAL EXPENSE

Items	April 2016 to March 2017	April 2015 to March 2016
	RMB	RMB
Interest income	-785,933.58	-369,062.98
Exchange gain or loss	1,661,835.49	3,103,026.05
Service charge	341,204.51	495,600.36
Interest expenditure	397,802.18	3,504,532.27
Discount interest	69,038.84	372,798.91
Total	**1,683,947.44**	**7,106,894.61**

23) NON-OPERATING INCOME

Items	April 2016 to March 2017	April 2015to March 2016
	RMB	RMB
Subsidy income	306,393.00	32,100.00
Procurement incentive	416,220.00	-
Other income	240,238.81	386,555.25
Total	**962,851.81**	**418,655.25**

24) NON-OPERATING EXPENDITURE

Items	April 2016 to March 2017	April 2015 to March 2016
	RMB	RMB
Other expenditure	60,434.92	56,130.31
Total	60,434.92	56,130.31

25) INCOME TAX

Items	April 2016 to March 2017	April 2015 to March 2016
	RMB	RMB
Current income tax	12,104,127.61	124,662.09
Deferred income tax	-	-
Total	12,104,127.61	124,662.09

Ⅴ. RELATED PARTIES

1. Related party relationship where control exists

Name	Registered address	Relationship with the Company
Sterlite Global Ventures (Mauritius) Ltd.	Mauritius	Investor
Jiangsu Tongguang Communication Co. Ltd.	China	Investor
Sterlite Technologies Limited(STL)	India	Ultimate holder

2. Equity of the related parties with effective control attributable to the Company and changes goes to Note Ⅳ.16)

3. Relative party transaction

3.1 Purchase

Enterprise name	April 2016 to March 2017	April 2015 to March 2016
Sterlite Technologies Limited(STL)	128,357,623.61	105,348,364.56

3.2 Sales

Enterprise name	April 2016 to March 2017	April 2015 to March 2016
Jiangsu Tongguang Communication Co. Ltd	125,701,300.59	58,437,648.71

Ⅵ. CONTINGENCIES

As at the balance sheet date, the Company has no material contingencies that need to be disclosed.

Ⅶ. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As at the approval date of the issue of the financial statements, the Company has no significant events occurring after the balance sheet date that need to be disclosed.

* * * THE END * * *

营业执照

编　号 320600000201410220058
注册号 320600000281199

名　　称 江苏公证天业会计师事务所（特殊普通合伙）南通分所

类　　型 特殊普通合伙企业分支机构

营业场所 南通市中南世紀城14幢0703室

负 责 人 郁东

成立日期 2013年11月13日

营业期限 2013年11月13日至******

经营范围 审查企业会计报表，出具审计报告；验证企业资本，出具验资报告，办理企业合并、分立、清算事宜中的审计业务，出具有关的报告；基本建设年度财务决算审计；会计咨询、税务咨询、管理咨询；法律、法规规定的其他业务。（依法须经批准的项目，经相关部门批准后方可开展经营活动）

登记机关

2013 年 11 月 [illegible] 日

企业信用信息公示系统网址：www.jsgsj.gov.cn:58888/province

中华人民共和国国家工商行政管理总局监制

授　权　书

兹授权本所下列人员签发验资、审计报告，授权期限自 2017 年 1 月 1 日至 2017 年 12 月 31 日。

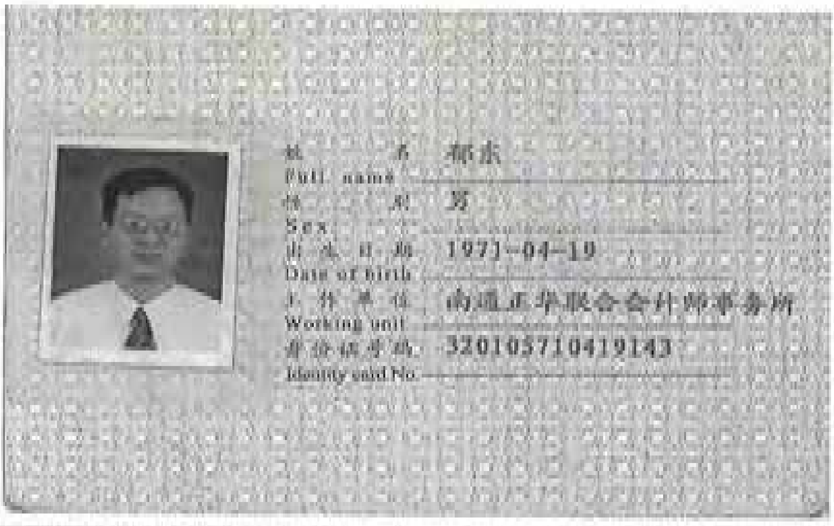
被授权人员如下：

郁东

江苏公证天业会计师事务所（特殊普通合伙）

首席合伙人、主任会计师

二〇一七年一月一日



姓　　名　郁东
Full name

性　　别　男
Sex

出生日期　1971-04-19
Date of birth

工作单位　南通正华联合会计师事务所
Working unit

身份证号码　320105710419143
Identity card No.

证书编号：　320600060006
No. of Certificate

批准注册协会：　江苏省注册会计师协会
Authorized Institute of CPAs

发证日期：　1997 年 7 月 7 日
Date of Issuance　　/y　/m　/d

2007年 4 月30 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

郁东(320600060006)
您已通过2010年年检
江苏省注册会计师协会

年　月　日
/y　/m　/d

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

南通正华　事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs
2013 年 08 月 12 日
/y　/m　/d

同意调入
Agree the holder to be transferred to

江苏公证天业　事务所
南通分所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2013 年 08 月 12 日
/y　/m　/d

10

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
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事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs
年　月　日
/y　/m　/d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
年　月　日
/y　/m　/d

11

Sterlite (Shanghai) Trading Company Limited

Auditors Report and Financial Results
for the year ended March 31, 2017

· 上海仟一会计师事务所有限公司
地址：上海市武宁路423号1号楼8楼（200063）
电话：021-62122672 传真：021-62122673
邮箱：qianyi@qianyiservice.com

· Shanghai Qianyi Certified Public Accountants Co., Ltd.
ADD: Level 8; Building 1; 423 WuNing Road. (200063)
TEL: 021-62122672 FAX: 021-62122673
E-mail:qianyi@qianyiservice.com

Audit report

HU QIAN SHEN ZI (2017) NO5131

上海仟一会计师事务所有限公
骑 缝 章

To the Board of directors:

We have audited the accompanying financial statements of STERLITE(SHANGHAI)TRADING COMPANY LIMITED (hereafter "the Company"), which comprise the balance sheet as at March 31, 2017, and the income statement, cash flow statement , Statement of changes in owner' s (Shareholders') for the year ended, and explanatory notes.

1. The responsibility of the management for the financial statement

Management is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: (1) Preparing financial statements with fair presentation in accordance with Accounting Standards for Business Enterprise (2) Designing、 implementing and maintaining internal control that are free from material misstatement, whether due to fraud or error.

2. Auditor' s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Chinese CPA Auditing Standards. Those standards require that we comply with the professional ethical requirements in planning and performing the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor' s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity' s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity' s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company, as of March 31,2017, its financial performance and its cash flows for the year then ended was prepared in accordance with the Accounting Standards for Business Enterprises and the Enterprise Accounting Regulation.

Shanghai Qian Yi CPA Co., Ltd.

China Shanghai

China CPA : 忽龙根

China CPA : 倪维刚

15th April, 2017

Balance Sheet

Company: Sterlite (Shanghai) Trading Company Limited | 31/Mar/17 | Report ref. 01

Unit:RMB

Items	Line	At end of year	At beg. Of year	Items	Line	At end of year	At beg. Of year
Current assets	1	—	—	**Current liabilities:**	66	—	—
Monetary funds	2	710,907.20	1,279,888.21	Short-term loans	67		
▵Deposit Reservation for Balance	3			▵Borrowings from central bank	68		
▵Lendings to Banks and Other Financial Institutions	4			▵Deposits from customers and interbank	69		
Transaction financial Assets	5			▵Placements from banks and other financial institutions	70		
Notes receivables	6			Transaction financial liabilities	71		
Account receivables	7	329,617.43	-16,271.48	Notes payables	72		
prepayments	8			Accounts payables	73		
▵Premium receivable	9			Advance from clients	74		73,727.64
▵Reinsurance receivables	10			▵Funds from selling out and repurchasing financial assets	75		
▵Reinsurance contract reserves receivable	11			▵Handling charges and commission payable	76		
Interest receivable	12			Payroll payables	77		
Dividents receivables	13			Among it: Salary payables	78		
Other receivables	14	224,150.00	480.00	Welfare payables	79		
▵Buying back the sale of financial assets	15			Among it:staff incentive and welfare fund ...	80		
Inventories	16			Accrued tax payables	81	32,062.25	27,265.94
Including: raw materials	17			Among it: Tax payables	82	32,062.25	27,265.94
finished goods	18			Interest payables	83		
Non-current assets due within one year	19			Dividend payable	84		
Other current assets	20			Other payables	85		428,740.65
Total current assets	21	1,264,674.63	1,264,096.73	▵Due to reinsurers	86		
Non-current asset	22	—	—	▵Reserves for insurance contract	87		
▵Loans and payments on behalf	23			▵Funds from securities trading agency	88		
Available-for-sale financial assets	24			▵Funds from underwriting securities agency	89		
Held-to-maturity investment	25			Non-current liabilities (due within one year)	90		
Long-term accounts receivables	26			Other current liabilities	91		
Long-term equity investments	27			**Total current liabilities**	92	32,062.25	529,734.23
Investment Property	28			**Non-current liabilities :**	93		
Fixed assets-cost	29	30,241.45	30,241.45	Long-term loans	94		
Less: accumulated depreciation	30	9,700.23	686.34	Bonds payables	95		
Fixed assets-net value	31	20,541.22	29,555.11	Long-term payables	96		
Minus: impairment loss of fixed assets	32			Special payables	97		
Fixed assets - net	33			Estimated liabilities	98		
Construction in progress	34			Deferred tax liabilities	99		
Construction material	35			Other non-current liabilities	100		
Fixed assets liquidation	36			Among it:Specially approved reserving materials	101		
productive living assets	37			**Total of on-current liabilities**	102		
Oil and gas assets	38			**Total of liabilities**	103	32,062.25	529,734.23
Intangible assets	39			Owner's equity (shareholder's equity) :	104	1,486,672.40	1,486,672.40
Research and development expenditure	40			Paid-in capital	105		
Goodwill	41			Country capital	106		
Long-term deferred expenses	42			Collective capital	107		
Deferred tax assets	43			Legal repesentative capital	108		
Other non-current assets (other long-term assets)	44			Among it: State-owned legal repesentative capital	109		
Among it:Specially approved reserving materials	45			Collective legalrepesentative capital	110		
Total non-current assets	46	20,541.22	29,555.11	Individual capital	111		
	47			Foreign capital	112	1,486,672.40	1,486,672.40
	48			# Less:Investment Returned	113		
	49			Net paid-in capital (or share capital)	114		
	50			Capital surplus	115		
	51			Less: treasury stock	116		
	52			Special reserve	117		
	53			Surplus reserve	118		
	54			Among it : Legel reserve	119		
	55			Discretionary surplus reserve	120		
	56			#Reserve fund	121		
	57			#Enterprise expansion fund	122		
	58			#Profit Capitalized On Return Of Investment	123		
	59			▵General risk provision	124		
	60			Undistributed profit	125	-233,518.80	-722,754.79
	61			Converted difference in Foreign Currency Statements	126		
	62			Total of owner's equity attributed to parent company	127	-233,518.80	-722,754.79
	63			Minority owner's equity	128		
	64			**Total of owner's equity**	129	1,253,153.60	763,917.61
Total Assets	65	1,285,215.85	1,293,651.84	**Total liabilities & Owner's equity**	130	1,285,215.85	1,293,651.84

Note: Account with * applied to the consolidated financial statements; Account with ▵ italics applied to financial enterprises ,Account with # applied to foreign-invested enterprises.

Profit and Loss Statement

Company: Sterlite (Shanghai) Trading Company Limited

2016.4-2017.3

Report ref.02

Unit:RMB

Items	Line	Current year	Last year	Items	Line	Current year	Last year
1. Total revenue from operations	1	10,308,157.57	1,808,587.31	Others	29		
Including: Operations revenue	2	10,308,157.57	1,808,587.31	Add: Gains on the changes in the fair value (Loss expressed with "-")	30		
Including: Main operations revenue	3	10,308,157.57	1,808,587.31	Gains from investment (Loss expressed with "-")	31		
Revenue from other operations	4			Including: Investment gains from associated enterprise and joint venture	32		
+Interest income	5			+Foreign exchange gains (Loss expressed with "-")	33		
+Earned premium	6			**3. Operation profit (loss expressed with "-")**	34	489,236.03	-722,754.79
+Net incomes from fees and commissions	7			Add: Non-operating revenue	35	0.01	
2. Total cost from operations	8	9,818,921.54	2,531,342.10	Including: Gain from the disposal of non-current assets	36		
Including: Operation cost	9	3,821,818.81		Gain from non-cash asset exchange	37		
Including: Main operations cost	10	3,821,818.81		Government subsidies (allowances)	38		
Other operation cost	11	3,821,818.81		Gains from debt restructuring	39		
+Interest expenses	12			Less: non-operating expenses	40	0.05	
+Handling charges and commission expenses	13			Including: Loss from the disposal of non-current assets	41		
+Surrenders	14			Loss from non-monetary asset exchange	42		
+Net claims paid	15			Loss from debt restructuring	43		
+Net change in insurance contract reserves	16			**4. Total amount of profit (Loss express with "-")**	44	489,235.99	-722,754.79
+Policyholder dividend expense	17			Less: Income tax expenses	45		
+Expenses for reinsurance accepted	18			**5. Net profit (Loss express with "-")**	46	489,235.99	-722,754.79
Business tax and surtax	19	46,809.85	13,934.27	* Net profit attributed to parent company	47		
Operating expenses	20			* Minority owner's equity	48		
Administration expenses	21	5,956,827.12	2,496,028.23	**6. Earnings per share**	49		
Including: Entertaining fees	22	411,459.82	13,486.81	Basic earning per share	50		
Research and development expenses	23			Dilute earning per share	51		
Finance expenses	24	-6,564.24	21,379.80	7.Other comprehensive gain	52		
Including: Interest expenses	25			8 Total comprehensive gain	53	489,235.99	-722,754.79
Interest income	26	-1,233.82	-247.28	comprehensive gain attributed to parent company	54		
Net loss from exchange (gain expressed with "-")	27	-7,828.42		*comprehensive gain attributed to Minority	55		
Impairment loss of assets	28				56		

Note: Account with * applied to the consolidated financial statements; Account with + italics applied to financial enterprises

Cash Flow Statement

Company: Sterlite (Shanghai) Trading Company Limited
2016.4-2017.3
Report ref 03
Unit: RMB

Items	Line	Current year	Last year	Items	Line	Current year	Last year
1. Cash flows from operating activities	1	—	—	Net cash received from disposal of fixed assets,intangible assets& other long-term assets	30		
Cash received from sale of goods or rendering of services	2	10,511,949.25	2,007,101.69	Net cash received from disposal of subsidiary or other operation entities	31		
△Net increase in customer bank deposits and due to banks and other financial institutions	3			Other cash received relating to investing activities	32		
△Net increase in borrowings from central bank	4			**Sub-total of cash inflows**	33		
△Net increase in placements from other financial institutions	5			Cash paid to acquire fixed assets,intangible assets & other long-term assets	34		30,241.45
△Premiums received from original insurance contracts	6			Cash paid to acquire investments	35		
△Net cash received from reinsurance business	7			△Net increase in pledge loans	36		
△Net increase in deposits from policyholders	8			Net cash paid for the acquirement of subsidiary and other operational entities	37		
△Net increase from disposal of tradable financial assets	9			Cash paid for others relevant with investment activities	38		
△Interest, handling charges and commission received	10			**Total cash flow out investment actitivies**	39		30,241.45
△Net increase in placements from banks and other financial institutions	11			**Net cash flow derived from investment activities**	40		-30,241.45
△Net increase in repurchase business capital	12			**3.Cash flow from financing activities:**	41	—	—
Refund of tax	13			Cash flow from accepting investment	42		1,486,672.40
Other cash received relating to operating activities	14	1,233.82	4,767.28	Including:cash receipt of subsidiary from absorbing minority shareholder	43		
Sub-total of cash inflows	15	10,513,183.07	2,011,868.97	Cash received from borrowings	44		
Cash paid for goods and services	16	4,051,127.94		△Cash received from bond issue	45		
△Net increase in loans and advances to customers	17			Other cash received relating to financing activities	46		
△Net increase in deposits with central bank and other financial institutions	18			**Sub-total of cash flow from financing activities**	47		1,486,672.40
△Original insurance contract claims paid	19			Cash repayments of amounts borrowed	48		
△Interest, handling charges and commissions paid	20			Cash payments for interest expenses and distribution of dividends or profit	49		
△Policyholder Dividend Paid	21			Including: dividends and profits paid by subsidiary to minority shareholders	50		
Cash paid to and on behalf of employees	22	3,493,350.98	591,909.42	Other cash received relating to financing activities	51		
Payments of all types of taxes	23	431,223.87	93,855.04	**Sub-total of cash outflows**	52		
Other cash paid relating to operating activities	24	3,127,398.72	1,502,647.25	**Net cash flows from financing activities**	53		1,486,672.40
Sub-total of cash outflows	25	11,103,101.50	2,188,411.71	**4. Effect of foreign exchange rates on cash**	54	20,937.42	
Net cash flows from operating activities	26	-589,918.43	-176,542.74	**5. Net increase / (decrease) in cash and cash equivalents**	55	-568,981.01	1,279,888.21
2. Cash flows from investing activities :	27	—	—	**6 Add: cash and cash equivalents at the beginning of this period**	56	1,279,888.21	
Cash received from disposal of investments	28			**7.Balance of cash or cash equivalents at the end**	57	710,907.20	1,279,888.21
Cash received from returns on investments	29						

Note: ; Account with △ italics applied to financial enterprises

Statement of Change in Stockholder's Equity

2016.4-2017.3

Company: Sterlite (Shanghai) Trading Company Limited

Report ref. 04

Unit: RMB

Item	Line	Amount of current year											Amount of last year										
		The equity of parent company's shareholder									Minority of owner's equity	Total of owner's equity	The equity of parent company's shareholder									Minority of owner's equity	Total of owner's equity
		Paid in capital	Capital reserve	Less: Treasury stock	Special reserves	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal			Paid-in capital	Capital reserve	Less: Treasury stock	Special reserve	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal		
Sequence	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1. Closing balance of last year	1	1,486,672.40						-722,754.79		763,917.61		763,917.61											
Plus: change of accounting policy	2			—	—		—		—		—												
Correction for error in previous period	3			—	—		—		—		—												
2. Beginning balance of this year	4	1,486,672.40						-722,754.79		763,917.61		763,917.61	1,486,672.40								1,486,672.40		
3. Change of current year	5							489,235.99		489,235.99		489,235.99							-722,754.79		-722,754.79		-722,754.79
1) Net profit	6	—	—	—	—	—	—	489,235.99	—	489,235.99		489,235.99							-722,754.79	—	-722,754.79		-722,754.79
(2) Other comprehensive income	7																						
Subtotal of 1) and 2)	8																		-722,754.79		-722,754.79		-722,754.79
3) Capital invested and decreased by the owner	9												1,486,672.40								1,486,672.40		1,486,672.40
(1) Capital invested by the owner	10			—	—	—	—	—	—				1,486,672.40		—	—	—	—	—	—	1,486,672.40		1,486,672.40
(2) Fund paid for shares held recorded into the owner's equity	11			—	—	—	—	—	—						—	—	—	—	—	—			
(3) Other	12																						
4) Special reserve withdrawal and using	13																						
(1) Withdrawal special reserve	14	—	—	—		—	—	—	—				—	—	—		—	—	—	—			
(2)Using special reserve	15	—	—	—		—	—	—	—				—	—	—		—	—	—	—			
5) Profit distribution	16																						
(1) Withdrawal surplus	17																						
Including: Legal reserve	18	—	—	—	—		—		—		—		—	—	—	—		—		—		—	
Discretionary surplus reserve	19	—	—	—	—		—		—		—		—	—	—	—		—		—		—	
Reserve fund	20	—	—	—	—		—		—		—		—	—	—	—		—		—		—	
Enterprise expension fund	21	—	—	—	—		—		—		—		—	—	—	—		—		—		—	
Profits capitalizad on return of investment	22	—	—	—	—		—		—		—		—	—	—	—		—		—		—	
(2)Appropriations to general risk provisions	23	—	—	—	—	—			—		—		—	—	—	—	—			—		—	
(3) Distribution to owners (or shareholders)	24	—	—	—	—	—	—		—				—	—	—	—	—	—		—			
(4) Other	25																						
6) Internal transfer of owner's equity	26																						
(1) Capital reserves converted into capital	27			—	—	—	—	—	—		—				—	—	—	—	—	—		—	
(2) Surplus reserves converted into capital	28		—	—	—		—	—	—		—			—	—	—		—	—	—		—	
(3)Surplus reserves make up for loss	29	—	—	—	—		—		—		—		—	—	—	—		—		—		—	
(4) Other	30																						
4. Closing balance of current period	31	1,486,672.40						-233,518.80		1,253,153.60		1,253,153.60	1,486,672.40						-722,754.79		763,917.61		763,917.61

I. Company profile

Sterlite (Shanghai) Trading Company Limited(the "company"),as a wholly foreign-owned enterprise ,was established on May 28,2015 invested by STERLITE TECHNOLOGIES LIMITED .Obtaining the business license of the legal entity which No 91310000329521792L.The paid-in capital is 1,486,672.40.,registered capital is 5,000,000.00RMB and the operation period is 30 years.

The business scope is wholesaling electronic products and components,optical fiber,metal materials and products (except precious metals,steel,aluminum oxide).The company provides the commission agency (excluding auction),importing and exporting agency.And the company also provides the related after-sales service,technica advisory services and other spporting business (Not related to the state-run trade management,involving quota and license administration of goods,shall be dealt with in accordance with the relevant provisions of the state to apply),(The business which is related to admitted business do business in accordance with the admitted license).

II. Basis for financial statements

The company's accounting statements are issued based the historical cost and on an accrual basis for accounting principles.

III. Address for enterprise Accounting System

The Company implement the Enterprise Accounting Principles and "Accounting System for Enterprises", the preparation of financial statements in line with the Accounting Standard for Enterprises and "Enterprise Accounting System," and reflecting the financial position, operating results and cash flow information.

IV. Important accounting policies

1 Accounting system

The company implements Enterprise Accounting Standards and Accounting System.

2 Reporting period

Reporting period begins on April 1 to in the prior year to March 31 in the current year as its accounting year.

3 Basis of accounting and cost model

The company adopts accrual basis of accounting and historical cost model.

4 Bookkeeping base currency & foreign currency translation

The recording currency of the company is RMB. Transactions denominated in foreign currencies (currencies other than the recording currency) are translated into RMB at the exchange rates of the transaction date quoted by the People' s Bank of China. Foreign currency-denominated monetary assets and liabilities are translated into RMB at the exchange rates prevailing at the date of the balance sheet. Foreign exchange differences deriving from these currency translations were booked into "long-term deferred expenses – organization costs" in the preliminary period and the others as "financial expenses – exchange gains and losses" in current period.

5 Standard of cash equivalents

Cash equivalents represent those investments with short duration period, high fluidity and low risk in fair value change but can be easily convertible to cash with already known amount.
Cash and cash equivalents of this company include: cash in hands, cash in bank, other monetary assets and the short-term investments due within three months.

6 Short term Investment accounting method

The company's short-term investments are mainly Equity investment and debt investments with historical cost accounting method which is also applicable to sales of investment.
The lower of cost or market valuation method will be applicable to cost of ending period of the investment.

7 Bad debts accounting method

The bad debt losses of the company will adopt "allowance method" for accounting and will be proportioned based on the recoverability of the balance of the receivable account at year end. The company will conduct specific analysis to the receivable accounts for drawing bad debts provisions of the receivable account according to previous experiences, financial position and flow of the debtor as well as other information concerned.

a) Under the circumstance that the debtor dies, the receivable is qualified as not collectable as the debtor does not transfer the debt;
b) Under the circumstance that debtor does not fulfill its obligation over a period of 3 years with evidence that money still could not be received.

8 Inventory

The inventory is mainly comprised raw materials, semi products, self-produced semi products, finished goods and low value consumables
The inventories is calculated on actual cost

The weight average methodology is applied to daily inventories movement
The ending inventory will be computed based on the lower pricing between cost and net realized value, when the net realized value is lower the cost, the inventory provisions for the impairment loss will be recognized based on the difference

9 Fixed assets & depreciation

Fixed assets are referring to a long-term tangible property that a firm owns and uses in the production of its goods, service provision, lease and operation management and is not expected to be consumed or converted into cash any sooner than at least one year's time.

The fixed assets will be measured at historical cost and the depreciation will be accounted by linear method by categories

Category of fixed assets	Economic use limit	Annual depreciation rate	Net residual value rate
Electronic equipments etc.	3 years	30%	10%

10 Fixed assets provision for impairment losses

Where the recoverable amount is lower than the carrying amount (book net value) based on individual item, the difference should be recognized as provision for impairment loss on fixed assets in the following circumstances:

a) Fixed assets that are not in use for a long time and won' t be used in the excepted future, as well as without transfer value
b) Fixed assets that can' t be used any more due to technology advance
c) Fixed assets that can be used but lead to production with inferior quality
d) Fixed assets with no more use value and transfer value after damage
e) Other fixed assets that 're literally unable to bring economic interests to the enterprises

For those fixed assets that are already accrued for provision for impairment loss in full amount, the provision of depreciation doesn' t apply any more.

11 Long term prepaid and deferred expense

Occurred during the start-up organization: In addition to purchase of fixed assets, all the other expense occurred in organization period will be accounted into "Long term prepaid and deferred expense" firstly which will be accounted it as expense dated from production and operations period.
Other long-term prepaid expenses will be amortized in benefit period averagely according to the actual amount of accounting.

12 Sales revenue

Goods sales can be recognized under following conditions:

a) The main risks and rewards of the ownership of goods has been transferred to the buyer;

b) It will not be retained management associated with ownership of the right usually and no control for the goods sold;
c) Economic benefits for the transactions related will inflow into the company;
d) Revenues and costs related to reliable measurement.

Services sales can be recognized under the following conditions:

a) Total revenue and total cost can be measured reliably;
b) Economic benefits for the transactions related will inflow into company;
c) Invoice issued or with the evidence of recognition of income

13 Corporate Income Tax

The company adopts tax payable method for the calculation of corporate income tax

14 Tax item

Tax category	Tax rate	Tax base
Value added tax	6%,17%	Service revenue ,Goods sold
Corporate income tax	25%	Taxable profit

V. Explanation for the change of accounting policy and evaluation & the correction of previous errors

NONE

VI. Notes the financial statements of the main items

In addition to special description in the following currencies stated are RMB

1. Monetary fund

As at March 31,2017, the balance of monetary funds is RMB 710,907.20

Item	2017.3.31	2016.3.31
Cash in hands	-	-
Cash in banks	710,907.20	1,279,888.21
Total	**710,907.20**	**1,279,888.21**

2. Accounts receivable

As at March 31,2017, the balance of accounts receivable is RMB 329,617.43, provision for bad debts RMB 0.00, net value RMB 329,617.43.

3. Other accounts receivable

As at March 31,2017, the balance of other accounts receivable is RMB 224,150.00, provision for bad debts RMB 0.00, net value RMB 224,150.00.

4. Fixed assets and accumulated depreciation

Category	2016.3.31	Increase of current year	Decrease of current year	2017.3.31
A. original value				
Houses and buildings	-	-	-	-
Mechanical equipments	-	-	-	-
Delivery equipments	-	-	-	-
Electronic equipments etc.	30,241.45		-	30,241.45
Total	30,241.45		-	30,241.45
B. Accumulated depreciation				
Houses and buildings			-	
Mechanical equipments			-	
Delivery equipments			-	
Electronic equipments etc.	686.34	9,013.89		9700.23
Total	686.34	9,013.89	-	9,700.23
C. Net value of fixed assets	6,075.25			20,541.22

No fixed assets provision for impairment losses for the period of March 31,2017.

5. Tax payable

As at March 31,2017, the balance of tax payable is RMB32,062.25. The detailed information is elaborated as bellows

Tax types	2017.3.31	2016.3.31
Value added tax	28,373.67	24,129.16
City construction tax	1986.16	1689.04
Additional tax of eduction	1418.68	1206.44
Channel charge	283.74	241.3
Total	32,062.25	27,265.94

6. Paid-in capital

As at March 31,2017, the capital injection is USD 226,875.90 (or RMB1,486,672.40) and the list is as follows (In RMB)

Name of Shareholder	2016.3.31	Increase of current year	Decrease of current year	2017.3.31	Percentage %
STERLITE TECHNOLOGIES LIMITED	1,486,672.40			1,486,672.40	100.00
Total	1,486,672.40			1,486,672.40	100.00

7. Undistributed profits

Item	Amount
Closing balance of last year	-722,754.79
Plus: change of accounting policy, correction for error in previous period	
Beginning balance of this year	489,235.99
Plus: transfer-in from net profit	
Plus: other comprehensive gain	
Less: appropriated surplus reserves	
cash dividend	
Undistributed profit at the ending of year	-233,518.80

8. Total operation revenue

Item	Amount of current year	Amount of last year
Revenue from main operations	10,308,157.57	1,808,587.31
Revenue from other operations		

9. Total operation cost

Item	Amount of current year	Amount of last year
Operation cost	3,821,818.81	
Operation tax and surcharge	46,839.85	13,934.27
General and administration expense	5,956,827.12	2,496,028.23
Financial expenses	-6,564.24	21,379.60

VII. Subsequent events

NONE

STERLITE(SHANGHAI)TRADING COMPANY LIMITED
March 31st, 2017

营业执照

注册号 310108000435022
证照编号 29000000201412180127

名　　称 上海仟一会计师事务所有限公司
类　　型 有限责任公司(国内合资)
住　　所 青浦区赵巷镇沪青平公路 3609 弄 4 幢 2 号楼 107 室
法定代表人 张毅
注册资本 人民币 100.0000 万元整
成立日期 2005 年 2 月 1 日
营业期限 2005 年 2 月 1 日 至 2025 年 1 月 31 日
经营范围 审计、验资、财务培训服务，企业登记代理，税务代理服务，财会咨询。
【依法须经批准的项目，经相关部门批准后方可开展经营活动】

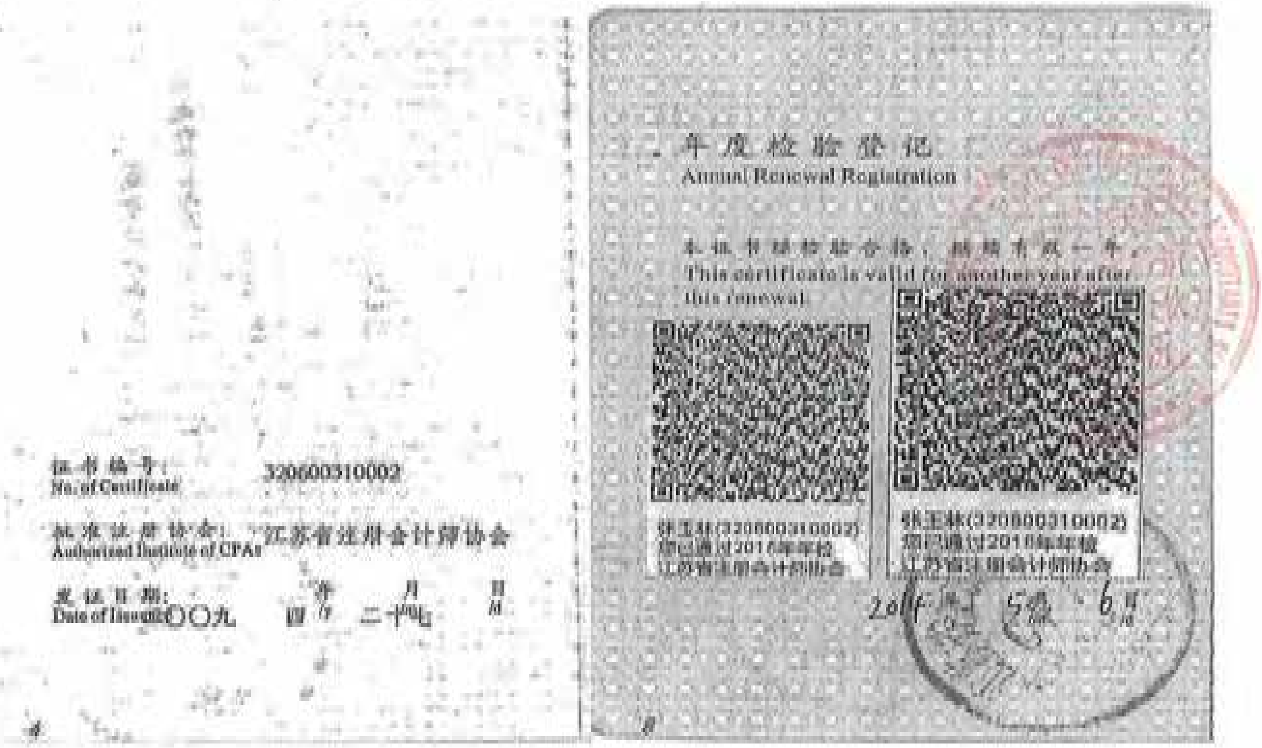
登记机关

2014年 12月 18 日

企业信用信息公示系统网址： https://www.sgs.gov.cn/notice

中华人民共和国国家工商行政管理总局监制

姓　　名
Full name　张玉林
性　　别
Sex　男
出生日期
Date of birth　1972-11-25
工作单位
Working unit　南通正华联合会计师事务所
身份证号码
Identity card No.　320625197211250293



证书编号：
No. of Certificate　320600310002

批准注册协会：
Authorized Institute of CPAs　江苏省注册会计师协会

发证日期：　年　月　日
Date of Issuance　二〇〇九　四　二十四

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

张玉林(320600310002)
您已通过2016年年检
江苏省注册会计师协会

张玉林(320600310002)
您已通过2017年年检
江苏省注册会计师协会

2017 年 5 月 6 日

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

南通正华　事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs
2013 年 01 月 22 日

同意调入
Agree the holder to be transferred to

江苏公证天业南通分所　事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2013 年 01 月 22 日

10

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs
年　月　日

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
年　月　日

11

Sterlite Conduspar Industrial Ltda.

Financial Results
for the year ended March 31, 2017

STERLITE CONDUSPAR INDUSTRIAL LTDA
CNPJ/MF: 17.819.305/0001-22
BALANCETE DE VERIFICAÇÃO

ENCERRADO EM 31 DE MARÇO DE 2017

(Valores expressos em milhares de reais - R$)

ATIVO

ATIVO CIRCULANTE	
DISPONÍVEL	**281**
Disponibilidades	281
CRÉDITOS	**12.316**
Clientes a Receber	4.031
Tributos a Recuperar	1.166
Adiantamentos e Desp.Exerc.Seguinte	2.476
Estoques	4.643
Total do ATIVO CIRCULANTE	**12.596**
NÃO CIRCULANTE	
REALIZAVEL A LONGO PRAZO	**0**
Tributos a Recuperar	0
Partes Relacionadas	0
Depositos Judiciais	0
Creditos Fiscais Diferidos	0
INVESTIMENTOS	**0**
Sterlite Conduspar Industrial Ltda	0
IMOBILIZADO	**8.376**
Bens em Operação	9.968
(-) Depreciações	(1.666)
Imobilizado em Andamento	74
INTANGÍVEL	**0**
Bens Intangíveis	0
(-) Amortizações	0
Total do ATIVO NÃO CIRCULANTE	**8.376**
Total do ATIVO	**20.972**

PASSIVO E PATRIMONIO LIQUIDO

PASSIVO CIRCULANTE	
EXIGÍVEL A CURTO PRAZO	**19.048**
Fornecedores	12.132
Impostos e Contribuições	1.513
Emprest / Financiamentos	
Salarios e Encargos	43
Provisões	277
Outras Obrigações	(287)
Partes Relacionadas	4.637
Adiantamentos Clientes	621
Parcelamentos Tributários	313
Total do PASSIVO CIRCULANTE	**19.048**
NÃO CIRCULANTE	
OBRIGAÇÕES A LONGO PRAZO	**1.122**
Fornecedores	0
Emprestimos /Financiamentos	0
Parcelamentos Tributários	1.122
Provisões para contigências	0
DIFERIDO	**0**
Débitos Fiscais Diferidos	0
Total do Passivo NÃO CIRCULANTE	**1.122**
Total do PASSIVO	**20.170**
PATRIMÔNIO LÍQUIDO	
CAPITAL SOCIAL	**12.814**
Capital Social Subscrito	12.814
RESERVAS	(12.013)
Reserva de Lucros	(9.020)
Reserva Legal	
Reserva para Futuro Aumento de Capital	0
Resultado Exercício	(2.993)
Ajuste Avaliação Patrimonial	0
Lucros Distribuídos	0
	0
Total do PATRIMÔNIO LÍQUIDO	**802**
Total do PASSIVO + PATRIM. LIQUIDO	**20.972**

Reconhecemos a exatidão do presente Balancete de Verificação com base na documentação apresentada,
encerrado em **31 DE MARÇO DE 2017** somando tanto em seu ATIVO como no PASSIVO, a importância supra
de **R$ 20.972** ***************(Vinte Milhões, Novecentos e Setenta e Dois Mil Reais)****************************

Andre R. Abage
ANDRE RAUEN ABAGE
ADMINISTRADOR
CPF: 961.591.209-30

EDUARDO VITALE
PR-064853/O-7
CPF: 133.532.718-58

Conduspar

STERLITE CONDUSPAR INDUSTRIAL LTDA

CNPJ/MF: 17.819.305/0001-22

DEMONSTRAÇÃO DO RESULTADO DO EXERCICIO

PERÍODO: 01 DE ABRIL DE 2016 A 31 DE MARÇO DE 2017

Sterlite

(Valores expressos em milhares de reais - R$)

	acumulado - 16/17
RECEITA OPERACIONAL BRUTA	**22.690**
Receitas de Vendas	22.690
	-
(-) DEDUÇÕES DA RECEITA	**(7.160)**
Impostos Incidentes Sobre Faturamento	(6.246)
Devoluções de Vendas	(914)
	-
OUTRAS RECEITAS OPERACIONAIS	-
Receitas Operacionais Diversas	
RECEITA OPERACIONAL LÍQUIDA	**15.530**
CUSTOS	**(14.948)**
Custo dos Produtos Vendidos	(14.948)
	-
LUCRO BRUTO OPERACIONAL	**582**
(-) DESPESAS OPERACIONAIS	
DESPESAS OPERACIONAIS	**(4.290)**
Despesas com Folha de Pagamento	(375)
Impostos e Taxas	(32)
Despesas Administrativas Diversas	(3.883)
DESPESAS E RECEITAS FINANCEIRAS	**774**
DESPESAS FINANCEIRAS	**985**
Juros Pagos ou Incorridos	(449)
Outras despesas financeiras	(22)
Variações Monetárias	1.456
RECEITAS FINANCEIRAS	**(212)**
Outras Receitas financeiras	39
Variações Monetárias	(251)
RESULTADO LÍQUIDO OPERACIONAL	**(2.934)**
RESULTADOS NÃO OPERACIONAIS	**(59)**
Despesas Indedutíveis	(59)
RESULTADO LIQUIDO	**(2.993)**
PROVISOES TRIBUTOS	
Impostos sobre o Lucro	
RESULTADO LÍQUIDO DO EXERCÍCIO	**(2.993)**

André R. Abage

ANDRE RAUEN ABAGE
ADMINISTRADOR
CPF: 981.591.209-30

EDUARDO VITALE
PR-094653/O-7
CPF: 133.532.718-56

Sterlite Global Ventures (Mauritius) Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

Sterlite Global Ventures (Mauritius) Limited
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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CORPORATE DATA

		Date of appointment
DIRECTORS	Gyaneshwarnath Gowrea	10-Aug-10
	Pravin Dwarkaprasad Agarwal	10-Aug-10
	Anand Gopaldas Agarwal	10-Aug-10
	Doomraj Sooneelall	30-Jun-15

ADMINISTRATOR & CORPORATE SECRETARY :
CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

REGISTERED OFFICE :
C/o CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

AUDITORS :
Crowe Horwath ATA

(Formerly known as Crowe Horwath (Mur) Co.)
Member Crowe Horwath International
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKER :
Barclays Bank (Mauritius) Limited
International Banking Division
3rd Floor, Barclays House
68-68A Cybercity, Ebene
Mauritius

The directors present their commentary, together with the audited financial statements of Sterlite Global Ventures (Mauritius) Limited (the "Company") for the financial year ended 31 March 2017.

ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the year are as shown on page 8

The directors do not recommend the payment of any dividend for the year under review. (2016: Nil)

DIRECTORS

The present membership of the Board is set out on page 1. All directors served office throughout the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office, until the next annual meeting.

Cim global business
FUND | CORPORATE | FIDUCIARY SERVICES

Sterlite Global Ventures (Mauritius) Limited
SECRETARY'S CERTIFICATE
SECTION 166(D) OF THE COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, Sterlite Global Ventures (Mauritius) Limited (**"the Company"**) has filed with the Registrar of Companies for the year ended 31 March 2017, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Authorised Signatory

Date: 14 APR 2017

Crowe Horwath.

Crowe Horwath ATA
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Telephone : (230) 467 8684 / 466 2992
Telefax : (230) 467 7478
www.crowehorwath.mu

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF Sterlite Global Ventures (Mauritius) Limited

Opinion

We have audited the accompanying financial statements of **Sterlite Global Ventures (Mauritius) Limited** (the "Company") which comprise of the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended as set out on pages 7 to 10, and a summary of significant accounting policies and other explanatory information as set out on pages 11 to 22.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF Sterlite Global Ventures (Mauritius) Limited

Responsibilities of management and those charged with governance for the financial statements (Continued)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS Sterlite Global Ventures (Mauritius) Limited

Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA

Crowe Horwath ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: 14 APR 2017
Ebene, Mauritius

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

ASSETS	**NOTES**	**2017** **USD**	2016 USD
Non-current asset			
Investment in subsidiary	7	**12,375,000**	12,375,000
Current assets			
Other receivables and prepayments	8	**2,070**	2,070
Cash and cash equivalents		**1,784**	18,695
Total current assets		**3,854**	20,765
TOTAL ASSETS		**12,378,854**	12,395,765
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	**12,381,447**	12,381,447
Accumulated losses		**(47,351)**	(34,818)
Total equity		**12,334,096**	12,346,629
Non-current liability			
Borrowing	10	**40,000**	40,000
Current liability			
Other payables	11	**4,758**	9,136
Total liabilities		**44,758**	49,136
TOTAL EQUITY AND LIABILITIES		**12,378,854**	12,395,765

These financial statements have been approved and authorised for issue by the Board of directors on and signed on ....14 APR 2017....... its behalf by:

} **DIRECTORS** Joomraj Sooneelall
} Gyaneshwarnath Gowrea

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 USD	2016 USD
EXPENSES			
Licence fees		**(2,015)**	(1,891)
Professional fees		**(6,200)**	(4,325)
Accounting fee		**(400)**	(2,200)
Audit fee		**(1,768)**	(2,056)
Disbursements		**(375)**	(390)
TOTAL EXPENSES		**(10,758)**	(10,862)
FINANCE COSTS			
Bank charges		**(985)**	(290)
Interest expense	11	**(790)**	-
Loss before taxation		**(12,533)**	(11,152)
Taxation	12	-	-
Loss for the year		**(12,533)**	(11,152)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(12,533)**	(11,152)

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital USD	Accumulated losses USD	Total equity USD
At 1 April 2015	12,381,447	(23,666)	12,357,781
Total comprehensive loss for the year	-	(11,152)	(11,152)
At 31 March 2016	12,381,447	(34,818)	12,346,629
Total comprehensive loss for the year	-	(12,533)	(12,533)
At 31 March 2017	**12,381,447**	**(47,351)**	**12,334,096**

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	2017 USD	2016 USD
Cash flows from operating activities			
Loss before taxation		**(12,533)**	(11,152)
Changes in working capital:			
Increase in prepayments		**-**	(1,199)
(Decrease)/increase in other payables		**(4,378)**	4,456
Net cash used in operating activities		**(16,911)**	(7,895)
Cash flows from financing activities			
Refund of fund to holding company	10	**-**	(190)
Funds received from holding company	10	**-**	25,000
Net cash generated from financing activities		**-**	24,810
Net movements in cash and cash equivalents		**(16,911)**	16,915
Cash and cash equivalents at beginning of the year		**18,695**	1,780
Cash and cash equivalents at end of the year		**1,784**	18,695

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

1 GENERAL INFORMATION

The Company was incorporated in Mauritius, under the Mauritius Companies Act 2001 on 10 August 2010 and holds a Category 1 Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007. The Company's registered office is at c/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The principal activity of the Company is that of investment holding.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") and under the historical cost convention, as modified by the exemption for non-consolidation provided by the Mauritius Companies Act 2001 .

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the company`s accounting policies. The areas involving a higher degree or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 5.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2016.

Amendment to IAS 1 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income in associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company and should be separated into the share of items that, in accordance with other IFRSs:

(i) will not be reclassified subsequently to profit or loss; and

(ii) will be reclassified subsequently to profit or loss when specific conditions met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(i) New and amended standards and interpretations (Continued)

Annual improvements 2012-2014 Cycle

IFRS 7 Financial Instruments: Disclosures

(a) *Servicing contracts*

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. These amendments are not expected to have any impact on the Company.

(b) *Applicability of the amendments to IFRS 7 to the financial statements*

The amendment clarifies that the offsetting disclosure requirements do not apply to the financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Company.

IAS 34 Interim Financial Reporting

Disclosure of information 'elsewhere in the interim financial report'

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the financial statements and at the same time. This amendment must be applied retrospectively.

(ii) Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however, the Company has not early applied the following new or amended standards in preparing these financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the now requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(ii) Standards issued but not yet effective (Continued)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortise cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting period. Debt instrument that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent changes in the fair value of an entity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value though, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount to the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-Step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue (or as) the entity satisfies a performance obligation

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(ii) Standards issued but not yet effective (Continued)

IFRS 15 Revenue from Contracts with Customers (Continued)

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

Amendments to IAS 12 Income tax -Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assessed whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that is probable that the entity will achieve this; and

4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

Amendments to IAS 7 Statement of Cash flows (Disclosure Initiative)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value which is the value of consideration received or given plus transaction costs and subsequently at fair value or at amortised costs.

Financial instruments carried on the statement of financial position include cash and cash equivalents, receivables, borrowing and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 14.

(i) Cash and cash equivalents

Cash comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(ii) Borrowings

Interest bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on an accruals basis and charged to the statement of profit or loss and other comprehensive income.

(iii) Other payables

Other payables are recorded at anticipated settlement amounts.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States dollar ("USD"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity

Stated capital represents the proceeds received and in consideration for which, ordinary shares were issued.

Accumulated losses include all current and prior period results as presented in the statement of profit or loss and other comprehensive income.

Expense recognition

Expenses are recognised on an accrual basis in the statement of profit or loss.

Related parties

Related parties are individuals and companies where the individuals or companies have the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions, or vice versa.

Revenue recognition

Revenue earned by the Company is recognised on the following basis:

Interest income - as it shall be accrued, unless collectibility is in doubt.

Dividend income - should be recognised when the shareholders' rights to receive payments have been established.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Investment in subsidiary

Subsidiary undertakings are those entities in which the Company controls an investee if all of the following elements are present:

(i) power over the investee, exposure to variable returns from the investee, and

(ii) the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

(i) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights,

(ii) Substantive potential voting rights held by the Company and by other parties,

(iii) Other contractual arrangements,

(iv) Historic patterns in voting attendance.

Investment in subsidiary is shown at cost, less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

5 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires the directors to make use of certain critical accounting estimates. It also requires directors to exercise its judgement in the process of applying the Company's accounting policies.

The following are the management's judgements made in applying the accounting policies of the Company that have the most significant effect on the financial statements. Critical estimation uncertainties are described in note 6.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 4, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (USD).

Impairment of financial assets

Management assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. There are no such indications of events having impact on future cash flows of the Company. Therefore, no impairment provision is required to be made by the Company.

Impairment of non-financial asset

In assessing whether a full impairment test is required for the investment in the subsidiary, the Company has considered whether it has recognised a dividend from the investment and evidence is available that:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the subsidiary's net assets; or

- the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared

The directors have noted that the carrying amount of the investment in the separate financial statements is lower than the carrying amount in the financial statements of the subsidiary's net assets. Therefore, no impairment provision is required to be made by the Company.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly or virtually wholly owned subsidiary company holding a Category 1 Global Business Licence and having any company not to prepare consolidated financial statements. The financial statements are, therefore, separate financial statements which contain information about Sterlite Global Ventures (Mauritius) Limited as an individual company and do not contain consolidated financial information as the parent of a Group.

6 ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

7 INVESTMENT IN SUBSIDIARY

	2017 USD	2016 USD
At 31 March	**12,375,000**	12,375,000

Details of investment in the subsidiary incorporated in China are as follows:

Name of investee company	Class of shares held	Number of shares held	% Holding	Nominal value of Investment
Jiangsu Sterlite Tongguang Fiber Co. Ltd	Ordinary	12,375,000	75%	12,375,000

The directors have reviewed the financial position and performance of the subsidiary. They are of the opinion that the estimated recoverable amount of the investment is not less than its carrying amount and the investment has not suffered any impairment for the year under review.

8 OTHER RECEIVABLES & PREPAYMENTS

	2017 USD	2016 USD
Prepayments	**2,069**	2,069
Other receivables	**1**	1
	2,070	2,070

9 STATED CAPITAL

	2017 USD	2016 USD
At 31 March	**12,381,447**	12,381,447

The issued share capital of the Company comprises of 12,381,447 ordinary shares with a par value of USD1 per share. These shares are entitled to voting rights and to dividends. The shareholders have various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

10 BORROWING

	2017 USD	2016 USD
Principal amount		
At start of the year	**40,000**	15,190
Additions during the year	**-**	25,000
Refund of fund during the year	**-**	(190)
At end of the year	**40,000**	40,000

Effective 1 April 2016, the loan balance of USD 40,000 payable to Sterlite Technologies Limited ('**STL**') bears an interest rate of Libor+60 BPS i.e 1.976 %. The loan has no fixed repayment terms.

11 OTHER PAYABLES

	2017 **USD**	2016 USD
Interest payable to STL	**790**	-
Accruals	**3,968**	9,136
	4,758	9,136

12 TAXATION

The Company, under current laws and regulations, is liable to pay income tax on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or deemed tax credit of 80% of the Mauritius tax payable on its foreign source income.

There is no capital gains tax in Mauritius. Any dividend and redemption proceeds paid by the Company to its shareholders are also exempted from any withholding tax in Mauritius. However, no tax provision has been made for the year under review in view of accumulated tax losses of **USD 59,663** as at 31 March 2017 (2016: USD 58,635). The loss of USD 11,505 carried forward up to 31 March 2017 has been lapsed.

The directors have in accordance with the Company's accounting policy not recognised a deferred tax asset as the probability of taxable profit arising in future is remote.

	2017 **USD**	**Expiry date**
31 March 2013	**12,310**	2018
31 March 2014	**11,295**	2019
31 March 2015	**12,373**	2020
31 March 2016	**11,152**	2021
31 March 2017	**12,533**	2022
	59,663	

13 During the year under review, the Company transacted with a related entitiy. The nature, volume of transactions and balances with this entity are as follows:

Amount due to holding company - Sterlite Technologies Limited

Payable over a year

	2017 **USD**	2016 USD
At beginning of the year	**40,000**	15,190
Additions during the year	**-**	25,000
Refund of fund during the year	**-**	(190)
At end of the year	**40,000**	40,000

The loan balance of USD 40,000 payable to STL bears an interest rate of Libor+60 BPS i.e 1.976 %.

13 RELATED PARTY DISCLOSURES (CONTINUED)

Fees paid to key management personnel

There was no compensation of key management personnel for the year ended 31 March 2017 (2016: USD Nil).

Professional fees of USD 2,500 have been incurred by the Company for the year ended 31 March 2017 (2016: USD 2,500) in relation to directorship services rendered by Messrs. Gyaneshwarnath Gowrea and Doomraj Sooneelall. However, these fees are not paid to the individual officers but to the Company's administrator.

14 FINANCIAL INSTRUMENTS

Fair values
The carrying amounts of the assets and liabilities of the Company approximate to their fair values.

Currency profile
The Company's financial assets and liabilities are denominated in USD.

Risk and capital management

The capital of the Company is primarily for investment purposes in view of generating a return on the investment made by the shareholder. It is the Company's policy to finance its investment and any operating expenses from equity instruments. There were no changes in the Company's approach to capital management during the year.

The risks arising from the Company's financial instruments are as follows:

(i) Liquidity risk
(ii) Market risk
(iii) Interest rate risk

The Board of directors reviews and agrees policies for managing this risks are as follows:

(i) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has the continued financial support of its holding company in this process. Changes in liquidity risk will not have any material impact on the financial statements.

31 March 2017	**More than 1 year**	**Up to 1 year**
Liabilities	**USD**	**USD**
Borrowing	**40,000**	**-**
Other payables	**-**	**4,758**
Total	**40,000**	**4,758**

31 March 2016	More than 1 year	Up to 1 year
Liabilities	USD	USD
Borrowing	40,000	-
Other payables	-	9,136
Total	40,000	9,136

14 FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines. The Company is not subject to significant amount of risk as the unquoted investment is mainly financed by its parent. Changes in market risk will not have any material impact in the financial statements.

(iii) Interest rate risk

For the year ended 31 Mach 2017, the Company is exposed to changes in market interest rates on its financial assets on account of its loan to subsidiary and bank balance and on its financial liabilities on account of its loans from holding company which are at fixed/variable interest rates.

The following table details the Company 's exposure to interest rate risks. The total interest sensitivity gap represents the net notional amounts of all interest sensitive financial instruments.

31 March 2017	**USD**
Financial Assets	
Non interest bearing	1,784
Variable interest instrument	-
Total	1,784
Financial Liabilities	**USD**
Non interest bearing	4,758
Variable interest instrument	40,000
Total	44,758

Interest rate sensitivity.

If interest rates had been 100 basis points higher/ lower and all other variables were held constant, the net loss for the year ended 31 March 2017 would increase/decrease by USD 400 (2016: USD NIL). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings.

Interest Rate	Low (1%)	High 1%
Variable interest instrument	(40,000)	40,000
Impact on total assets of the Company	(400)	400

Fair value hierarchy

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

14 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability.

The following tables set out the fair values of financial instruments that are analysed by the level in the fair value hierarchy into which each fair value measurement is categorised:

31 March 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**USD**	**USD**	**USD**	**USD**
Investment in subsidiary	-	-	**12,375,000**	**12,375,000**
Cash and cash equivalents	-	-	**1,784**	**1,784**
Total assets	-	-	**12,376,784**	**12,376,784**
Liabilities				
Borrowing	-	-	**40,000**	**40,000**
Other payables	-	-	**4,758**	**4,758**
Total liabilities	-	-	**44,758**	**44,758**

31 March 2016	Level 1	Level 2	Level 3	Total
Assets	USD	USD	USD	USD
Investment in subsidiary	-	-	12,375,000	12,375,000
Cash and cash equivalents	-	-	18,695	18,695
Total assets	-	-	12,393,695	12,393,695
Liabilities				
Borrowing	-	-	40,000	40,000
Other payables	-	-	9,136	9,136
Total liabilities	-	-	49,136	49,136

The fair values of cash and cash equivalents and accruals approximate their carrying values due to their short-term nature.

15 HOLDING COMPANY

The directors consider Sterlite Technologies Limited, a company established in India and listed on the National Stock Exchange and Bombay Stock Exchange, as the holding company and ultimate holding company.

16 EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2017.

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

FINANCIAL STATEMENTS
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STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

FINANCIAL STATEMENTS
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STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Anand Agarwal Andreas Avraamidis Popi Savva
Company Secretary:	Chelco Management Services Limited
Independent Auditors:	Costas Tsielepis & Co Ltd 205, 28th October Street Louloupis Court, 1st Floor 3035 Limassol Cyprus
Registered office:	221 Christodoulou Chatzipavlou Helios Court, 1st floor 3036, Limassol Cyprus
Banker:	ICICI Bank UK Plc
Registration number:	289252

COSTAS TSIELEPIS & CO
AUDIT | TAX | ADVISORY

Independent Auditor's Report

To the Members of Sterlite Technologies Europe Ventures Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterlite Technologies Europe Ventures Limited (the "Company"), which are presented in pages 5 to 13 and comprise the statement of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2 to the financial statements where it is indicated that the financial statements have not been prepared on a going concern basis since it is the intention of the Management to liquidate the Company as soon as arrangements can be made. Our opinion is not qualified in respect of this matter.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the additional information to the statement of profit or loss and other comprehensive income on pages 14-16, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of Sterlite Technologies Europe Ventures Limited

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

Independent Auditor's Report (continued)

To the Members of Sterlite Technologies Europe Ventures Limited

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

GEORGE C. TSIELEPIS
COSTAS TSIELEPIS & CO LIMITED
George Tsielepis
Chartered Accountant and Registered Auditor
for and on behalf of
Costas Tsielepis & Co Ltd

Limassol, 14 June 2017

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 March 2017

	Note	**01/04/2016-31/03/2017 €**	01/04/2015-31/03/2016 €
Administration expenses		**(1,119)**	(1,634)
Operating loss		**(1,119)**	(1,634)
Finance costs	5	**(15)**	(75)
(Loss) before tax		**(1,134)**	(1,709)
Tax	6	**-**	-
Net loss for the year		**(1,134)**	(1,709)
Other comprehensive income		**-**	
Total comprehensive loss for the year		**(1,134)**	(1,709)

The notes on pages 9 to 13 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 March 2017

	Note	**31 March 2017 €**	31 March 2016 €
ASSETS			
Current assets			
Receivables	7	**7,822**	-
Cash at bank and in hand	8	**2,496**	11,558
		10,318	11,558
Total assets		**10,318**	11,558
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**2,000**	2,000
Share premium		**13,000**	13,000
Accumulated losses		**(5,577)**	(4,443)
Total equity		**9,423**	10,557
Current liabilities			
Trade and other payables	10	**895**	1,001
		895	1,001
Total equity and liabilities		**10,318**	11,558

On 14 June 2017 the Board of Directors of Sterlite Technologies Europe Ventures Limited authorised these financial statements for issue.

....
Director

....
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
31 March 2017

	Share capital **€**	**Share premium** **€**	**Accumulated losses** **€**	**Total** **€**
Balance at 31 March 2015/ 1 April 2015	**2.000**	**13.000**	**(2.734)**	**12.266**
Total comprehensive loss for the year	-	-	(1.709)	(1.709)
Balance at 31 March 2016/ 1 April 2016	**2.000**	**13.000**	**(4.443)**	**10.557**
Total comprehensive loss for the year	-	-	(1.134)	(1.134)
Balance at 31 March 2017	**2.000**	**13.000**	**(5.577)**	**9.423**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 13 form an integral part of these financial statements.

CASH FLOW STATEMENT
31 March 2017

	Note	**01/04/2016-31/03/2017 €**	01/04/2015-31/03/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		**(1.134)**	(1.709)
		(1.134)	(1.709)
Changes in working capital:			
Increase in receivables		**(7.822)**	-
Decrease in trade and other payables		**(106)**	(12.000)
Cash used in operations		**(9.062)**	(13.709)
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised exchange profit		**-**	-
Net decrease in cash and cash equivalents		**(9.062)**	(13.709)
Cash and cash equivalents at beginning of the year		**11.558**	25.267
Cash and cash equivalents at end of the year	8	**2.496**	11.558

1. Incorporation and principal activities

Country of incorporation

The Company Sterlite Technologies Europe Ventures Limited (the "Company") was incorporated in Cyprus on 23 June 2011 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 221 Christodoulou Chatzipavlou, Helios Court, 1st floor, 3036, Limassol, Cyprus.

Principal activity and nature of operations of the Company

The Company did not carry out any operations during the year.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The financial statements have not been prepared on a going concern basis since it is the intention of the management to liquidate the Company as soon as arrangements can be made.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) **Functional and presentation currency**

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

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Significant accounting policies (continued)

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as by maintaining sufficient cash and by having available an adequate amount of committed credit facilities.

3.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Critical accounting estimates and judgements (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Finance costs

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
Sundry finance expenses	**15**	75
	15	75

6. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
(Loss) before tax	**(1.134)**	(1.709)
Tax calculated at the applicable tax rates	**(142)**	(214)
Tax effect of tax loss for the year	**142**	214
Tax charge	**-**	-

The corporation tax rate is 12,5% (2013:12,5%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 March 2017, the balance of tax losses which is available for offset against future taxable profits amounts to €17.940 for which no deferred tax asset is recognised in the statement of financial position.

7. Receivables

	31 March 2017 €	31 March 2016 €
Parent company's current accounts - debit balances (Note 11.1)	**7.822**	-
	7.822	-

The parent company's balance bears no interest and there is no specified repayment date.

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

8. Cash at bank and in hand

Cash balances are analysed as follows

	31 March 2017 €	31 March 2016 €
Cash at bank and in hand	**2.496**	11.558
	2.496	11.558

9. Share capital

	31 March 2016 Number of shares	**31 March 2016 €**	31 March 2015 Number of shares	31 March 2015 €
Authorised Ordinary shares of €1 each	**10.000**	**10.000**	10.000	10.000
Issued and fully paid Balance at 1 April	**2.000**	**2.000**	2.000	2.000
Balance at 31 March	**2.000**	**2.000**	2.000	2.000

10. Trade and other payables

	31 March 2017 €	31 March 2016 €
Accruals	**895**	1.001
	895	1.001

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

11. Related party transactions

The Company is controlled by Sterlite Technologies Limited, incorporated in India, which owns 100% of the Company's shares.

11.1 Parent company's current accounts - debit balances (Note 7)

	31 March 2017 €	31 March 2016 €
Sterlite Technologies Ltd	**7,822**	-
	7,822	-

The parent company's accounts are interest free, and have no specified repayment date.

12. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2017.

13. Commitments

The Company had no capital or other commitments as at 31 March 2017.

14. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

ADMINISTRATIVE EXPENSES

31 March 2017

	01/04/2016-31/03/2017 €	01/04/2015-31/03/2016 €
Auditors' remuneration - current year	893	1,000
Auditors' remuneration - prior years	-	634
Other professional fees	226	-
	1,119	1,634

FINANCE COSTS

31 March 2017

	01/04/2016-31/03/2017 €	01/04/2015-31/03/2016 €
Finance costs		
Sundry finance expenses		
Bank charges	15	75
	15	75

COMPUTATION OF CORPORATION TAX

31 March 2017

	Page	€
Net loss per income statement	5	(1,134)
Net loss for the year		(1,134)

Apportionment to the relevant years of assessment	2017	2016
	€	€
Period 01/04/2016 - 31/12/2016		(1,134)
	-	(1,134)
	-	(1,134)
Loss brought forward		(16,806)
Loss carried forward		(17,940)

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

FINANCIAL STATEMENTS
31 March 2017

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

FINANCIAL STATEMENTS
31 March 2017

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Anand Agarwal Andreas Avraamidis Popi Savva
Company Secretary:	Chelco Management Services Limited
Independent Auditors:	Costas Tsielepis & Co Ltd 205, 28th October Street Louloupis Court, 1st Floor 3035 Limassol Cyprus
Registered office:	221 Christodoulou Chatzipavlou Helios Court, 1st floor 3036, Limassol Cyprus
Banker:	ICICI Bank UK Plc
Registration number:	289252

COSTAS TSIELEPIS & CO
AUDIT | TAX | ADVISORY

Independent Auditor's Report

To the Members of Sterlite Technologies Europe Ventures Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterlite Technologies Europe Ventures Limited (the "Company"), which are presented in pages 5 to 13 and comprise the statement of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2 to the financial statements where it is indicated that the financial statements have not been prepared on a going concern basis since it is the intention of the Management to liquidate the Company as soon as arrangements can be made. Our opinion is not qualified in respect of this matter.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the additional information to the statement of profit or loss and other comprehensive income on pages 14-16, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of Sterlite Technologies Europe Ventures Limited

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

Independent Auditor's Report (continued)

To the Members of Sterlite Technologies Europe Ventures Limited

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

GEORGE C. TSIELEPIS
COSTAS TSIELEPIS & CO LIMITED

George Tsielepis
Chartered Accountant and Registered Auditor
for and on behalf of
Costas Tsielepis & Co Ltd

Limassol, 14 June 2017

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 March 2017

	Note	**01/04/2016-31/03/2017 €**	01/04/2015-31/03/2016 €
Administration expenses		**(1,119)**	(1.634)
Operating loss		**(1.119)**	(1.634)
Finance costs	5	**(15)**	(75)
(Loss) before tax		**(1,134)**	(1.709)
Tax	6	**-**	-
Net loss for the year		**(1.134)**	(1.709)
Other comprehensive income		**-**	
Total comprehensive loss for the year		**(1,134)**	(1,709)

The notes on pages 9 to 13 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 March 2017

	Note	**31 March 2017 €**	31 March 2016 €
ASSETS			
Current assets			
Receivables	7	**7,822**	-
Cash at bank and in hand	8	**2,496**	11,558
		10,318	11,558
Total assets		**10,318**	11,558
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**2,000**	2,000
Share premium		**13,000**	13,000
Accumulated losses		**(5,577)**	(4,443)
Total equity		**9,423**	10,557
Current liabilities			
Trade and other payables	10	**895**	1,001
		895	1,001
Total equity and liabilities		**10,318**	11,558

On 14 June 2017 the Board of Directors of Sterlite Technologies Europe Ventures Limited authorised these financial statements for issue.

Director

Director

The notes on pages 9 to 13 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
31 March 2017

	Share capital €	**Share premium** €	**Accumulated losses** €	**Total** €
Balance at 31 March 2015/ 1 April 2015	**2.000**	**13.000**	**(2.734)**	**12.266**
Total comprehensive loss for the year	-	-	(1.709)	(1.709)
Balance at 31 March 2016/ 1 April 2016	**2.000**	**13.000**	**(4.443)**	**10.557**
Total comprehensive loss for the year	-	-	(1.134)	(1.134)
Balance at 31 March 2017	**2.000**	**13.000**	**(5.577)**	**9.423**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 13 form an integral part of these financial statements.

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

CASH FLOW STATEMENT
31 March 2017

	Note	**01/04/2016- 31/03/2017 €**	01/04/2015- 31/03/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		**(1.134)**	(1.709)
		(1.134)	(1.709)
Changes in working capital:			
Increase in receivables		**(7.822)**	-
Decrease in trade and other payables		**(106)**	(12.000)
Cash used in operations		**(9.062)**	(13.709)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised exchange profit		-	-
Net decrease in cash and cash equivalents		**(9.062)**	(13.709)
Cash and cash equivalents at beginning of the year		**11.558**	25.267
Cash and cash equivalents at end of the year	8	**2.496**	11.558

The notes on pages 9 to 13 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Sterlite Technologies Europe Ventures Limited (the "Company") was incorporated in Cyprus on 23 June 2011 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 221 Christodoulou Chatzipavlou, Helios Court, 1st floor, 3036, Limassol, Cyprus.

Principal activity and nature of operations of the Company

The Company did not carry out any operations during the year.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The financial statements have not been prepared on a going concern basis since it is the intention of the management to liquidate the Company as soon as arrangements can be made.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) <u>**Functional and presentation currency**</u>

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

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Significant accounting policies (continued)

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as by maintaining sufficient cash and by having available an adequate amount of committed credit facilities.

3.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Critical accounting estimates and judgements (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Finance costs

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
Sundry finance expenses	**15**	75
	15	75

6. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
(Loss) before tax	**(1.134)**	(1.709)
Tax calculated at the applicable tax rates	**(142)**	(214)
Tax effect of tax loss for the year	**142**	214
Tax charge	**-**	-

The corporation tax rate is 12,5% (2013:12,5%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 March 2017, the balance of tax losses which is available for offset against future taxable profits amounts to €17.940 for which no deferred tax asset is recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

7. Receivables

	31 March 2017 €	31 March 2016 €
Parent company's current accounts - debit balances (Note 11.1)	**7.822**	-
	7.822	-

The parent company's balance bears no interest and there is no specified repayment date.

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

8. Cash at bank and in hand

Cash balances are analysed as follows

	31 March 2017 €	31 March 2016 €
Cash at bank and in hand	**2.496**	11.558
	2.496	11.558

9. Share capital

	31 March 2016 Number of shares	**31 March 2016 €**	31 March 2015 Number of shares	31 March 2015 €
Authorised				
Ordinary shares of €1 each	**10.000**	**10.000**	10.000	10.000
Issued and fully paid				
Balance at 1 April	**2.000**	**2.000**	2.000	2.000
Balance at 31 March	**2.000**	**2.000**	2.000	2.000

10. Trade and other payables

	31 March 2017 €	31 March 2016 €
Accruals	**895**	1.001
	895	1.001

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

11. Related party transactions

The Company is controlled by Sterlite Technologies Limited, incorporated in India, which owns 100% of the Company's shares.

11.1 Parent company's current accounts - debit balances (Note 7)

	31 March 2017	31 March 2016
	€	€
Sterlite Technologies Ltd	**7,822**	-
	7,822	-

The parent company's accounts are interest free, and have no specified repayment date.

12. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2017.

13. Commitments

The Company had no capital or other commitments as at 31 March 2017.

14. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

ADMINISTRATIVE EXPENSES

31 March 2017

	01/04/2016-31/03/2017 €	01/04/2015-31/03/2016 €
Auditors' remuneration - current year	893	1,000
Auditors' remuneration - prior years	-	634
Other professional fees	226	-
	1,119	1,634

FINANCE COSTS

31 March 2017

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
Finance costs		
Sundry finance expenses		
Bank charges	**15**	75
	15	75

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

COMPUTATION OF CORPORATION TAX

31 March 2017

	Page	€
Net loss per income statement	5	(1,134)
Net loss for the year		(1,134)

Apportionment to the relevant years of assessment	2017 €	2016 €
Period 01/04/2016 - 31/12/2016		(1,134)
	-	(1,134)
	-	(1,134)
Loss brought forward		(16,806)
Loss carried forward		(17,940)

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INDEPENDENT AUDITOR'S REPORT

To the Members of Maharashtra Transmission Communication Infrastructure Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Maharashtra Transmission Communication Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: June 20, 2017

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

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

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b. All items of property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.

iii. According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

vi. To the best of our knowledge and as explained, the cost records prescribed by the Central Government under section 148(1) of the Companies Act, 2013, are not applicable to the Company for the year ended March 31, 2017.

vii a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax and other material statutory dues applicable to it. The Company did not have any statutory dues towards provident fund, sales tax, custom duty, excise duty, value added tax and employees' state insurance.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of income tax, service tax, sales tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

viii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any loans or borrowing in respect of financial institution or debenture holders or government during the year.

ix. Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The Company is required to constitute an audit committee under section 177 of Companies Act, 2013. However, audit committee has not been constituted and hence the Company has not complied with section 177 of Companies Act, 2013 for the transactions with related parties.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, hence not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

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xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: June 20, 2017

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

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

We have audited the internal financial controls over financial reporting of Maharashtra Transmission Communication Infrastructure Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

Opinion

In our opinion, the Company has, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: June 20, 2017

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31 MARCH 2017

	Notes	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	421.59	264.28	-
Capital work in progress	3	365.11	405.18	255.15
Intangible assets	3	39.16	41.71	44.25
Financial Assets				
Other non-current financial assets	6	0.05	0.03	0.01
Other non-current assets	7	65.35	48.57	15.55
		893.34	739.77	318.29
Current assets				
Financial Assets				
i. Investments	4		-	1.34
ii. Trade receivables	5	4.67	19.01	-
iii. Cash and cash equivalents	8	1.61	2.18	0.09
iv. Other financial assets	6	-	2.91	-
Other current assets	7	2.07	0.58	-
		8.34	24.64	1.63
TOTAL ASSETS		901.68	764.41	319.92
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	187.22	157.22	123.66
Other equity				
Securities Premium	10	21.72	21.72	15.11
Retained Earnings	10	(111.15)	(127.83)	(22.11)
Other reserves	10	51.00	51.00	51.00
Total Equity		149.79	102.05	165.04
Non-current liabilities				
Financial Liabilities				
Borrowings	11	223.15	218.30	67.24
Employee benefit obligations	15	1.32	0.30	0.19
		224.47	218.60	67.43
Current liabilities				
Financial Liabilities				
Borrowings	12	16.40	-	1.07
Trade payables	13	5.53	0.31	1.52
Other financial liabilities	14	491.85	275.56	88.03
Employee benefit obligations	15	0.42	0.28	0.52
Other liabilities	16	16.25	15.64	0.24
		528.42	443.74	91.43
TOTAL EQUITY AND LIABILITIES		901.68	764.41	319.92

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754

Place: Pune
Date: June 20, 2017

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

[illegible]
Managing Director
DIN:06652919

[illegible]
Chief Financial Officer

Place: Mumbai
Date: June 20, 2017

[illegible]
Director
DIN:06512254

Tanu Singh
Company Secretary

Place: Mumbai
Date: June 20, 2017

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
INCOME			
Revenue from operations	17	2.59	2.43
Other income	18	0.00*	0.09
Total income (I)		2.59	2.52
EXPENSES			
Contract expenses		3.13	1.61
Employee benefits expense	19	5.22	-
Other expenses	22	2.67	2.44
Total expenses (II)		11.02	4.05
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(8.43)	(1.53)
Depreciation and amortisation expense	20	22.62	2.16
Finance costs	21B	12.35	1.69
Finance income	21A	-	(0.02)
Loss before tax		(43.40)	(5.36)
Tax expenses:			
Current tax		-	-
Deferred tax		-	-
Income tax expense		-	-
Loss for the year		(43.40)	(5.36)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss defined benefit plans		0.13	-
Other comprehensive income for the year		0.13	-
Total comprehensive income for the year		(43.27)	(5.36)
Earnings per equity share	23		
Basic and diluted			
Computed on the basis of loss for the year (Rupee per share)		(2.92)	(0.27)

* Amount is below Rs. 0.01 million

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754

Place: Pune
Date: June 20, 2017

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

Ved Mani Tiwari
Managing Director
DIN 06652910

[illegible] B. Chavan
Director
DIN 06517224

Ashok [illegible]
Chief Financial Officer

Tanu Singh
Company Secretary

Place: Mumbai
Date: June 20, 2017

Place: Mumbai
Date: June 20, 2017

MUMBAI

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY
(All amounts in Rs. Millions unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. In millions	Rs. In Millions
At 1 April 2015	12.28	122.86
Issued during the year	6.44	64.36
At 31 March 2016	18.72	187.22
Issued during the year	-	-
At 31 March 2017	18.72	187.22

B. OTHER EQUITY

(Rs. In Millions)

	Capital Contribution (refer note 3 and 10)	Securities Premium	Retained Earnings
As at 1 April 2015	**51.00**	**13.31**	**(22.11)**
Loss for the year	-	-	(5.76)
Other comprehensive income		-	-
Total comprehensive income	51.00	13.31	(27.87)
Premium on issue of equity shares	-	8.41	-
As at 31 March 2016	**51.00**	**21.72**	**(27.87)**
Loss for the year	-		(43.40)
Other comprehensive income	-	-	0.13
Total comprehensive income	51.00	21.72	(71.14)
As at 31 March 2017	**51.00**	**21.72**	**(71.14)**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: June 20, 2017

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

Ved Mani Tiwari
Managing Director
DIN:06632919

Shailendra D. Chavan
Director
DIN:06530224

Ashok Kamble
Chief Financial Officer

Tanu Singh
Company Secretary

Place: Mumbai
Date: June 20, 2017

Place: Mumbai
Date: June 20, 2017

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2017

	Notes	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
A. Cash flow from Operating Activities			
Net loss before tax as per the statement of profit and loss		(43.40)	(5.76)
Adjustment for Taxation		-	-
Loss before tax		(43.40)	(5.76)
Adjustments for:			
Depreciation and amortization expense	20	22.22	3.16
- Finance income	21A	-	(0.02)
- Interest expense	21B	12.29	1.05
		34.51	4.19
Operating profit before working capital changes		(8.89)	(1.57)
Movements in working capital:			
(Increase) in other assets		(16.97)	(20.52)
- (Increase) / decrease in trade receivables		15.08	(19.69)
(Increase) / decrease in other financial assets		2.39	(2.39)
- (Increase) in other current assets		(0.21)	(0.38)
- Increase / (decrease) in employee benefit obligation		1.79	(0.34)
- Increase / (decrease) in trade payables		2.22	(1.21)
- Increase in other financial liabilities		0.41	1.79
- Increase / (decrease) in other current liabilities		(1.38)	8.56
Change in working capital		3.73	(34.18)
Net Cash used in operations		(5.16)	(35.75)
Direct taxes paid		-	-
Net cash used in Operating Activities		(5.16)	(35.75)
B. Cash flow from Investing Activities			
Purchase of plant and equipment (including capital work in progress)		(2.95)	(176.01)
Redemption of investments in mutual fund (net)		-	1.54
Income from investment in mutual fund		-	0.02
Net cash used in Investing Activities		(2.95)	(174.45)
C. Cash flow from Financing Activities			
Proceeds from term loan		-	151.86
Net short term borrowings from related parties		16.40	(0.07)
Proceeds from issue of equity shares including securities premium		-	71.77
Finance charges		(7.44)	(11.27)
Net Cash flow from Financing Activities		8.96	212.29
Net increase in cash and cash equivalents		0.85	2.09
Cash and cash equivalents as at the beginning of period		2.18	0.09
Cash and cash equivalent as at the end of the period		3.03	2.18

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Components of Cash and Cash Equivalents:		
Balance with banks on current accounts (refer Note 8)	3.04	2.18
Cash and Cash Equivalents in cash flow statement	3.04	2.18

Summary of significant accounting policies 2.2

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: June 20, 2017

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

Ved Ajeet Tiwari
Managing Director
DIN:06652919

Ravindra P. Chavan
Director
DIN:06531324

Arpit Gandhi
Chief Financial Officer

Tanu
Tanu Singh
Company Secretary

Place: Mumbai
Date: June 20, 2017

Place: Mumbai
Date: June 20, 2017

1. Corporate information

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

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

The Ind AS financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on June 20, 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer note 34 for information on how the Company adopted Ind AS.

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

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

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b) Foreign currencies

The Company's Ind AS financial statements are presented in INR, which is its functional currency.

c) Fair value measurement

The Company measures financial instruments such as investments in mutual fund at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 24, 30, 30A)
- Quantitative disclosures of fair value measurement hierarchy (note 30A)
- Investment in mutual funds (note 4)

d) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured.

Income from services

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Revenue from projects

Fixed Price Contracts:
Revenue from fixed price contracts of last mile connectivity is recognised based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling 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.

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 selling price of the work performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the selling price 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.

Interest income

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

e) Taxes

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

f) Property, plant and equipment

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

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

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

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

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

g) Intangible Assets

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

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

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

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

Right of way (ROW) pertains to the right granted by Maharashtra State Electricity Transmission Company Limited to the Company to establish communication network in the state of Maharashtra. ROW is amortized on a straight line basis over a period of 20 years for which the right has been granted.

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.

h) Borrowing Costs

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

i) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

k) Retirement and other employee benefits

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

The Company has a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

l) Financial instruments

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

Financial assets

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

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

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 5.

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

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

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

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

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

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

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

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

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

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits, trade receivables and bank balance;

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Notes 11 and 12.

Derecognition

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

Offsetting of financial instruments

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

m) Cash and cash equivalents

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

n) Presentation of EBITDA

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

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

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosures in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. These amendments are not expected to have any impact on the Company.

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2017

NOTE 3: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(Rs. in Millions)

	Property, plant and equipment	Intangible Asset
	Plant and Machinery	Right of Way (RoW)*
Cost		
At 1 April 2015	-	51.00
Additions**	344.89	-
Deletions/Adjustments	-	-
As at March 31, 2016	344.89	51.00
Additions**	98.89	-
Deletions/Adjustments	-	-
As at March 31, 2017	443.78	51.00
Depreciation and Impairment		
At 1 April 2015	-	6.74
Additions	0.61	2.55
Deletions/Adjustments	-	-
As at March 31, 2016	0.61	9.29
Additions	19.67	2.55
Deletions/Adjustments	-	-
As at March 31, 2017	20.28	11.84
Net Book Value		
As at 31st March, 2017	423.50	39.16
As at 31st March, 2016	344.28	41.71
As at 1st April, 2015	-	44.26

* The Right of Way (RoW) pertains to the right granted by MSETCL to the Company for a period of 20 years to establish communication network in the state of Maharashtra. (Also refer Note 10)

** Refer Note 33 for details of expenses capitalised

Capital work in progress of Rs. 355.31 million (31 March 2016: Rs. 405.35 million, 1 April 2015: Rs. 255.15 million) comprises expenditure in respect of the establishing of OPGW network in the state of Maharashtra

NOTE 4: INVESTMENTS

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Current Investments (valued at fair value through profit or loss, unless stated otherwise) (Quoted)			
Investment in Mutual Funds			
Nil (31 March 2016: Nil; 1 April 2015: 0.2 Million) units of Reliance Money Manager Fund - Direct Growth Plan Growth Option	-	-	1.54
	-	-	1.54

NOTE 5: TRADE RECEIVABLES

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Current			
Trade receivables (Unsecured, Considered good)	4.01	19.59	-
	4.01	19.59	-

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

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

NOTE 6: OTHER FINANCIAL ASSET

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Non-current			
Security deposits	6.03	0.03	5.05
	6.03	0.03	5.05
Current			
Unbilled revenue	-	2.59	-
	-	2.59	-

NOTE 7: OTHER ASSETS

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Non-Current			
Balances with government/statutory authorities	63.62	48.57	18.55
Advance income tax, including TDS (net of provisions)	1.72	-	-
Total Non-current	65.34	48.57	18.55
Current			
Advances recoverable in cash or kind (unsecured)	0.69	0.38	-
Total Current	0.69	0.38	-

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2017

NOTE 8: CASH AND CASH EQUIVALENTS

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Balance with banks			
On current accounts	3.01	2.18	0.99
	3.01	2.18	0.99

NOTE 9: SHARE CAPITAL

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Authorised shares (No. in million)			
190 (31 March 2016: 100; 1 April 2015: 100) Equity Shares of Rs. 10 each	1,900.00	1,000.00	1,000.00
Issued, Subscribed and fully paid-up shares (No. in million)			
18.72 (31 March 2016: 18.72; 1 April 2015: 12.29) Equity Shares of Rs. 10 each fully paid up	187.22	187.22	122.86
Total issued, subscribed and fully paid-up share capital	187.22	187.22	122.86

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

	31 March 2017		31 March 2016	
	No. in Millions	Rs. in Millions	No. in Millions	Rs. in Millions
At the beginning of the period	18.72	187.16	12.29	122.86
Issued during the year	-	-	6.43	64.30
Outstanding at the end of the year	18.72	187.16	18.72	187.16

b. Terms/rights attached to equity shares

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

STL and MSETCL have executed an addendum dated 28 July 2016 to the Joint Venture agreement dated 4 May 2012 which provides that capital contribution of the Company between STL and MSETCL would be 51:49. STL's 51% stake would comprise entirely of equity shares allotted against cash consideration. The composition of MSETCL's 49% stake would be as follows:

- 20% in Equity shares allotted against cash consideration;
- 9% in Equity shares allotted as bonus shares without consideration being received in cash;
- 20% in 1% non-cumulative redeemable preference shares allotted against cash consideration

As a result of the above, the effective equity share capital holding ratio of the Company would be - STL: 63.75% and MSETCL: 36.25%. The effective preference share capital holding ratio of the Company would be - STL: Nil and MSETCL: 100%

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

	31 March 2017		31 March 2016		01 April 2015	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
Sterlite Technologies Limited	13.50	72.10%	13.50	72.10%	6.27	51.01%
	13.50	72.10%	13.50	72.10%	6.27	51.01%

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

	31 March 2017		31 March 2016		01 April 2015	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
1. Sterlite Technologies Limited	13.50	72.10%	13.50	72.10%	6.83	71.83%
2. Maharashtra State Electricity Transmission Co. L	5.22	27.90%	5.22	27.90%	5.46	28.17%
	18.72	100.00%	18.72	100.00%	12.29	100.00%

NOTE 10: OTHER EQUITY

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Securities premium account		
Balance as per last financial statements	31.72	23.33
Premium on issue of Equity Shares	-	8.39
Closing balance	31.72	31.72
Capital Contribution*		
Balance as per last financial statements	51.00	51.00
Closing balance	51.00	51.00
Deficit in the statement of profit and loss		
Balance as per last financial statements	(37.84)	(28.11)
Loss for the year	(43.29)	(9.73)
Net deficit in the statement of profit and loss	(81.13)	(37.84)

* Sterlite Technologies Limited (holding company) had paid an amount of Rs 51 million to MSETCL in respect of the Right of Way (ROW) granted by MSETCL to the Company for a period of 20 years to establish communication network in the state of Maharashtra which has been accounted for as Capital contribution from the holding company (also refer Note 5)

NOTE 11: BORROWINGS (Secured)

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Term loans			
Rupee term loan from banks (secured)	223.15	216.30	61.24
	223.15	216.30	61.24

a) The company has obtained Indian rupee term loan of [illegible] value of Rs. 214.56 Million (31 March 2016: Rs. 219.56 Million; 31 March 2015: Rs. 67.00 Million) which carries interest at base rate plus 1.50% p.a. from Bank of India. The loan is repayable in 32 equal quarterly instalments calculated on the basis of [illegible] of term loan [illegible] commencing from 01 April 2018.

b) The loan is secured by the charge on [illegible] of OPGW [illegible] network facility [illegible] along the MSETCL's [illegible] of transmission network, including but not limited to right of way, equipment, [illegible] and optical fibre cables, whether installed or lying loose [illegible] in transit or acquired, relating to the project which may at any time during the continuance of the term loan facility, being installed or lying loose or in case being in or upon the borrower's premises in the state of Maharashtra, excluding machinery or equipment owned by the Company's contractor. All the present and future book debts, outstanding, [illegible] receivables, [illegible] which are now due and owing or which may at any time [illegible] during continuance of the term loan facility [illegible] to the company in course of its business by [illegible] from company or likely to be [illegible] by any central or state government or any government body or authority or local authority. All insurance contracts, proceeds relating to or pertaining to the project and aforementioned project assets.

NOTE 12: SHORT-TERM BORROWINGS

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Loan from Related Parties (unsecured)	16.42	-	0.07
	16.42	-	0.07

NOTE 13: TRADE PAYABLES

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Trade payables (refer note 24)	1.52	0.31	1.52
	1.52	0.31	1.52

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

NOTE 14: OTHER FINANCIAL LIABILITIES

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Current			
Retention Money - Vendors	106.95	101.16	-
Payables for purchase of property, plant and equipments*	342.57	192.35	18.82
Payable to MSETCL	0.23	0.42	-
Others	2.15	1.58	0.21
	451.90	295.51	19.03

* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 60-120 days terms.

NOTE 15: EMPLOYEE BENEFIT OBLIGATIONS

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Non current			
Provision for gratuity	1.32	0.59	0.39
	1.32	0.59	0.39
Current			
Provision for leave benefit	0.42	0.28	0.52
	0.42	0.28	0.52

NOTE 16: OTHER LIABILITIES

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)	01 April 2015 (Rs. in Millions)
Current			
Unearned revenue on IRU contract	16.19	17.19	
TDS payable	0.09	0.45	0.25
	16.28	17.64	0.25

NOTE 17: REVENUE FROM OPERATIONS

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Revenue from last mile connectivity (Refer note no. 27)	1.15	2.19
Service income under IRU contract	2.44	0.00*
Revenue from operations	3.59	2.19

* Amount below Rs. 0.01 million

NOTE 18: OTHER INCOME

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Miscellaneous income	0.00*	0.09
	0.00	0.09

* Amount below Rs. 0.01 million

NOTE 19: EMPLOYEE BENEFIT EXPENSE

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Salaries, wages and bonus	5.36	-
Contribution to provident fund	0.49	-
Gratuity expenses (refer note 25)	1.15	-
Staff welfare expenses	0.12	-
	7.12	-

NOTE 20: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Depreciation of tangible assets	19.67	0.61
Amortisation of intangible assets	2.55	2.55
	22.22	3.16

NOTE 21A: FINANCE INCOME

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Net gain on sale of current investments	-	0.02
	-	0.02

NOTE 21B: FINANCE COST

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Interest expense on loan from banks	13.29	1.04
Bank charges	0.46	0.01
	13.75	1.05

NOTE 22: OTHER EXPENSES

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Rates and taxes	0.13	0.06
Travelling and conveyance	0.77	-
Legal & Professional	5.35	1.60
Advertisement for tender	-	0.12
Revenue Share to MSETCL	0.31	0.12
Payment to auditor (refer details below)	0.58	0.33
Miscellaneous expenses	0.66	0.21
	7.87	2.44
As auditor:		
Audit fee	0.58	0.30
In other capacity:		
Other services (certification fees)	-	0.03
	0.58	0.33

NOTE 23: EARNINGS PER SHARE

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

	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Loss for the year	(42.40)	(5.76)
Weighted average number of equity shares in calculating basic and diluted EPS (A)	15.72	15.64
Earnings/(Loss) per share		
Basic and Diluted (on nominal value of Rs. 10 per share) Rupees/share	(2.70)	(0.37)

NOTE 24: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Estimated costs for revenue recognition on construction contract
For the purpose of revenue recognition on fixed price construction contract 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. These estimates are based on the rates agreed with vendors/subcontractors and management's best estimates of the costs that would be incurred for the completion of project.

NOTE 25: GRATUITY

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

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

Particulars	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Defined benefit obligation at the beginning of the year	1.25	-
Interest Cost	0.10	-
Current service cost	0.10	1.25
Actuarial (gain)/loss due to change in Financial Assumption	0.04	-
Actuarial (gain)/loss on obligation due to Experience	(0.16)	-
Present Value of Benefit Obligation at the end of the Period	1.32	1.25

Details of defined benefit obligation

Particulars	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Present value of defined benefit obligation	1.32	1.25
Fair value of plan assets	-	-
Plan liability	1.32	1.25

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

Particulars	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Current service cost	0.10	1.25
Interest cost on benefit obligation	0.10	-
Expected return on plan assets	-	
Contribution by employer	-	-
Net benefit expense	0.20	1.25

Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period

Particulars	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Actuarial (Gains)/Losses on Obligation for the period	(0.13)	-
Return on Plan assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense for the period recognized in OCI	(0.13)	-

Amounts for the current and previous periods are as follows:

Particulars	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Defined benefit obligation	1.32	1.25
Plan assets		-
Surplus / (deficit)	(1.32)	(1.25)
Experience adjustments on plan liabilities	(0.16)	-
Experience adjustments on plan assets	1.32	1.25

* The Company did the actuarial valuation for gratuity for the first time as at 31 March 2016, hence figures prior to that are not available.

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

Particulars	31 March 2017	31 March 2016
Discount rate	7.47%	8.00%
Expected rate of return on plan assets	NA	NA
Employee turnover	15.00%	10.00%
Expected rate of salary increase	8.00%	8.00%
Actual rate of return on plan assets	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing on balance sheet date, applicable to the period over which the obligation is to be settled.

Sensitivity Analysis

Particulars	31 March 2017	31 March 2016
Projected Benefit Obligation on Current Assumptions	1.32	1.25
Delta Effect of +1% Change in Rate of Discounting	(0.08)	(0.07)
Delta Effect of -1% Change in Rate of Discounting	0.09	0.07
Delta Effect of +1% Change in Rate of Salary Increase	0.09	0.07
Delta Effect of -1% Change in Rate of Salary Increase	(0.08)	(0.07)
Delta Effect of +1% Change in Rate of Employee Turnover*	(0.00)	(0.00)
Delta Effect of -1% Change in Rate of Employee Turnover*	0.00	0.00

* Amounts below Rs 0.01 million

Maturity Analysis of projected benefit obligation: From the Employer

Particulars	31 March 2017	31 March 2016
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.13	0.11
2nd Following Year	0.12	0.12
3rd Following Year	0.12	0.12
4th Following Year	0.12	0.12
5th Following Year	0.12	0.12
Sum of Years 6 To 10	1.27	0.96

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to the financial statements for the year ended 31 March 2017

NOTE 26: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) is Rs. 350.93 Millions (31 March 2016: Rs. 445.95 Millions; 1 April 2015: Rs. 181.8 Millions)

NOTE 27: DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (IND AS 11 "CONSTRUCTION CONTRACTS")

Particulars	31 March 2017 (Rs. in Millions)	31 March 2016 (Rs. in Millions)
Amount of contract revenue recognised during the period	1.15	2.39
The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	3.54	2.39
Amount of customer advances outstanding for contracts in progress up to the reporting date	-	
Retention amount due from customers for contracts in progress up to the reporting date	-	
Gross amount due from customers for contract work as an asset	3.54	2.39
Gross amount due to customers for contract work as a liability	-	-

NOTE 28: DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

As on March 31, 2017, no supplier has intimated the company about its status as micro or small enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the amount due to such suppliers has not been identified

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NOTE : 29 FAIR VALUES

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, 2017:

(Rs. In Millions)

Particulars	Carrying Value			Fair Value		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Financial assets						
Investment in mutual fund	-	-	1.54	-	-	1.54
Total	-	-	1.54	-	-	1.54

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 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 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 price quotations at the reporting date

NOTE : 29A FAIR VALUES HIERACHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017, March 31, 2016 and April 01, 2015

	Amount	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(Liabilities) measured at fair value through profit and loss				
Fair value through profit or loss Investments				
As at March 31, 2017	-	-	-	-
As at March 31, 2016	-	-	-	-
As at April 01, 2015	1.54	1.54	-	-

There have been no transfers among Level 1, Level 2 and Level 3.

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NOTE 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

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

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

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

(a) Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant as at March 31, 2017 and March 31, 2016.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analysis:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

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

The Company is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on floating rate borrowings. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

(Rs. in Millions)

Particulars	Increase/decrease in basis points	Effect on profit before tax / pre-tax equity
March 31, 2017		
Base Rate	+50	0.51
Base Rate	-50	(0.51)
March 31, 2016		
Base Rate	+50	0.05
Base Rate	-50	(0.05)

(b) Credit Risk

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

Trade receivables

Customer credit risk is managed through established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2017 and March 31, 2016, the outstanding balance relates to only one customer which is subsequently collected by the Company.

An impairment analysis is performed at each reporting date. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 5. The Company does not hold collateral as security.

Balances with banks

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

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(c) Liquidity risk

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

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

(Rs. In Millions)

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, 2017						
Borrowings	26.40	-		193.15	-	219.55
Other financial liabilities		3.42	-	-		3.42
Trade payables	-	1.53	-	-	-	1.53
Payables for purchase of Property, plant and equipments	-	344.39	125.99	-	-	470.38
	26.40	349.34	125.99	193.15	-	694.88
As at March 31, 2016						
Borrowings	-			218.55	-	218.55
Other financial liabilities	-	2.06	-	-	-	2.06
Trade payables	-	0.31		-	-	0.31
Payables for purchase of Property, plant and equipments	-	192.35	101.16	-		293.51
	-	194.72	101.16	218.55	-	514.43
As at April 1, 2015						
Borrowings	6.07	-	-	61.74	-	67.81
Other financial liabilities	-	0.21		-	-	0.21
Trade payables	-	1.52	-	-		1.52
Payables for purchase of Property, plant and equipments	-	-	84.43	-	-	84.43
	6.07	1.73	84.43	61.74	-	153.97

NOTE 31: CAPITAL MANAGEMENT

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

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

Particulars	As at March 31, 2017 (Rs. In Millions)	As at March 31, 2016 (Rs. In Millions)	As at April 01, 2015 (Rs. In Millions)
Interest bearing loans and borrowings	219.55	218.55	67.81
Trade Payables	1.53	0.31	1.52
Other Financial Liabilities	473.80	295.57	84.64
Less: cash and cash equivalents and current investments	(14.05)	(2.49)	(1.73)
Net debt	680.83	511.94	152.24
Equity share capital	187.22	187.62	172.46
Other equity	1.57	44.45	(7.39)
Total capital	188.79	232.07	165.07
Capital and net debt	869.62	744.01	317.31
Gearing ratio	78.29%	68.81%	47.98%

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

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MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2017

NOTE 32: RELATED PARTY TRANSACTIONS

A. Name of Related Party and nature of relationships

a. Related party where control exists:

Name of the Related Party	Nature of Relationship
Sterlite Technologies Limited (STL)	Immediate Holding Company
Twin Star Overseas Limited, Mauritius	Intermediate Holding Company
Volcan Investments Limited, Bahamas	Ultimate Holding Company

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

Speedon Network Limited (SNL)	Fellow subsidiary
Sterlite Power Transmission Limited (SPTL)	Fellow subsidiary
Maharashtra State Electricity Transmission Company Limited (MSETCL)	Entity Exercising Significant Influence

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

(Rs. in Millions)

Particulars	31 March 2017				31 March 2016			1 April 2015		
	SPTL	STL	MSETCL	SNL	STL	MSETCL	SNL	STL	MSETCL	SNL
Transactions during the year										
Issue of equity shares	-	-	-	-	46.70	11.60	-	-	-	-
Securities Premium	-	-	-	-	8.41		-	-	-	-
Purchase of plant and equipment*	134.55	-	-	-	198.50	-	-	-	-	-
Revenue share of MSETCL	-	-	0.13	-		0.12	-	-	-	-
Short term advances	-	16.40	-	-	-	-	-	-	-	-
Reimbursement of expenses paid or payable	-	0.28	-	-	-	-	0.09	-	-	-
Closing balances										
Payables	-	16.50	0.23	-	-	0.12	0.09	0.07	-	1.39

*Purchases have been made from Consortium with KEC International Ltd as the lead partner and Sterlite Power Transmission Limited (previous year Sterlite Technologies Limited) as the consortium member. As at the year end an amount of Rs 429.1 Millions (31 March 2016 : Rs. 236.5 Millions, 1 April 2015 : Rs. 83.8 Millions) in respect of the purchases made is payable to KEC International Ltd as the lead member of consortium.

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NOTE 35: CAPITALISATION OF EXPENSES

The expenditure incidental to the setting up of the project is treated as pre-operative expenditure, and included in Capital Work In Progress which is apportioned to the assets on completion of the project and commencement of commercial operations.

Details of such expenses included in capital work in progress are as follows:

	31 March 2017 (Rs. In Millions)	31 March 2016 (Rs. In Millions)
Opening balance of expenditure included in CWIP	25.15	22.27
Salaries	-	6.07
Other expenses	-	1.24
Finance cost	17.49	14.24
	17.49	21.55
Less: Transferred to property, plant and equipment during the year	-	18.67
Closing balance of expenditure in CWIP	42.64	25.15

NOTE 36: FIRST TIME ADOPTION

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Reconciliation of equity as at 1 April 2015 (Date of transition to Ind AS)

	Footnotes	Amount as per Local GAAP (Rs. in Millions)	Ind AS adjustments (Rs. in Millions)	Amount as per Ind AS (Rs. in Millions)
ASSETS				
Non-current assets				
Property, Plant and Equipment				
Tangible assets		-	-	-
Intangible assets		44.26		44.26
Capital work-in-progress		253.15	-	253.15
		297.41	-	297.41
Financial Assets				
Other non-current financial assets		2.03	-	2.03
Other non-current assets	1	22.19	(3.34)	18.85
		321.63	(3.34)	318.29
Current assets				
Financial Assets				
i. Investments		1.54	-	1.54
ii. Trade receivables		-	-	-
iii. Cash and cash equivalents		0.09	-	0.09
iv. Other financial assets		-	-	-
Other current assets	1	0.42	(0.42)	-
		2.05	(0.42)	1.63
TOTAL ASSETS		323.68	(3.76)	319.92
EQUITY AND LIABILITIES				
Equity				
Equity share capital		122.86	-	122.86
Other equity		-	-	
Share Premium		13.31	-	13.31
Retained Earnings		(22.11)	-	(22.11)
Other reserves		51.00		51.00
Total Equity		165.06	-	165.06
Non-current liabilities				
Financial Liabilities				
Borrowings	1	67.00	(3.76)	63.24
Employee defined benefit liabilities		0.19	-	0.19
		67.19	(3.76)	63.43
Current liabilities				
Financial Liabilities				
Borrowings		0.01	-	0.01
Trade Payables		1.52	-	1.52
Other financial liabilities		89.07	-	89.07
Employee benefit obligations		0.53	-	0.53
Other Liabilities		0.29	-	0.29
		91.43	-	91.43
TOTAL EQUITY AND LIABILITIES		323.68	(3.76)	319.92

Reconciliation of equity as at 31 March 2016 (date of transition to Ind AS)

	Footnotes	Amount as per Local GAAP (Rs. In Millions)	Ind AS adjustments (Rs. In Millions)	Amount as per Ind AS (Rs. In Millions)
ASSETS				
Non-current assets				
Property, Plant & Equipment				
Tangible assets		244.28	-	244.28
Intangible assets		41.31	-	41.31
Capital work-in-progress		405.78	-	405.78
		691.37	-	691.37
Financial Assets				
Other non-current financial assets		0.01	-	0.01
Other non-current assets	1	51.29	(2.92)	48.37
		742.67	(2.92)	739.75
Current assets				
Financial Assets				
i. Investments		-	-	-
ii. Trade receivables		19.09	-	19.09
iii. Cash and cash equivalents		2.18	-	2.18
iv. Other financial assets		2.99	-	2.99
Other current assets	1	0.82	(0.42)	0.40
		25.08	(0.42)	24.66
TOTAL ASSETS		767.75	(3.34)	764.41
EQUITY AND LIABILITIES				
Equity				
Equity share capital		187.22	-	187.22
Other equity			-	
Share Premium		21.17	-	21.17
Retained Earnings		(33.87)	-	(33.87)
Other reserves		54.00	-	54.00
Total Equity		232.07	-	232.07
Non-current liabilities				
Financial Liabilities				
Borrowings	1	221.64	(3.34)	218.30
Employee defined benefit liabilities		0.30	-	0.30
		221.94	(3.34)	218.60
Current liabilities				
Financial Liabilities				
Borrowings		-	-	-
Trade Payables		0.31	-	0.31
Other financial liabilities		295.51	-	295.51
Employee benefit obligations		0.28	-	0.28
Other liabilities		17.64	-	17.64
		313.74	-	313.74
TOTAL EQUITY AND LIABILITIES		767.75	(3.34)	764.41

Profit reconciliation for the year ended 31 March 2016:

	Amount as per Local GAAP (Rs. In Millions)	Ind AS adjustments (Rs. In Millions)	Amount as per Ind AS (Rs. In Millions)
INCOME			
Revenue from operations	2.39	-	2.39
Other income	0.09	-	0.09
Total income (I)	2.48	-	2.48
EXPENSES			
Cost of raw materials and components consumed	1.61	-	1.61
Other expenses	2.44	-	2.44
Total expenses (II)	4.05	-	4.05
Earning before interest, tax, depreciation and amortisation (EBITDA) (I - II)	(1.57)	-	(1.57)
Depreciation and amortisation expense	3.16	-	3.16
Finance costs	1.05	-	1.05
Finance income	(0.02)	-	(0.02)
Loss before tax	(5.76)	-	(5.76)
Tax expense:			
Current tax	-	-	-
Deferred tax	-	-	-
Income tax expense	-	-	-
Loss for the year	(5.76)	-	(5.76)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(5.76)	-	(5.76)

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016:

1 Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings were amortised over the period of loan. The unamortised portion of transaction costs was presented under other assets. Under Ind AS, transaction costs are included in the fair value of financial liabilities at initial recognition and charged to profit or loss using the effective interest rate method. The unamortised portion of transaction costs included under other assets has been derecognised and new carrying value of borrowings has been recognised after considering transaction costs and effective interest rate method.

2 The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTE 25: SEGMENT DISCLOSURES

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: June 20, 2017

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

[illegible] Tiwari
Managing Director
DIN 06652910

Ashish Gandhi
Chief Financial Officer

Place: Mumbai
Date: June 20, 2017

Rajendra D. Chavan
Director
DIN 06532934

Tanu Singh
Company Secretary

Place: Mumbai
Date: June 20, 2017

S R B C & CO LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Speedon Network Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Speedon Network Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, of its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and had no cash dealings during this period.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: May 10, 2017

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

Re: Speedon Network Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment except for location-wise details of Optical Network Terminal (ONT) devices and telecom boxes installed in societies/apartments, telecom devices lying with subscribers/customers and certain other assets which the Company is in the process of updating.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Property, plant and equipment such as, Optical Network Terminal (ONT) devices and telecom boxes installed in societies/apartments and telecom devices lying with subscribers/customers have not been physically verified during the year. Further, certain assets like cables etc. cannot be physically verified due to the manner in which they have been installed/laid. In respect of other assets verified, no material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of investments and loans given have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

(vi) To the best of our knowledge and as explained, the cost records prescribed by the Central Government under section 148(1) of the Companies Act, 2013, are not applicable to the Company for the year ended March 31, 2017.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, cess and other material statutory dues applicable to it. The Company did not have any statutory dues towards provident fund, custom duty, excise duty and employees' state insurance.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, service tax, sales-tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank or debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government during the year.

(ix) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The Company has not complied with section 177 of Companies Act, 2013 for the transactions with related parties during the year.

(xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of fully convertible debentures during the year. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: May 10, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SPEEDON NETWORK LIMITED

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

We have audited the internal financial controls over financial reporting of Speedon Network Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

Opinion

In our opinion, the Company has, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: May 10, 2017

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
BALANCE SHEET AS AT 31 MARCH 2017

	Notes	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
ASSETS				
Non-current assets				
Property, plant and equipment	3	7,528.15	8,109.91	7,261.93
Capital work-in-progress		675.28	775.19	1,023.89
Intangible assets	3A	126.15	307.91	160.16
Investment in subsidiary	4	2.00	2.00	-
Financial assets				
Other financial assets	5	88.86	163.76	139.38
Deferred tax assets (net)	6	3,827.58	893.94	1,320.11
Other assets	7	562.52	1,045.83	723.41
		12,830.45	11,298.52	11,127.64
Current assets				
Financial assets				
Trade receivables	8	447.83	236.43	126.07
Cash and cash equivalents	9	32.64	729.53	5.56
Other bank balances	9A	23.26	-	-
Loans	10	6.44	1.79	13.89
Other financial assets	5	137.27	144.87	117.29
Other assets	7	349.86	368.34	666.28
		1,997.38	1,494.80	933.38
Total Assets		14,827.83	12,793.32	12,059.94
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	155.00	155.00	155.00
Other equity				
Equity portion of compulsorily convertible debentures	12	12,070.00	-	-
Securities premium	12	3,393.50	3,393.50	3,393.50
Equity contribution from parent	12	257.41	257.41	257.41
Retained earnings	12	(11,868.82)	(12,445.71)	(9,846.55)
Total Equity		4,288.63	(8,638.26)	(5,829.24)
Non-current liabilities				
Financial liabilities				
Borrowings	13	3,522.20	14,274.91	13,282.33
Other financial liabilities	14	1,284.80	1,113.39	973.68
Employee benefit obligations	15	13.99	26.44	44.27
Other liabilities	16	47.64	74.83	83.02
		4,868.63	15,489.47	14,322.82
Current liabilities				
Financial liabilities				
Borrowings	17	4,360.04	3,243.94	881.46
Trade payables	18	206.23	247.88	184.27
Other financial liabilities	14	912.31	2,324.17	1,264.50
Other liabilities	16	69.03	95.63	88.94
Employee benefit obligations	15	14.60	29.85	42.29
		5,700.57	5,942.11	2,567.46
Total equity and liabilities		14,827.83	12,793.32	12,058.94
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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754

Place: Pune
Date: May 10, 2017

For and on behalf of the board of directors of Speedon Network Limited

K.P. Rao
Director
DIN: [illegible]

Anupam Jindal
Director
DIN: [illegible]

Alok Mahapatra
Chief Executive Officer

Abhishek Handewara
Chief Financial Officer

Place: Mumbai
Date: May 10, 2017

Place: Mumbai
Date: May 10, 2017

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Note	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
INCOME			
Revenue from operations	19	1,850.97	1,647.19
Other income	20	-	15.53
Total income (I)		1,850.97	1,662.72
EXPENSES			
Purchase of traded goods		10.84	28.23
Employee benefits expenses	21	209.29	1,146.05
Other expenses	22	1,065.35	1,218.48
Total expenses (II)		1,285.48	2,392.76
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		565.49	(730.04)
Depreciation and amortisation expense	23	1,933.79	1,025.31
Finance costs	24	1,895.55	1,953.85
Finance income	25	(3.34)	(8.34)
Loss before tax		(3,260.51)	(3,699.86)
Tax expenses			
Current tax		-	-
Deferred tax		(4,035.96)	117.71
Income tax expense		(4,035.96)	117.71
Profit / (loss) for the year		775.45	(3,817.57)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain on defined benefit plans	15	8.24	27.95
Income tax effect		(2.80)	(9.50)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		5.44	18.45
Total comprehensive income for the year		780.89	(3,799.12)
Earnings per equity share	26		
Basic & Diluted			
Computed on the basis of profit / (loss) for the year (Rs.)		49.27	(242.56)
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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: May 10, 2017

For and on behalf of the board of directors of Speedon Network Limited

M S Rao
Director
DIN : 00023096

Anupam Jindal
Director
DIN : 00057384

Alok Mahapatra
Chief Executive Officer

[illegible] Maheshwari
Chief Financial Officer

Place: Mumbai
Date: May 10, 2017

Place: Mumbai
Date: May 10, 2017

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

SPEEDON NETWORK LIMITED

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
A. Cash flow from operating activities			
Net loss before tax as per statement of profit and loss		(2,285.99)	(3,695.80)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	24	1,635.39	1,025.33
Provision for doubtful debts and advances	8	2.30	-
Loss on sale of property, plant and equipment	3	9.64	3.48
Finance costs	21	1,485.10	1,832.05
Finance income	20	(5.24)	(8.56)
Operating profit before working capital changes		185.75	(724.56)
Movement in working capital :			
Increase in trade payables	18	146.42	63.61
(Decrease) in employee benefit obligations	13	(18.33)	(3.45)
Increase/(decrease) in current financial liabilities	14	(58.92)	14.78
Increase/(decrease) in other current liabilities	16	(26.38)	9.68
(Decrease) in other non-current liabilities	16	(7.19)	(7.59)
Decrease in trade receivable	8	(219.92)	(104.28)
(Increase)/decrease in loans	10	(4.65)	12.18
(Increase)/decrease in other current and non current assets	7	101.70	(31.08)
(Increase)/decrease in current and non current financial assets	5	81.42	(37.08)
Change in working capital		(49.05)	(100.99)
Cash generated from operations		136.70	(825.55)
Direct taxes paid (net of refunds)		-	-
Net cash flow from operating activities		136.70	(825.55)
B. Cash flow from investing activities			
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	3	(767.75)	(1,482.44)
Proceeds from sale of property, plant and equipment	3	4.51	5.72
Investment in bank deposits (having original maturity of more than three months)	9A	(23.26)	
Investment in subsidiary	4	-	(2.00)
Net cash flow used in investing activities		(786.50)	(1,478.71)
C. Cash flow from financing activities			
Proceeds of issue of Compulsorily Convertible Debentures	12	12,078.00	-
Proceeds from of long term borrowings	13	-	2,172.00
Repayment of long term borrowings		(12,336.09)	-
Net movement in short term borrowings from holding company	17	1,863.07	2,096.83
Net movement in other short term borrowings	17	(746.81)	257.55
Interest paid	25	(912.24)	(1,308.71)
Interest income	20	5.24	8.56
Net cash flow from financing activities		(57.09)	3,226.23
Net decrease in cash and cash equivalents		(706.89)	723.97
Cash and cash equivalents as at beginning of year		729.53	5.56
Cash and cash equivalents as at year end		22.64	729.53

		March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts	9	22.64	729.53
Total cash and cash equivalents (refer note 9)		22.64	729.53
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 S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : May 10, 2017

For and on behalf of the board of directors of Speedon Network Limited

K S Rao
Director
DIN:00003553

Anupam Jindal
Director
DIN:03540078

Alok Mahapatra
Chief Executive Officer

[illegible]
Chief Financial Officer

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ENDED 31 MARCH 2017

A. Equity Share Capital

Particulars	Rs. in lacs
At April 01, 2015 (Refer note 11)	155.00
At March 31, 2016 (Refer note 11)	155.00
At March 31, 2017	155.00

B. Other Equity

For the year ended March 31, 2017 (Rs. In lacs)

Particulars	Securities Premium	Retained Earnings	Equity Portion of Compulsorily Convertible Debentures	Equity Contribution from Parent*	Total Equity
At April 01, 2016	3,595.00	(12,645.71)	-	257.45	(8,793.26)
Profit for the year	-	771.45	-	-	771.45
Other comprehensive income	-	5.44	-	-	5.44
Equity portion of compulsorily convertible debentures issued during the period	-	-	12,070.00	-	12,070.00
At March 31, 2017	3,595.00	(11,868.82)	12,070.00	257.45	4,053.63

For the year ended March 31, 2016 (Rs. in lacs)

Particulars	Securities Premium	Retained Earnings	Equity Portion of Compulsorily Convertible Debentures	Equity Contribution from Parent*	Total Equity
At April 01, 2015	3,595.00	(8,846.59)	-	257.45	(4,994.14)
Loss for the period	-	(3,817.57)	-	-	(3,817.57)
Other comprehensive income	-	18.45	-	-	18.45
At March 31, 2016	3,595.00	(12,645.71)	-	257.45	(8,793.26)

*On remeasurement of loan from parent company at effective interest rate

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

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As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754

Place : Pune
Date : May 10, 2017

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

K S Rao
Director
DIN: 00022533

Anupam Jindal
Director
DIN: 03040078

Alok Mahapatra
Chief Executive Officer

Abhishek Khandewara
Chief Financial Officer

Place: Mumbai
Date: May 10, 2017

Place : Mumbai
Date : May 10, 2017

1. Corporate information

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

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on 10 May 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer note 33 for information on how the Company adopted Ind AS.

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

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

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. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

b) Foreign currencies

The Company's Ind AS financial statements are presented in INR, which is its functional currency.

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

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

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

c) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

The management in conjunction with external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. The valuation results are discussed at the Board meetings.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 27)
- Quantitative disclosures of fair value measurement hierarchy (note 38)
- Financial instruments (including those carried at amortised cost) (note 5, 8, 10, 13, 14, 17, 18, 38)

d) Revenue Recognition

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

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rendering of services

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Revenue from one time charges billed to service providers is recognized over the related estimated customer relationship period.

Unbilled revenue represents revenue recognized from the bill cycle date to the end of the reporting period. It is billed in subsequent periods as per the agreed terms of billing.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

e) Taxes

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences, 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 associated with 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 any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, 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 associated with 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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., 1 April 2015. Capital work in progress, Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Tangible assets	Useful lives estimated by the management (years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Plant and Machinery	1-18	Plant and machinery other than continuous process plant - 15 years and for continuous process plant - 25 years
Optical fibre cable (included in plant and machinery)	18	18
Furniture and fixtures	5	10
Office equipments	6	5
Data processing equipments	4-6	Servers and networks 6 years and desktops and laptops 3 years
Electrical fittings	5	10

The Company, based on technical assessment made by the management, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful lives 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.

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 and loss when the asset is derecognised.

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

g) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life 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 and loss.

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

Duct taken on Indefeasible Right of Use (IRU) is amortized over the agreement period on a straight line basis.

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

Software/ Licences are amortised on a straight line basis over a period of 5 years.

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 and loss when the asset is derecognised.

h) Borrowing Costs

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

i) 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.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

j) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

k) 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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

l) Retirement and other employee benefits

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

The Company has a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

m) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

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

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

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

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

- Trade receivables;

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.

Financial liabilities

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Note 13.

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

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.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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.

n) 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 Company's cash management.

o) Presentation of EBITDA

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

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

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendments to Ind AS 7, Statement of Cash Flows
The amendments to Ind AS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of

these amendments will not have any recognition and measurement impact. However, it will require additional disclosures in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. These amendments are not expected to have any impact on the Company.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lacs)

Tangible Assets	Leasehold Improvements	Plant and Machinery	Furniture and Fixtures	Data Processing Equipments	Office Equipments	Electrical Fittings	Total
Cost							
At 1 April 2015 **	34.05	9,912.60	12.80	66.06	37.92	8.53	10,094.86
Additions	0.14	1,220.17	-	0.05	3.27	-	1,223.63
Disposals	-	8.09	4.87	0.13	5.21	-	18.32
As at 31 March 2016	34.29	11,124.68	7.93	65.98	35.98	8.53	11,300.17
Additions	-	794.72	-	0.39	0.84	-	795.95
Disposals	33.72	2.78	5.42	4.33	4.83	8.53	59.51
As at 31 March 2017	0.57	11,916.62	2.51	62.04	31.99	0.00	12,013.73
Depreciation							
At 1 April 2015**	17.84	2,160.98	8.18	25.72	10.99	0.32	2,223.13
Charge for the year	6.95	915.19	1.88	12.22	8.09	0.11	944.45
Disposals	-	1.81	4.85	0.10	2.26	-	7.42
As at 31 March 2016	24.79	3,074.36	5.21	37.84	16.82	0.43	3,160.16
Charge for the year	2.37	931.32	0.80	11.85	6.78	0.04	953.16
Disposals	26.59	1.49	4.34	1.82	3.72	0.47	38.43
As at 31 March 2017	0.57	4,004.19	1.67	47.87	19.88	0.00	4,074.89
Net Block							
At 1 April 2015	16.21	7,751.62	4.62	40.34	26.93	8.21	7,871.73
At 31 March 2016	9.50	8,050.32	2.72	28.14	19.16	8.10	8,140.01
At 31 March 2017	0.00	7,912.43	0.84	14.17	12.11	0.00	7,938.84

NOTE 3A: INTANGIBLE ASSETS

(Rs. in Lacs)

Intangible assets	Software Licenses	Indefeasible Right of Use	Customer Acquisitions	Total
Cost				
At 1 April 2015	340.71	98.36	90.07	529.14
Additions*	13.29	-	14.50	27.79
Disposals	-	-	-	-
As at 31 March 2016	354.00	98.36	104.57	556.93
Additions	-	1.17	-	1.17
Disposals	-	-	-	-
As at 31 March 2017	354.00	99.53	104.57	558.10
Amortisation & Impairment				
At 1 April 2015	149.69	16.16	3.19	169.04
Charge for the year	64.20	6.62	10.06	80.88
Disposals	-	-	-	-
As at 31 March 2016	213.89	22.78	13.25	249.92
Charge for the year	65.08	10.34	6.62	82.04
Disposals	-	-	-	-
As at 31 March 2017	278.97	33.12	19.87	331.96
Net Block				
At 1 April 2015	191.02	82.20	86.88	360.10
At 31 March 2016	140.11	75.58	91.32	307.01
At 31 March 2017	75.03	66.41	84.70	226.14

** The balances disclosed above are after adjustments relating to first time adoption of Ind AS. Refer Note 33 for details.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

NOTE 4: INVESTMENT IN SUBSIDIARY

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Investment in Subsidiaries (Long term, unquoted, valued at cost)			
Equity Instruments (unquoted)			
20,000 (31 March 2016: 20,000, 1 April 2015: Nil) Equity shares of Sterlite Telesystems Limited of Rs. 10 each fully paid up	2.00	2.00	-
	2.00	2.00	-

NOTE 5: OTHER FINANCIAL ASSETS

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Non-current			
Security deposits (unsecured, considered good)	88.86	163.79	159.28
Total other non-current financial assets	88.86	163.79	159.28
Current			
Unbilled revenue	116.63	144.87	117.20
Others	0.64	-	-
	117.27	144.87	117.20

NOTE 6 : DEFERRED TAX ASSETS (NET)

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Deferred tax liability			
On loan from holding company	90.24	103.39	115.13
Others	13.30	13.30	3.70
Gross deferred tax liability	103.54	116.69	118.83
Deferred tax assets			
Fair valuation of Plant & Machinery on transition date	851.48	982.09	1,112.40
On accumulated losses (refer note 27)	3,176.09	-	-
Others	0.55	28.28	26.58
Gross deferred tax assets	4,028.12	1,009.63	1,138.98
Net deferred tax assets	3,927.58	892.94	1,020.15

Reconciliation of deferred tax asset

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Opening deferred tax asset, net	892.94	1,020.15
Reversal of deferred tax asset for depreciation with respect to assets fair valued on transition date	(129.61)	(129.41)
Interest expense recognised on loan from holding company	13.15	11.54
Deferred tax asset recognised on accumulated losses	3,176.09	-
Other	(25.12)	(9.20)
Closing deferred tax asset, net	3,927.58	892.94

The major components of income tax gain/expense for the years ended 31 March 2017 and 31 March 2016 are:

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Profit or loss section		
Deferred Tax		
Relating to origination and reversal of temporary differences	(3,037.44)	117.71
Income tax expense reported in the statement of profit or loss	(3,037.44)	117.71
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement loss defined benefit plans	2.86	9.50
Income tax charged through OCI	2.86	9.50

NOTE 7: OTHER ASSETS

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Non-current			
Advance income tax, including TDS (net of provisions)	68.87	84.42	53.75
Balances with central excise authorities	893.46	953.16	663.72
Others	-	8.11	3.94
Total other non-current assets	962.33	1,045.69	721.41
Current			
Advances recoverable in cash or in kind	4.21	7.42	20.44
Balances with government authorities	206.78	289.83	573.09
Other advances	58.21	90.87	76.43
Total other current assets	269.20	388.12	669.96

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NOTE 8: TRADE RECEIVABLES

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
	447.87	230.45	129.07
Trade receivables	447.87	230.45	129.07
Trade receivables			
- Unsecured, considered good	447.87	230.45	129.07
- Considered doubtful	2.50	-	-
	450.37	230.45	129.07
Impairment allowance (allowance for bad and doubtful debts)			
- Unsecured, considered good	-	-	-
- Considered doubtful	2.50	-	-
	2.50	-	-
Total trade receivables	447.87	230.45	129.07

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

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

NOTE 9: CASH AND CASH EQUIVALENTS

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Balance with banks:			
On current accounts	22.44	728.22	3.56
	22.44	728.22	3.56

NOTE 9A: OTHER BANK BALANCES

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Deposit with original maturity for more than 3 months but less than 12 months*	21.36	-	-
Total	21.36	-	-

* Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 10: LOANS (Unsecured, considered good)

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Loans to related parties (Refer note 23)	8.44	1.79	13.89
Total	8.44	1.79	13.89

NOTE 11: SHARE CAPITAL

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Authorised shares 5,000,000 (31 March 2016: 5,000,000, 1 April 2015: 5,000,000) Equity Shares of Rs. 10 each	500.00	500.00	500.00
Issued, Subscribed and fully paid-up shares 1,550,000 (31 March 2016: 1,550,000, 1 April 2015: 1,550,000) Equity Shares of Rs. 10 each fully paid - up	155.00	155.00	155.00
Total issued, subscribed and fully paid-up share capital	155.00	155.00	155.00

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

	31 March 2017		31 March 2016	
	Nos in Lacs	Rs. in lacs	Nos in Lacs	Rs. in lacs
At the beginning of the period	15.50	155.00	15.50	155.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	15.50	155.00	15.50	155.00

b. Terms/rights attached to equity shares

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

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

	31 March 2017		31 March 2016		01 April 2015	
	Nos in Lacs	% holding	Nos in Lacs	% holding	Nos in Lacs	% holding
Sterlite Technologies Limited, Holding Company	15.50	100.00%	15.50	100.00%	15.50	100.00%

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

	31 March 2017		31 March 2016		01 April 2015	
	Nos in Lacs	% holding	Nos in Lacs	% holding	Nos in Lacs	% holding
Sterlite Technologies Limited, Holding Company	15.50	100.00%	15.50	100.00%	15.50	100.00%

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NOTE 12 : OTHER EQUITY

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Securities premium account	3,295.00	3,295.00	3,295.00
Equity Contribution from Parent	257.18	257.45	257.45
Equity Portion of Compulsorily Convertible Debentures	12,050.00	-	-
Retained earnings			
Balance as per last financial statements	(13,645.71)	(9,846.59)	
Add: Net profit / (loss) for the year	771.45	(3,817.57)	
Add: Items of other comprehensive income recognised directly in retained earnings:			
- Remeasurement of post employment benefit obligation, net of tax	5.44	18.45	
Total Retained earnings	(12,868.82)	(13,645.71)	

NOTE 13: LONG-TERM BORROWINGS

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Non-current			
Indian rupee loans from banks (secured) (refer note b below)	-	10,795.27	9,840.91
Indian rupee term loan from Holding Company- STL (Unsecured) (refer note a below)	3,522.38	3,479.64	3,441.64
	3,522.38	14,274.91	13,282.55
The above amount includes			
Secured borrowings	-	10,795.27	9,840.91
Unsecured borrowings	3,522.38	3,479.64	3,441.64
Total non-current borrowings	3,522.38	14,274.91	13,282.55

Notes:

a) The Company has obtained unsecured borrowing from holding company which carries interest at 10% p.a. (2015-16: 10% p.a., 2014-15: 10.5%) The loan including the interest is repayable only after final settlement of term loan obtained from Bank of India.

b) The term loan represents nominal value of Indian rupee term loan of Rs. Nil (31 March 2016: Rs.12,370.60 lacs, 1 April 2015: Rs.10,198.40 lacs) which carried interest at 10.50% to 10.65% p.a (2015-16: 11.40% to 11.80% p.a, 2014-15: 11.75% p.a.) obtained from Bank of India. Total amount was repayable in 32 equal quarterly instalments calculated on the basis of 3.125% of term loan (principal amount), immediately after expiry of 3 months from COD. The Company has repaid the entire term loan during the year and loan account closed on 21 November 2016. The term loan was secured by first charge on all immovable assets both present and future pertaining to project, tangible moveable assets, all accounts of the borrower, that may be opened in accordance with the Transaction Documents, and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Account and a first charge on the receivables.

The loan was also secured by assignment of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all the Project Agreements, duly acknowledged and consented to by the counter parties to the Project Agreements if such Project Agreements requires prior consent of such counter parties before creation of Security Interest as with/as mentioned, all as amended, varied or supplemented from time to time; the right, title and interest and benefits of the Borrower in, to and under all the Clearances in the name of the Borrower and pertaining to the Project to the extent the same are assignable; all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the Project Agreements; and all the rights, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all Insurance Contracts and Insurance Proceeds pertaining to the Project.

Loan was also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity till final settlement date.

NOTE 14: OTHER FINANCIAL LIABILITIES

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Non-current			
Financial liabilities at amortised cost			
Payables for purchase of property, plant and equipment *	44.89	230.89	443.38
Interest payable to holding company	1,219.91	882.41	470.61
Total	1,264.80	1,113.30	913.99
Current			
Financial liabilities at amortised cost			
Interest accrued and due on borrowings	238.29	122.43	-
Interest accrued and not due on borrowings	-	1.66	0.44
Current maturities of long-term borrowings (refer note 13)	-	1,545.82	319.78
Retention Money	58.84	99.72	133.77
Payables for purchase of property, plant and equipment *	496.21	371.40	772.11
Statutory dues payable	64.84	34.33	13.27
Others	34.07	137.18	120.61
Total current financial liabilities	913.74	2,324.17	1,364.50

* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 90-120 days terms. It also includes the current maturities of long term payables for purchase of property, plant and equipment which have been valued at amortised cost. It also includes deferred payables for purchase of property, plant and equipment. Deferred payables where credit terms allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit.

Other payables are non-interest bearing and have an average term of 30-90 days.
For explanations on the Company's credit risk management processes, refer to note 36.

NOTE 11: EMPLOYEE BENEFIT OBLIGATIONS

	Long term			Short Term		
	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Provision for employee benefits						
Provision for gratuity	13.85	28.44	44.27	1.02	1.50	-
Provision for leave benefit	-	-	-	13.64	27.36	43.28
Total	13.85	28.44	44.27	14.66	28.86	43.28

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Defined benefit obligation at the beginning of the year	28.08	44.27	25.22
Current service cost	5.63	8.12	8.02
Interest cost	2.29	3.54	2.42
Actuarial (gain)/loss	(8.24)	(27.85)	8.61
Past service cost	-	-	-
Benefits paid	(13.95)	-	-
Defined benefit obligation, at the end of the year	13.81	28.08	44.27

Details of defined benefit obligation

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Present value of defined benefit obligation	13.81	28.08	44.27
Fair value of plan assets	-	-	-
Plan liability	13.81	28.08	44.27

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

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Current service cost	5.63	8.12	8.02
Interest cost on benefit obligation	2.29	3.54	2.42
Net actuarial (gain) / loss recognised	-	-	-
Expected return on plan assets	-	-	-
Contribution by employer	-	-	-
Net benefit expense	7.92	11.66	10.44

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

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Actuarial (gains)/losses on obligation for the period	(8.24)	(27.85)	8.61
Return on plan assets, excluding interest income	-	-	-
Change in asset ceiling	-	-	-
Net (income)/expense for the period recognized in OCI	(8.24)	(27.85)	8.61

Amounts for the current and previous periods are as follows:

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	31 March 2015 (Rs. in lacs)	31 March 2014 (Rs. in lacs)
Defined benefit obligation	13.81	28.08	44.27	25.22
Plan assets	-	-	-	-
Surplus / (deficit)	(13.81)	(28.08)	(44.27)	(25.22)
Experience adjustments on plan liabilities	(8.24)	(21.65)	8.38	(4.65)
Experience adjustments on plan assets	-	-	-	-

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

Particulars	31 March 2017	31 March 2016	01 April 2015
Discount rate	7.45%	8.00%	7.89%
Expected rate of return on plan asset	NA	NA	NA
Employee turnover	10.00%	10.00%	10.00%
Expected rate of salary increase	8.00%	8.00%	8.00%
Actual rate of return on plan assets	NA	NA	NA

The estimated future salary increases, considered in actuarial valuation, take 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 prices prevailing on balance sheet date, applicable to the period over which the obligation is to be settled.

Sensitivity Analysis

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Projected benefit obligation on current assumptions	13.81	28.08	44.27
Delta effect of +1% change in rate of discounting	(1.07)	(3.21)	(4.05)
Delta effect of -1% change in rate of discounting	1.23	3.57	4.89
Delta effect of +1% change in rate of salary increase	1.21	3.55	4.64
Delta effect of -1% change in rate of salary increase	(1.08)	(3.05)	(3.23)
Delta effect of +1% change in rate of employee turnover	(0.14)	(0.28)	-
Delta effect of -1% change in rate of employee turnover	0.14	0.29	-

Maturity Analysis of projected benefit obligation: From the Employer

Particulars	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Projected benefits payable in future years from the date of reporting			
1st following year	1.81	1.84	1.86
2nd following year	1.21	2.16	2.75
3rd following year	1.27	3.43	4.14
4th following year	1.42	3.38	4.31
5th following year	1.39	2.82	4.48
Sum of years 6 to 10	6.73	13.80	20.22

NOTE 16: OTHER LIABILITIES

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Non-Current			
Unearned revenue	67.64	74.83	82.03
Total	67.64	74.83	82.03
Current			
Unearned revenue	69.83	95.42	88.84
Total	69.83	95.42	88.84

NOTE 17: SHORT-TERM BORROWINGS

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Buyer's credit from banks (secured) *	-	746.81	489.28
Loan from holding Company (unsecured) #	4,360.04	2,497.03	398.20
Total	4,360.04	3,243.84	887.48
The above amount includes			
Secured borrowings	-	746.81	489.28
Unsecured borrowings	4,360.04	2,497.03	398.20
Net Amount	4,360.04	3,243.84	887.48

* These were secured by hypothecation of fixed assets, trade receivables and other receivables. Buyer's credit is repaid/rolled over after a period of six months and carry interest @ 0.86-1.50% p.a.

\# The company has obtained unsecured borrowing from holding company which carries interest at 7.50% p.a. (2015-16: 10% p.a., 2014-15 : 10.5%)

NOTE 18: TRADE PAYABLES

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
Trade payables (refer note 33 for details of dues to Micro, small and medium enterprises)	304.23	247.88	186.27
Total	304.23	247.88	186.27

Trade payables are non-interest bearing and are normally settled on 60-day terms

NOTE 19: REVENUE FROM OPERATIONS

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Sale of traded goods	13.35	28.33
Sale of services	1,836.29	1,618.17
Other operating revenue - Scrap sales	0.43	0.79
Revenue from operations	1,850.07	1,647.29

NOTE 20: FINANCE INCOME

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Interest others	3.11	7.43
Interest on income tax refund	2.13	1.13
Total	5.24	8.56

NOTE 21: OTHER INCOME

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Miscellaneous Income	-	15.53
Total	-	15.53

NOTE 22: EMPLOYEE BENEFIT EXPENSE

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Salaries, wages and bonus	471.85	1,057.03
Contribution to provident fund	11.66	31.83
Gratuity expenses* (refer note 13)	7.80	11.66
Staff welfare expenses	17.88	22.51
Total	509.19	1,146.83

* Provident fund is paid by the Holding Company and charged back to the Company

NOTE 23: OTHER EXPENSES

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Network Expenses	627.72	478.88
Power, fuel and water	75.24	91.61
Sales promotion and marketing	44.22	164.89
Rent	128.87	226.90
Insurance	26.93	31.26
Legal and professional fees	25.81	90.77
Rates and taxes	2.47	2.68
Travelling and conveyance	46.88	53.07
Loss on sale of fixed assets, net	3.84	3.48
Membership and subscription expenses	2.43	3.64
Telephone charges	14.99	23.19
Internal audit fees	8.33	17.23
Office maintenance charges	42.14	38.15
Recruitment charges	2.28	24.76
Directors sitting fee and commission	9.85	8.18
Payment to auditor (refer details below)	14.50	11.00
Miscellaneous expenses	54.76	19.13
Total	1,168.21	1,288.82

Payment to auditor	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
As auditor:		
Audit fee	8.50	8.50
Tax audit fee	2.00	1.50
In other capacity:		
Other services (including certification fees)	4.00	1.00
Total	14.50	11.00

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Depreciation of tangible assets	953.36	944.43
Amortisation of intangible assets	87.03	80.88
Total	1,040.39	1,025.31

NOTE 25: FINANCE COST

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Interest on financial liabilities measured at amortised cost		
- On term loan from bank	757.13	1,239.50
- On loan from holding company	639.32	495.53
- Others	37.87	93.18
Bank charges	13.41	23.84
Total	1,447.73	1,852.05

NOTE 26: EARNINGS PER SHARE (EPS)

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

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

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

	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)
Profit/(Loss) for the year	771.21	(3,817.37)
Weighted average number of equity shares in calculating basic & diluted EPS	15.50	15.50
Earnings per share Basic & Diluted (on nominal value of Rs. 10 per share) Rupees/share	49.76	(246.28)

NOTE 27: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of Deferred tax asset on losses:

As explained in Note 34, substantial part of business of the Company is in the process of being demerged and merged with Sterlite Technologies Limited (STL). The same has been approved by the Board of directors of the Company and is currently pending the approval of NCLT. Ind AS 12 permits recognition of deferred tax asset on tax loss carryforward to the extent it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The management has determined that the merger of the Company with STL will allow the tax losses in the Company to be utilised against the taxable income of STL. Accordingly, the Company has recognised a deferred tax asset of Rs. 3,176.09 lacs on the losses of the Company pertaining to the business being merged with STL.

Impairment of non-financial assets

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

NOTE 28: 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 :

(a) Lease payments recognised in the statement of profit and loss for the year is Rs. 150.87 Lacs (31 March 2016: Rs. 170.40 Lacs, 1 April 2015: Rs. 202.84 Lacs).

(b) The future minimum lease payments payable over the next one year is Rs. 93.77 Lacs (31 March 2016: Rs. 140.23 Lacs, 1 April 2015: Rs. 225.64 Lacs).

(c) The future minimum lease payments payable later than one year but not later than five years is Rs. 217.35 Lacs (31 March 2016: Rs. 343.23 Lacs, 1 April 2015: Rs. 220.72 Lacs).

(d) The future minimum lease payments payable later than five years is Rs. 116.58 Lacs (31 March 2016: Rs. 115.06 Lacs, 1 April 2015: Rs. 128.77 Lacs).

NOTE 29: CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances) is Rs. 221.33 Lacs (31 March 2016: Rs. 412.20 Lacs, 1 April 2015: Rs. 190.76 Lacs)

b) The company has entered into master service agreements (MSAs) with internet service providers pursuant to which the company has 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.

NOTE 30: DERIVATIVE INSTRUMENTS

(a) There were no derivative instruments taken during the year or outstanding at the end of the year.

(b) Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Category	Currency type	Year	Foreign Currency (In Lacs)	Amt In Rs. (In Lacs)
Import of goods and services, buyers credit, etc.	US $	2016-17	7.97	535.32
Import of goods and services, buyers credit, etc.	US $	2015-16	17.86	1,187.18
Import of goods and services, buyers credit, etc.	US $	2014-15	22.34	1,398.33

NOTE 31: 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

(Rs. In lacs)

Name of Subsidiary	31 March 2017		31 March 2016		01 April 2015	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Telesystems Limited	7.68	7.68	0.01	0.01	-	-

NOTE 32: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Description	31 March 2017 (Rs. in lacs)	31 March 2016 (Rs. in lacs)	01 April 2015 (Rs. in lacs)
(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	-	-	6.19
Interest due on above	-	-	-
(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.	-	-	-
(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	-	-	-

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" / information available with the Company regarding their status under the Micro, Small and Medium Enterprises Act, 2006.

NOTE 33: FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

► Property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company has elected to regard those values of Property, plant and equipment as deemed cost at the date of transition to Ind AS.

Estimates
The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

	Footnotes	Amount as per Local GAAP (Rs. in lacs)	Ind AS adjustments (Rs. in lacs)	Amount as per Ind AS (Rs. in lacs)
ASSETS				
Non-current assets				
Property, plant and equipment	1	11,441.95	(3,600.02)	7,841.93
Capital work-in-progress		1,003.69	-	1,003.69
Intangible assets		160.16	-	160.16
Financial Assets				
Other financial assets	2	149.83	(10.45)	139.38
Deferred tax assets (net)	3	-	1,020.13	1,020.13
Other non-current assets	2, 4	758.43	(36.02)	722.41
		13,754.09	(2,626.36)	11,127.88
Current assets				
Financial Assets				
Trade receivables		126.07	-	126.07
Cash and cash equivalents		5.36	-	5.36
Loans		13.89	-	13.89
Other financial assets	6	117.20	-	117.20
Other current assets	2, 4	651.61	4.95	656.56
		918.33	4.95	923.28
TOTAL ASSETS		14,672.42	(2,621.41)	12,050.84
EQUITY AND LIABILITIES				
Equity				
Equity share capital		135.00	-	135.00
Other equity	1, 3, 4	(2,762.83)	(2,261.21)	(4,994.14)
Total Equity		(2,627.83)	(2,288.21)	(4,839.14)
Non-current liabilities				
Financial Liabilities				
Borrowings	4	13,629.50	(347.15)	13,282.35
Other financial liabilities	5	908.44	5.24	913.68
Employee benefit obligations		44.37	-	44.37
Other long term liabilities		82.02	-	82.02
		14,664.33	(341.91)	14,322.42
Current liabilities				
Financial Liabilities				
Borrowings		887.46	-	887.46
Trade payables		184.27	-	184.27
Other financial liabilities	5	1,360.67	3.83	1,364.50
Other current liabilities		88.54	-	88.54
Employee benefit obligations		42.29	-	42.29
		2,563.23	3.83	2,567.06
TOTAL		14,670.23	(2,619.29)	12,050.84

Reconciliation of equity as at 31 March 2016

	Footnotes	Amount as per Local GAAP (Rs. in lacs)	Ind AS adjustments (Rs. in lacs)	Amount as per Ind AS (Rs. in lacs)
ASSETS				
Non-current assets				
Property, plant and equipment	1	11,337.72	(3,227.81)	8,109.91
Capital work-in-progress		775.19	-	775.19
Intangible assets		307.01	-	307.01
Investment in subsidiary		2.00	-	2.00
Financial assets				
Other financial assets	2	166.73	(2.94)	163.79
Deferred tax assets (net)	3	-	893.94	893.94
Other assets	2, 4	1,074.04	(28.39)	1,045.65
		13,661.83	(2,365.51)	11,296.32
Current assets				
Financial assets				
Trade receivables		230.45	-	230.45
Cash and cash equivalents		729.23	-	729.23
Loans		1.79	-	1.79
Other financial assets		144.87	-	144.87
Other current assets	2, 4	391.51	(3.17)	388.34
		1,498.15	(3.17)	1,494.98
TOTAL ASSETS		15,159.97	(2,368.67)	12,791.30
EQUITY AND LIABILITIES				
Equity				
Equity share capital		135.00	-	135.00
Other equity	1, 3, 4	(6,336.47)	(2,086.61)	(8,793.28)
Total Equity		(6,201.47)	(2,086.61)	(8,658.28)
Non-current liabilities				
Financial liabilities				
Borrowings	4	14,574.10	(299.29)	14,274.81
Other Financial liabilities	5	1,108.30	4.99	1,113.29
Employee benefit obligations		26.44	-	26.44
Other liabilities		74.83	-	74.83
		15,783.67	(294.30)	15,489.37
Current liabilities				
Financial Liabilities				
Borrowings		3,243.84	-	3,243.84
Trade payables		347.85	-	347.85
Other financial liabilities	5	2,312.83	11.34	2,324.17
Employee benefit obligations		28.80	-	28.80
Other liabilities		95.63	-	95.63
		5,528.97	11.34	5,540.31
TOTAL		15,158.97	(2,368.67)	12,791.30

Profit reconciliation for the year ended 31 March 2016 :

	Footnotes	Amount as per Local GAAP (Rs. in lacs)	Ind AS adjustments (Rs. in lacs)	Amount as per Ind AS (Rs. in lacs)
INCOME				
Revenue from operations		1,647.19	-	1,647.19
Other income		15.53	-	15.53
Total income (I)		1,662.72	-	1,662.72
EXPENSES				
Purchase of traded goods		28.23	-	28.23
Employee benefits expense		1,115.55	21.96	1,137.51
Other expenses	2	1,218.50	3.21	1,221.71
Total expenses (II)		2,362.28	25.17	2,387.45
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(699.56)	(25.17)	(724.73)
Depreciation and amortisation expense	1	1,444.28	(418.95)	1,025.33
Finance costs	4, 5	1,809.63	182.20	1,991.83
Finance income	2	1.15	7.41	8.56
Loss before tax		(3,993.88)	193.99	(3,799.88)
Tax expense:	3			
Current tax		-	-	-
Deferred tax			17.71	17.71
Income tax expense		-	17.71	17.71
Profit / (loss) for the year		(3,993.88)	176.28	(3,817.59)
Other comprehensive income	6			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains on defined benefit plans		-	27.95	27.95
Income tax effect		-	(9.50)	(9.50)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	18.45	18.45
Total comprehensive income for the year		(3,993.88)	194.73	(3,799.14)

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016:

1 **Property, plant and equipment**
The Company has elected to measure items of property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, a decrease of Rs 3,600.00 lacs (31 March 2016: Rs.3,181 lacs) was recognised in property, plant and equipment. This amount has been recognised against retained earnings (net of deferred tax). As a result of the above, the depreciation expense for the year ended ended 31 March 2016 is lower by Rs. 418.95 lacs.

2 **Other non-current financial assets**
The Company has given refundable security deposits as a part of lease arrangements. The same have been measured at transaction price under Indian GAAP. However as per Ind AS, the security deposits should be measured at fair value on initial recognition. The initial fair value is estimated as the present value of refundable amount of security deposits, discounted using the market interest rates for similar instruments. The difference between the nominal amount and fair value of refundable deposits is classified as lease pre-payments under Other assets.

Subsequent to initial recognition, the security deposits are measured at amortised cost using the effective interest rate method with carrying amount increased over the lease period upto the refundable amount. The amount of increase is recognised as finance income and the lease prepayments are amortised on a straight line basis over the lease period.

3 **Deferred tax**
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

4 **Borrowings**
Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised over the period of loan. The unamortised portion of transaction cost is presented under other assets. Under Ind AS, transaction costs are included in the fair value of financial liabilities at initial recognition and charged to profit or loss using the effective interest rate method. The unamortised portion of transaction costs included under other assets has been derecognised and new carrying value of borrowings has been recognised after considering transaction costs and effective interest rate method.

Loan from parent company has been measured at transaction price under Indian GAAP. However as per Ind AS, the loan should be measured at fair value on initial recognition. The initial fair value is estimated as the present value of the loan, discounted using the market interest rates. The difference between the nominal amount and fair value of the loan is classified under other equity as contribution from parent.

5 **Other liabilities**
Deferred payables in respect of purchase of items of plant and equipment were measured at transaction price under Indian GAAP. However as per Ind AS, the same are measured at fair value on initial recognition. The initial fair value is estimated as the present value of the payables, discounted using the market interest rates. The respective items of plant and equipment are recognised at the above initial fair value. The difference between the nominal amount and fair value is recognised as finance cost using effective interest rate method. As at the date of transition to Ind AS, no adjustment has been made to property, plant and equipment since the same has been recognised at fair value.

6 **Other comprehensive income**
Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

7 **Statement of cash flows**
The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTE 34: MERGER OF BUSINESS OF THE COMPANY INTO STERLITE TECHNOLOGIES LIMITED

The Board of Directors has approved the merger of passive infrastructure business of the Company with Sterlite Technologies Limited with the appointed date of 1 October 2016, subject to requisite regulatory approvals. The Scheme of amalgamation in this regard has been filed with National Company Law Tribunal (NCLT) - Mumbai and Ahmedabad bench and is pending their approval.

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NOTE 35: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

a Related parties where control exists:

Sterlite Technologies Limited (STL)	(Immediate holding company)
Twinstar Overseas Limited, Mauritius	(Intermediate holding company)
Volcan Investments Limited, Bahamas	(Ultimate holding company)
Sterlite Telesystems Limited (STTL)	(Subsidiary) (Incorporated on 21/09/2015)

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

Fellow subsidiary

Maharashtra Transmission Communication Infrastructure Limited ('MTCIL')

Key Managerial Persons ('KMPs')

Mr. S. Anand (Whole time Director) (ceased to be director from 01 July 2016)
Mr. Alok Mahapatra (Chief executive officer) (appointed w.e.f. 06 March 2017)
Mr. Abhishek Mandowara (Chief financial officer) (appointed w.e.f. 06 March 2017)

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

(Rs. in Lacs)

Particulars	Transactions with STL			Transactions with MTCIL			Transactions with STTL			Transactions with KMPs		
	2016-17	2015-16		2016-17	2015-16		2016-17	2015-16		2016-17	2015-16	
Transactions during the year												
Purchase of fixed assets (inclusive of duties and taxes)	96.25	188.09		-	-		-	-		-	-	
Investment in equity shares	-	-		-	-		-	2.00		-	-	
Compulsorily convertible Debentures to holding company	12,070.00	-		-	-		-	-		-	-	
Loans taken (principal amount)	3,315.62	2,009.83		-	-		-	-		-	-	
Repayment of loans	715.53	-		-	-		-	-		-	-	
Reimbursement of expenses (received or receivable)	-	146.53		-	0.88		5.59	0.91		-	-	
Reimbursement of expenses (paid or payable)	71.31	-		-	-		-	-		-	-	
Sales (exclusive of duties and taxes)												
(a) Services provided	1,800.30	1,460.79		-	-		-	-		-	-	
(b) Unbilled revenue	136.72	104.87		-	-		-	-		-	-	
Interest on loans taken	707.06	457.15		-	-		-	-		-	-	
Interest on loans given	-	-		-	-		0.04	-		-	-	
Remuneration paid to KMPs												
Mr. S Anand	-	-		-	-		-	-		18.49	56.53	
Closing balances as at year end	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 1, 2015	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 1, 2015	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 1, 2015	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 1, 2015
Long term loan taken	3,322.70	5,479.64	5,441.64	-	-	-	-	-	-	-	-	-
Compulsorily convertible debentures	12,070.00	-	-	-	-	-	-	-	-	-	-	-
Short term loan taken	4,360.04	2,497.03	398.20	-	-	-	-	-	-	-	-	-
Amount receivable	282.41	187.28	113.95	-	0.88	13.89	6.44	0.91	-	-	-	-
Interest receivable	-	-	-	-	-	-	0.04	-	-	-	-	-
Interest payable	1,458.20	887.41	479.61	-	-	-	-	-	-	-	-	-
Amount payable	13.05	46.99	36.84	-	-	-	-	-	-	-	-	-

NOTE 36: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

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

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

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

(a) Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31,2016.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate primarily relates to the Company's debt obligations with floating interest rates. The Company is exposed to the interest rate fluctuation with respect to domestic borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on that portion of loans and borrowings affected. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in lacs)

Particulars	Increase/Decrease in Basis Points	Effect on profit before tax / pre-tax equity
March 31, 2017		
Base Rate	+50	(29.43)
Base Rate	-50	29.43
March 31, 2016		
Base Rate	+50	(37.50)
Base Rate	-50	37.50

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expense is denominated in a foreign currency).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD 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 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-

(Rs. in Lacs)

	Change in USD rate	Effect on profit before tax
March 31, 2017	+5%	(25.52)
	-5%	25.52
March 31, 2016	+5%	(59.26)
	-5%	59.26

(b) Credit risk

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

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Trade receivables

Customer credit risk is managed by 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 an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. 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 industries and operate in largely independent markets.

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 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, 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 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs. in Lacs)

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, 2017						
Borrowings	4,360.04	-	-	3,522.20	-	7,882.24
Trade payables	-	394.33	-	-	-	394.33
Payables for purchase of property, plant and equipment	-	42.25	444.26	44.89	-	531.40
Other financial liabilities	-	338.82	98.84	1,220.51	-	1,658.21
	4,360.04	775.39	543.10	4,787.64	-	10,466.18
As at March 31, 2016						
Borrowings	3,243.84	-	-	14,274.91	-	17,518.75
Trade payables	-	247.88	-	-	-	247.88
Payables for purchase of property, plant and equipment	-	-	371.40	330.88	-	702.28
Other financial liabilities	-	697.43	1,255.33	882.41	-	2,835.17
	3,243.84	945.31	1,626.74	15,488.20	-	21,304.08
As at April 1, 2015						
Borrowings	887.46	-	-	13,282.56	-	14,170.02
Trade payables	-	184.27	-	-	-	184.27
Payables for purchase of property, plant and equipment	-	-	773.51	443.08	-	1,216.59
Other financial liabilities	-	455.22	135.77	470.61	-	1,061.60
	887.46	639.49	909.28	14,196.25	-	16,632.48

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NOTE 37: CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The 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.

Particulars	As at March 31, 2017 (Rs. In lacs)	As at March 31, 2016 (Rs. In lacs)	As at April 1, 2015 (Rs. In lacs)
Interest Bearing Loans and borrowings	7,082.24	17,518.75	14,170.02
Trade Payables	194.33	247.88	184.27
Other Financial Liabilities	3,188.97	3,437.43	2,276.18
Less: Cash and Bank balances	(45.90)	(729.53)	(3.56)
Net debt	10,419.63	20,474.53	16,626.91
Equity share capital	155.00	155.00	155.00
Other equity	4,053.65	(8,793.29)	(4,984.14)
Total capital	4,208.65	(8,638.29)	(4,829.14)
Capital and net debt	14,628.28	11,836.24	11,797.77
Gearing ratio	71.23%	172.98%	140.93%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

NOTE 38: FAIR VALUES

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 39: COMPULSORILY CONVERTIBLE DEBENTURES

During the year, the Company has issued 1,207 lacs unsecured Compulsorily Convertible Debentures ("CCDs") of Rs. 10 each at a price of Rs. 10 each to its holding Company. These CCDs are compulsorily convertible into equity shares after 3 years from the date of allotment and convertible into equity shares at any time after allotment at the option of the holder. Interest payable on the CCDs is 0.01% per annum. Each CCD is convertible into 1 equity share of face value of Rs. 10.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No.: 324982E/E300003

per Paul [illegible]
Partner
Membership Number : 105754

Place : Pune
Date : May 10, 2017

For and on behalf of the board of directors of Speedon Network Limited

K S Rao
Director
DIN:00023533

Anupam Jindal
Director
DIN: 03040078

Alok Mahapatra
Chief Executive Officer

Place : Mumbai
Date : May 10, 2017

Abhishek Mandawara
Chief Financial Officer

Place : Mumbai
Date : May 10, 2017

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TEL: 021-62122672　FAX: 021-62122673
E-mail:qianyi@qianyiservice.com

Audit report

HU QIAN SHEN ZI (2017) NO5131

To the Board of directors:

We have audited the accompanying financial statements of STERLITE(SHANGHAI)TRADING COMPANY LIMITED (hereafter "the Company"), which comprise the balance sheet as at March 31, 2017, and the income statement, cash flow statement , Statement of changes in owner' s (Shareholders') for the year ended, and explanatory notes.

1. The responsibility of the management for the financial statement

Management is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: (1) Preparing financial statements with fair presentation in accordance with Accounting Standards for Business Enterprise (2) Designing、implementing and maintaining internal control that are free from material misstatement, whether due to fraud or error.

2. Auditor' s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Chinese CPA Auditing Standards. Those standards require that we comply with the professional ethical requirements in planning and performing the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor' s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity' s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity' s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company, as of March 31,2017, its financial performance and its cash flows for the year then ended was prepared in accordance with the Accounting Standards for Business Enterprises and the Enterprise Accounting Regulation.

Shanghai Qian Yi CPA Co., Ltd.

China Shanghai

China CPA : 熊龙根

China CPA : 倪继刚

15th April, 2017

Balance Sheet

Company: Sterlite (Shanghai) Trading Company Limited

31/Mar/17

Report ref. 01

Unit:RMB

Items	Line	At end of year	At beg. Of year	Items	Line	At end of year	At beg. Of year
Current assets	1	—	—	Current liabilities:	66	—	—
Monetary funds	2	710,907.20	1,275,888.21	Short-term loans	67		
*Deposit Reservation for Balance	3			*Borrowings from central bank	68		
*Lendings to Banks and Other Financial Institutions	4			*Deposits from customers and interbank	69		
Transaction financial Assets	5			*Placements from banks and other financial institutions	70		
Notes receivables	6			Transaction financial liabilities	71		
Account receivables	7	329,617.43	-12,271.48	Notes payables	72		
prepayments	8			Accounts payables	73		
*Premium receivable	9			Advance from clients	74		73,727.94
*Reinsurance receivables	10			*Funds from selling out and repurchasing financial assets	75		
*Reinsurance contract reserves receivable	11			*Handling charges and commission payable	76		
Interest receivable	12			Payroll payables	77		
Dividents receivables	13			Among it: Salary payables	78		
Other receivables	14	224,150.00	480.00	Welfare payables	79		
*Buying back the sale of financial assets	15			Among it:staff incentive and welfare fund ...	80		
Inventories	16			Accrued tax payables	81	32,062.25	27,265.64
Including: raw materials	17			Among it: Tax payables	82	32,062.25	27,265.64
finished goods	18			Interest payables	83		
Non-current assets due within one year	19			Dividend payable	84		
Other current assets	20			Other payables	85		428,740.65
Total current assets	21	1,264,674.63	1,264,096.73	*Due to reinsurers	86		
Non-current asset	22	—	—	*Reserves for insurance contract	87		
*Loans and payments on behalf	23			*Funds from securities trading agency	88		
Available for sale financial assets	24			*Funds from underwriting securities agency	89		
Held to maturity investment	25			Non-current liabilities (due within one year)	90		
Long-term accounts receivables	26			Other current liabilities	91		
Long-term equity investments	27			Total current liabilities	92	32,062.25	529,734.23
Investment Property	28			Non current liabilities :	93		
Fixed assets-cost	29	30,241.45	30,241.45	Long-term loans	94		
Less: accumulated depreciation	30	9,700.23	686.34	Bonds payables	95		
Fixed assets-net value	31	20,541.22	29,555.11	Long-term payables	96		
Minus: impairment loss of fixed assets	32			Special payables	97		
Fixed assets - net	33			Estimated liabilities	98		
Construction in progress	34			Deferred tax liabilities	99		
Construction material	35			Other non-current liabilities	100		
Fixed assets liquidation	36			Among it:Specially approved reserving materials	101		
productive living assets	37			Total of on-current liabilities	102		
Oil and gas assets	38			Total of liabilities	103	32,062.25	529,734.23
Intangible assets	39			Owner's equity (shareholder's equity) :	104	1,486,672.40	1,486,672.40
Research and development expenditure	40			Paid-in capital	105		
Goodwill	41			Country capital	106		
Long-term deferred expenses	42			Collective capital	107		
Deferred tax assets	43			Legal representative capital	108		
Other non-current assets (other long-term assets)	44			Among it: State-owned legal representative capital	109		
Among it:Specially approved reserving materials	45			Collective legalrepresentative capital	110		
Total non-current assets	46	20,541.22	29,555.11	Individual capital	111		
	47			Foreign capital	112	1,486,672.40	1,486,672.40
	48			# Less:Investment Returned	113		
	49			Net paid in capital (or share capital)	114		
	50			Capital surplus	115		
	51			Less: treasury stock	116		
	52			Special reserve	117		
	53			Surplus reserve	118		
	54			Among it : Legal reserve	119		
	55			Discretionary surplus reserve	120		
	56			#Reserve fund	121		
	57			#Enterprise expansion fund	122		
	58			#Profit Capitalized On Return Of Investment	123		
	59			*General risk provision	124		
	60			Undistributed profit	125	-233,518.80	-722,754.79
	61			Converted difference in Foreign Currency Statements	126		
	62			Total of owner's equity attributed to parent company	127	-233,518.80	-722,754.79
	63			Minority owner's equity	128		
	64			Total of owner's equity	129	1,253,153.60	763,917.61
Total Assets	65	1,285,215.85	1,293,651.84	Total liabilities & Owner's equity	130	1,285,215.85	1,293,651.84

Note: Account with * applied to the consolidated financial statements; Account with + italics applied to financial enterprises; Account with # applied to foreign-invested enterprises.

Profit and Loss Statement

Company: Sterlite (Shanghai) Trading Company Limited

2016.4-2017.3

Report ref.02

Unit:RMB

Items	Line	Current year	Last year	Items	Line	Current year	Last year
1. Total revenue from operations	1	10,308,157.57	1,808,587.31	Others	29		
Including: Operations revenue	2	10,308,157.57	1,808,587.31	Add: Gains on the changes in the fair value (Loss expressed with "-")	30		
Including: Main operations revenue	3	10,308,157.57	1,808,587.31	Gains from investment (Loss expressed with "-")	31		
Revenue from other operations	4			Including: Investment gains from associated enterprise and joint venture	32		
+Interest income	5			+Foreign exchange gains (Loss expressed with "-")	33		
+Earned premium	6			**3. Operation profit (loss expressed with "-")**	34	489,236.03	-722,754.79
+Net incomes from fees and commissions	7			Add: Non-operating revenue	35	0.01	
2. Total cost from operations	8	9,818,921.54	2,531,342.10	Including: Gain from the disposal of non-current assets	36		
Including: Operation cost	9	3,821,818.81		Gain from non-cash asset exchange	37		
Including: Main operations cost	10	3,821,818.81		Government subsidies (allowances)	38		
Other operation cost	11	3,821,818.81		Gains from debt restructuring	39		
+Interest expenses	12			Less: non-operating expenses	40	0.05	
+Handling charges and commission expenses	13			Including: Loss from the disposal of non-current assets	41		
+Surrenders	14			Loss from non-monetary asset exchange	42		
+Net claims paid	15			Loss from debt restructuring	43		
+Net change in insurance contract reserves	16			**4. Total amount of profit (Loss express with "-")**	44	489,235.99	-722,754.79
+Policyholder dividend expense	17			Less: Income tax expenses	45		
+Expenses for reinsurance accepted	18			**5. Net profit (Loss express with "-")**	46	489,235.99	-722,754.79
Business tax and surtax	19	46,839.85	13,934.27	* Net profit attributed to parent company	47		
Operating expenses	20			* Minority owner's equity	48		
Administration expenses	21	5,956,827.12	2,496,028.23	**6. Earnings per share**	49		
Including: Entertaining fees	22	411,459.62	13,486.81	Basic earning per share	50		
Research and development expenses	23			Dilute earning per share	51		
Finance expenses	24	-6,564.24	21,379.60	7.Other comprehensive gain	52		
Including: Interest expenses	25			8 Total comprehensive gain	53	489,235.99	-722,754.79
Interest income	26	-1,233.82	-247.28	comprehensive gain attributed to parent company	54		
Net loss from exchange (gain expressed with "-")	27	-7,828.42		*comprehensive gain attributed to Minority	55		
Impairment loss of assets	28				56		

Note: Account with * applied to the consolidated financial statements; Account with + italics applied to financial enterprises

Cash Flow Statement

Company: Sterlite (Shanghai) Trading Company Limited   2016.4-2017.3   Report ref 03

Unit: RMB

Items	Line	Current year	Last year	Items	Line	Current year	Last year
1. Cash flows from operating activities	1	—	—	Net cash received from disposal of fixed assets,intangible assets& other long-term assets	30		
Cash received from sale of goods or rendering of services	2	10,511,849.25	2,007,101.69	Net cash received from disposal of subsidiary or other operation entities	31		
•Net increase in customer bank deposits and due to banks and other financial institutions	3			Other cash received relating to investing activities	32		
•Net increase in borrowings from central bank	4			Sub-total of cash inflows	33		
•Net increase in placements from other financial institutions	5			Cash paid to acquire fixed assets,intangible assets & other long-term assets	34		30,741.45
•Premiums received from original insurance contracts	6			Cash paid to acquire investments	35		
•Net cash received from reinsurance business	7			•Net increase in pledge loans	36		
•Net increase in deposits from policyholders	8			Net cash paid for the acquirement of subsidiary and other operational entities	37		
•Net increase from disposal of tradable financial assets	9			Cash paid for others relevant with investment activities	38		
•Interest, handling charges and commission received	10			Total cash flow out investment activities	39		30,741.45
•Net increase in placements from banks and other financial institutions	11			Net cash flow derived from investment activities	40		-30,741.45
•Net increase in repurchase business capital	12			3.Cash flow from financing activities:	41	—	—
Refund of tax	13			Cash flow from accepting investment	42		1,486,672.40
Other cash received relating to operating activities	14	1,253.82	4,767.28	Including:cash receipt of subsidiary from absorbing minority shareholder	43		
Sub-total of cash inflows	15	10,513,103.07	2,011,868.97	Cash received from borrowings	44		
Cash paid for goods and services	16	4,051,127.94		•Cash received from bond issue	45		
•Net increase in loans and advances to customers	17			Other cash received relating to financing activities	46		
•Net increase in deposits with central bank and other financial institutions	18			Sub-total of cash flow from financing activities	47		1,486,672.40
•Original insurance contract claims paid	19			Cash repayments of amounts borrowed	48		
•Interest, handling charges and commissions paid	20			Cash payments for interest expenses and distribution of dividends or profit	49		
•Policyholder Dividend Paid	21			Including: dividends and profits paid by subsidiary to minority shareholders	50		
Cash paid to and on behalf of employees	22	3,493,350.98	591,909.42	Other cash received relating to financing activities	51		
Payments of all types of taxes	23	431,223.87	93,855.04	Sub-total of cash outflows	52		
Other cash paid relating to operating activities	24	3,127,298.72	1,502,647.25	Net cash flows from financing activities	53		1,486,672.40
Sub-total of cash outflows	25	11,102,521.50	2,188,411.71	4. Effect of foreign exchange rates on cash	54	20,937.42	
Net cash flows from operating activities	26	-589,418.43	-176,542.74	5. Net increase / (decrease) in cash and cash equivalents	55	-568,481.01	1,279,388.21
2. Cash flows from investing activities :	27	—	—	6 Add: cash and cash equivalents at the beginning of this period	56	1,279,388.21	
Cash received from disposal of investments	28			7.Balance of cash or cash equivalents at the end	57	710,907.20	1,279,388.21
Cash received from returns on investments	29						

Note : Account with • italics applied to financial enterprises

Statement of Change in Stockholder's Equity

2016.4-2017.3

Company: [illegible] (Shanghai) Trading Company Limited

Report ref. 04

Unit: RMB

Item	Line	Amount of current year										
		The equity of parent company's shareholder									Minority of owner's equity	Total of owner's equity
		Paid-in capital	Capital reserve	Less: Treasury stock	Special reserves	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
Sequence	0	1	2	3	4	5	6	7	8	9	10	11
1. Closing balance of last year	1	1,488,672.40						-722,754.79		765,917.61		765,917.61
Plus: change of accounting policy	2			—	—		—		—		—	
Correction for error in previous period	3			—	—		—		—		—	
2. Beginning balance of this year	4	1,488,672.40						-722,754.79		765,917.61		765,917.61
3. Change of current year	5							489,235.99		489,235.99		489,235.99
(1) Net profit	6	—	—	—	—	—	—	489,235.99	—	489,235.99		489,235.99
(2) Other comprehensive income	7											
Subtotal of (1) and (2)	8											
(3) Capital invested and decreased by the owner	9											
(1) Capital invested by the owner	10			—	—	—	—	—	—			
(2) Fund paid for shares held recorded into the owner's equity	11			—	—	—	—	—	—			
(3) Other	12											
(4) Special reserve withdrawal and using	13											
(1) Withdrawal special reserve	14	—	—	—		—	—	—	—			
(2)Using special reserve	15	—	—	—		—	—	—	—			
(5) Profit distribution	16											
(1) Withdrawal surplus	17											
Including: Legal reserve	18	—	—	—	—		—		—		—	
Discretionary surplus reserve	19	—	—	—	—		—		—		—	
Reserve fund	20	—	—	—	—		—		—		—	
Enterprise expansion fund	21	—	—	—	—		—		—		—	
Profits capitalized on return of investment	22	—	—	—	—		—		—		—	
(2)Appropriations to general risk provisions	23	—	—	—	—	—			—		—	
(3) Distribution to owners (or shareholders)	24	—	—	—	—	—	—		—			
(4) Other	25											
(6) Internal transfer of owner's equity	26											
(1) Capital reserves converted into capital	27			—	—	—	—	—	—		—	
(2) Surplus reserves converted into capital	28		—	—	—		—	—	—		—	
(3)Surplus reserves made up for loss	29	—	—	—	—		—		—		—	
(4) Other	30											
4. Closing balance of current period	31	1,488,672.40						-233,518.80		1,255,153.60		1,255,153.60

Item	Line	Amount of last year										
		The equity of parent company's shareholder									Minority of owner's equity	Total of owner's equity
		Paid-in capital	Capital reserve	Less Treasury stock	Special reserve	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal		
Sequence	0	12	13	14	15	16	17	18	19	20	21	22
1. Closing balance of last year	1											
Plus: change of accounting policy	2											
Correction for error in previous period	3											
2. Beginning balance of this year	4	1,488,672.40								1,488,672.40		
3. Change of current year	5							-722,754.79		-722,754.79		-722,754.79
(1) Net profit	6							-722,754.79	—	-722,754.79		-722,754.79
(2) Other comprehensive income	7											
Subtotal of (1) and (2)	8							-722,754.79		-722,754.79		-722,754.79
(3) Capital invested and decreased by the owner	9	1,488,672.40								1,488,672.40		1,488,672.40
(1) Capital invested by the owner	10	1,488,672.40		—	—	—	—	—	—	1,488,672.40		1,488,672.40
(2) Fund paid for shares held recorded into the owner's equity	11			—	—	—	—	—	—			
(3) Other	12											
(4) Special reserve withdrawal and using	13											
(1) Withdrawal special reserve	14	—	—	—		—	—	—	—			
(2)Using special reserve	15	—	—	—		—	—	—	—			
(5) Profit distribution	16											
(1) Withdrawal surplus	17											
Including: Legal reserve	18	—	—	—	—		—		—		—	
Discretionary surplus reserve	19	—	—	—	—		—		—		—	
Reserve fund	20	—	—	—	—		—		—		—	
Enterprise expansion fund	21	—	—	—	—		—		—		—	
Profits capitalized on return of investment	22	—	—	—	—		—		—		—	
(2)Appropriations to general risk provisions	23	—	—	—	—	—			—		—	
(3) Distribution to owners (or shareholders)	24	—	—	—	—	—	—		—			
(4) Other	25											
(6) Internal transfer of owner's equity	26											
(1) Capital reserves converted into capital	27			—	—	—	—	—	—		—	
(2) Surplus reserves converted into capital	28		—	—	—		—	—	—		—	
(3)Surplus reserves made up for loss	29	—	—	—	—		—		—		—	
(4) Other	30											
4. Closing balance of current period	31	1,488,672.40						-722,754.79		765,917.61		765,917.61

I. Company profile

Sterlite (Shanghai) Trading Company Limited(the "company"),as a wholly foreign-owned enterprise ,was established on May 28,2015 invested by STERLITE TECHNOLOGIES LIMITED .Obtaining the business license of the legal entity which No 91310000329521792L.The paid-in capital is 1,486,672.40.,registered capital is 5,000,000.00RMB and the operation period is 30 years.

The business scope is wholesaling electronic products and components,optical fiber,metal materials and products (except precious metals,steel,aluminum oxide).The company provides the commission agency (excluding auction),importing and exporting agency.And the company also provides the related after-sales service,technica advisory services and other spporting business (Not related to the state-run trade management,involving quota and license administration of goods,shall be dealt with in accordance with the relevant provisions of the state to apply),(The business which is related to admitted business do business in accordance with the admitted license).

II. Basis for financial statements

The company's accounting statements are issued based the historical cost and on an accrual basis for accounting principles.

III. Address for enterprise Accounting System

The Company implement the Enterprise Accounting Principles and "Accounting System for Enterprises", the preparation of financial statements in line with the Accounting Standard for Enterprises and "Enterprise Accounting System," and reflecting the financial position, operating results and cash flow information.

IV. Important accounting policies

1 Accounting system

The company implements Enterprise Accounting Standards and Accounting System.

2 Reporting period

Reporting period begins on April 1 to in the prior year to March 31 in the current year as its accounting year.

3 Basis of accounting and cost model

The company adopts accrual basis of accounting and historical cost model.

4 Bookkeeping base currency & foreign currency translation

The recording currency of the company is RMB. Transactions denominated in foreign currencies (currencies other than the recording currency) are translated into RMB at the exchange rates of the transaction date quoted by the People' s Bank of China. Foreign currency-denominated monetary assets and liabilities are translated into RMB at the exchange rates prevailing at the date of the balance sheet. Foreign exchange differences deriving from these currency translations were booked into "long-term deferred expenses – organization costs" in the preliminary period and the others as "financial expenses – exchange gains and losses" in current period.

5 Standard of cash equivalents

Cash equivalents represent those investments with short duration period, high fluidity and low risk in fair value change but can be easily convertible to cash with already known amount.

Cash and cash equivalents of this company include: cash in hands, cash in bank, other monetary assets and the short-term investments due within three months.

6 Short term Investment accounting method

The company's short-term investments are mainly Equity investment and debt investments with historical cost accounting method which is also applicable to sales of investment.

The lower of cost or market valuation method will be applicable to cost of ending period of the investment.

7 Bad debts accounting method

The bad debt losses of the company will adopt "allowance method" for accounting and will be proportioned based on the recoverability of the balance of the receivable account at year end. The company will conduct specific analysis to the receivable accounts for drawing bad debts provisions of the receivable account according to previous experiences, financial position and flow of the debtor as well as other information concerned.

a) Under the circumstance that the debtor dies, the receivable is qualified as not collectable as the debtor does not transfer the debt;
b) Under the circumstance that debtor does not fulfill its obligation over a period of 3 years with evidence that money still could not be received.

8 Inventory

The inventory is mainly comprised raw materials, semi products, self-produced semi products, finished goods and low value consumables

The inventories is calculated on actual cost

The weight average methodology is applied to daily inventories movement
The ending inventory will be computed based on the lower pricing between cost and net realized value, when the net realized value is lower the cost, the inventory provisions for the impairment loss will be recognized based on the difference

9 Fixed assets & depreciation

Fixed assets are referring to a long-term tangible property that a firm owns and uses in the production of its goods, service provision, lease and operation management and is not expected to be consumed or converted into cash any sooner than at least one year's time.

The fixed assets will be measured at historical cost and the depreciation will be accounted by linear method by categories

Category of fixed assets	Economic use limit	Annual depreciation rate	Net residual value rate
Electronic equipments etc.	3 years	30%	10%

10 Fixed assets provision for impairment losses

Where the recoverable amount is lower than the carrying amount (book net value) based on individual item, the difference should be recognized as provision for impairment loss on fixed assets in the following circumstances:

a) Fixed assets that are not in use for a long time and won' t be used in the excepted future, as well as without transfer value
b) Fixed assets that can' t be used any more due to technology advance
c) Fixed assets that can be used but lead to production with inferior quality
d) Fixed assets with no more use value and transfer value after damage
e) Other fixed assets that 're literally unable to bring economic interests to the enterprises

For those fixed assets that are already accrued for provision for impairment loss in full amount, the provision of depreciation doesn' t apply any more.

11 Long term prepaid and deferred expense

Occurred during the start-up organization: In addition to purchase of fixed assets, all the other expense occurred in organization period will be accounted into "Long term prepaid and deferred expense" firstly which will be accounted it as expense dated from production and operations period.
Other long-term prepaid expenses will be amortized in benefit period averagely according to the actual amount of accounting.

12 Sales revenue

Goods sales can be recognized under following conditions:

a) The main risks and rewards of the ownership of goods has been transferred to the buyer;

b) It will not be retained management associated with ownership of the right usually and no control for the goods sold;
c) Economic benefits for the transactions related will inflow into the company;
d) Revenues and costs related to reliable measurement.

Services sales can be recognized under the following conditions:

a) Total revenue and total cost can be measured reliably;
b) Economic benefits for the transactions related will inflow into company;
c) Invoice issued or with the evidence of recognition of income

13 Corporate Income Tax

The company adopts tax payable method for the calculation of corporate income tax

14 Tax item

Tax category	Tax rate	Tax base
Value added tax	6%,17%	Service revenue ,Goods sold
Corporate income tax	25%	Taxable profit

V. Explanation for the change of accounting policy and evaluation & the correction of previous errors

NONE

VI. Notes the financial statements of the main items

In addition to special description in the following currencies stated are RMB

1. Monetary fund

As at March 31,2017, the balance of monetary funds is RMB 710,907.20

Item	2017.3.31	2016.3.31
Cash in hands	-	-
Cash in banks	710,907.20	1,279,888.21
Total	710,907.20	1,279,888.21

2. Accounts receivable

As at March 31,2017, the balance of accounts receivable is RMB 329,617.43, provision for bad debts RMB 0.00, net value RMB 329,617.43.

3. Other accounts receivable

As at March 31,2017, the balance of other accounts receivable is RMB 224,150.00, provision for bad debts RMB 0.00, net value RMB 224,150.00.

4. Fixed assets and accumulated depreciation

Category	2016.3.31	Increase of current year	Decrease of current year	2017.3.31
A. original value				
Houses and buildings	-	-	-	-
Mechanical equipments	-	-	-	-
Delivery equipments	-	-	-	-
Electronic equipments etc.	30,241.45		-	30,241.45
Total	**30,241.45**		**-**	**30,241.45**
B. Accumulated depreciation				
Houses and buildings			-	
Mechanical equipments			-	
Delivery equipments			-	
Electronic equipments etc.	686.34	9,013.89		9700.23
Total	**686.34**	**9,013.89**	**-**	**9,700.23**
C. Net value of fixed assets	**6,075.25**			**20,541.22**

No fixed assets provision for impairment losses for the period of March 31,2017.

5. Tax payable

As at March 31,2017, the balance of tax payable is RMB32,062.25. The detailed information is elaborated as bellows

Tax types	2017.3.31	2016.3.31
Value added tax	28,373.67	24,129.16
City construction tax	1986.16	1689.04
Additional tax of eduction	1418.68	1206.44
Channel charge	283.74	241.3
Total	32,062.25	27,265.94

6. Paid-in capital

As at March 31,2017, the capital injection is USD 226,875.90 (or RMB1,486,672.40) and the list is as follows (In RMB)

Name of Shareholder	2016.3.31	Increase of current year	Decrease of current year	2017.3.31	Percentage %
STERLITE TECHNOLOGIES LIMITED	1,486,672.40			1,486,672.40	100.00
Total	1,486,672.40			1,486,672.40	100.00

7. Undistributed profits

Item	Amount
Closing balance of last year	-722,754.79
Plus: change of accounting policy, correction for error in previous period	
Beginning balance of this year	489,235.99
Plus: transfer-in from net profit	
Plus: other comprehensive gain	
Less: appropriated surplus reserves	
cash dividend	
Undistributed profit at the ending of year	-233,518.80

8. Total operation revenue

Item	Amount of current year	Amount of last year
Revenue from main operations	10,308,157.57	1,808,587.31
Revenue from other operations		

9. Total operation cost

Item	Amount of current year	Amount of last year
Operation cost	3,821,818.81	
Operation tax and surcharge	46,839.85	13,934.27
General and administration expense	5,956,827.12	2,496,028.23
Financial expenses	-6,564.24	21,379.60

VII. Subsequent events

NONE

STERLITE(SHANGHAI)TRADING COMPANY LIMITED
March 31st, 2017

营业执照

注册号 310108000435022

证照编号 29000000201412180127

名　　称 上海仟一会计师事务所有限公司

类　　型 有限责任公司(国内合资)

住　　所 青浦区赵巷镇沪青平公路3609弄4幢2号楼107室

法定代表人 张毅

注册资本 人民币100.0000万元整

成立日期 2005年2月1日

营业期限 2005年2月1日 至 2025年1月31日

经营范围 审计、验资、财务培训服务，企业登记代理，税务代理服务，财会咨询。
【依法须经批准的项目，经相关部门批准后方可开展经营活动】

登记机关　上海市工商行政管理局青浦分局

2014年12月18日

企业信用信息公示系统网址：[illegible]

中华人民共和国国家工商行政管理总局监制

STERLITE CONDUSPAR INDUSTRIAL LTDA
CNPJ/MF: 17.819.305/0001-22
BALANCETE DE VERIFICAÇÃO

ENCERRADO EM 31 DE MARÇO DE 2017

(Valores expressos em milhares de reais - R$)

ATIVO	
ATIVO CIRCULANTE	
DISPONÍVEL	**281**
Disponibilidades	281
CRÉDITOS	**12.316**
Clientes a Receber	4.031
Tributos a Recuperar	1.166
Adiantamentos e Desp.Exerc.Seguinte	2.476
Estoques	4.643
Total do ATIVO CIRCULANTE	**12.596**
NÃO CIRCULANTE	
REALIZAVEL A LONGO PRAZO	**0**
Tributos a Recuperar	0
Partes Relacionadas	0
Depositos Judiciais	0
Creditos Fiscais Diferidos	0
INVESTIMENTOS	**0**
Sterlite Conduspar Industrial Ltda	0
IMOBILIZADO	**8.376**
Bens em Operação	9.968
(-) Depreciações	(1.666)
Imobilizado em Andamento	74
INTANGÍVEL	**0**
Bens Intangíveis	0
(-) Amortizações	0
Total do ATIVO NÃO CIRCULANTE	**8.376**
Total do ATIVO	**20.972**

PASSIVO E PATRIMONIO LIQUIDO	
PASSIVO CIRCULANTE	
EXIGÍVEL A CURTO PRAZO	**19.048**
Fornecedores	12.132
Impostos e Contribuições	1.013
Emprest / Financiamentos	
Salarios e Encargos	43
Provisões	277
Outras Obrigações	(287)
Partes Relacionadas	4.637
Adiantamentos Clientes	921
Parcelamentos Tributários	313
Total do PASSIVO CIRCULANTE	**19.048**
NÃO CIRCULANTE	
OBRIGAÇÕES A LONGO PRAZO	**1.122**
Fornecedores	0
Emprestimos /Financiamentos	0
Parcelamentos Tributários	1.122
Provisões para contigências	0
DIFERIDO	**0**
Débitos Fiscais Diferidos	0
Total do Passivo NÃO CIRCULANTE	**1.122**
Total do PASSIVO	**20.170**
PATRIMÔNIO LÍQUIDO	
CAPITAL SOCIAL	**12.814**
Capital Social Subscrito	12.814
RESERVAS	(12.013)
Reserva de Lucros	(9.020)
Reserva Legal	
Reserva para Futuro Aumento de Capital	0
Resultado Exercicio	(2.993)
Ajuste Avaliação Patrimonial	0
Lucros Distribuidos	0
	0
Total do PATRIMÔNIO LÍQUIDO	**802**
Total do PASSIVO + PATRIM. LIQUIDO	**20.972**

Reconhecemos a exatidão do presente Balancete de Verificação com base na documentação apresentada, encerrado em **31 DE MARÇO DE 2017** somando tanto em seu ATIVO como no PASSIVO, a importância supra de **R$ 20.972** ****************(Vinte Milhões, Novecentos e Setenta e Dois Mil Reais)****************************

ANDRE RAUEN ABAGE
ADMINISTRADOR
CPF: 961.591.209-30

EDUARDO VITALE
PR-064653/O-7
CPF: 133.532.718-56

STERLITE CONDUSPAR INDUSTRIAL LTDA
CNPJ/MF: 17.819.306/0001-22
DEMONSTRAÇÃO DO RESULTADO DO EXERCICIO
PERÍODO: 01 DE ABRIL DE 2016 A 31 DE MARÇO DE 2017

(Valores expressos em milhares de reais - R$)

	acumulado - 16/17
RECEITA OPERACIONAL BRUTA	**22.690**
Receitas de Vendas	22.690
	-
(-) DEDUÇÕES DA RECEITA	**(7.160)**
Impostos Incidentes Sobre Faturamento	(6.246)
Devoluções de Vendas	(914)
	-
OUTRAS RECEITAS OPERACIONAIS	-
Receitas Operacionais Diversas	
RECEITA OPERACIONAL LÍQUIDA	**15.530**
CUSTOS	**(14.948)**
Custo dos Produtos Vendidos	(14.948)
	-
LUCRO BRUTO OPERACIONAL	**582**
(-) DESPESAS OPERACIONAIS	
DESPESAS OPERACIONAIS	**(4.290)**
Despesas com Folha de Pagamento	(375)
Impostos e Taxas	(32)
Despesas Administrativas Diversas	(3.883)
DESPESAS E RECEITAS FINANCEIRAS	**774**
DESPESAS FINANCEIRAS	**985**
Juros Pagos ou Incorridos	(449)
Outras despesas financeiras	(22)
Variações Monetárias	1.456
RECEITAS FINANCEIRAS	**(212)**
Outras Receitas financeiras	39
Variações Monetárias	(251)
RESULTADO LÍQUIDO OPERACIONAL	**(2.934)**
RESULTADOS NÃO OPERACIONAIS	**(59)**
Despesas Indedutíveis	(59)
RESULTADO LIQUIDO	**(2.993)**
PROVISOES TRIBUTOS	
Impostos sobre o Lucro	
RESULTADO LÍQUIDO DO EXERCÍCIO	**(2.993)**

ANDRE RAUEN ABAGE
ADMINISTRADOR
CPF: 981.591.209-30

EDUARDO VITALE
PR-064653/O-7
CPF: 133.832.718-36

Sterlite Global Ventures (Mauritius) Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

Sterlite Global Ventures (Mauritius) Limited
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

		Date of appointment
DIRECTORS :	Gyaneshwarnath Gowrea	10-Aug-10
	Pravin Dwarkaprasad Agarwal	10-Aug-10
	Anand Gopaldas Agarwal	10-Aug-10
	Doomraj Sooneelall	30-Jun-15

ADMINISTRATOR & CORPORATE SECRETARY :

CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

REGISTERED OFFICE :

C/o CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

AUDITORS :

Crowe Horwath ATA

(Formerly known as Crowe Horwath (Mur) Co.)
Member Crowe Horwath International
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKER :

Barclays Bank (Mauritius) Limited
International Banking Division
3rd Floor, Barclays House
68-68A Cybercity, Ebene
Mauritius

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of Sterlite Global Ventures (Mauritius) Limited (the "Company") for the financial year ended 31 March 2017.

ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the year are as shown on page 8

The directors do not recommend the payment of any dividend for the year under review. (2016: Nil)

DIRECTORS

The present membership of the Board is set out on page 1. All directors served office throughout the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office, until the next annual meeting.

Cim global business
FUND | CORPORATE | FIDUCIARY SERVICES

Sterlite Global Ventures (Mauritius) Limited
SECRETARY'S CERTIFICATE
SECTION 166(D) OF THE COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, Sterlite Global Ventures (Mauritius) Limited (**"the Company"**) has filed with the Registrar of Companies for the year ended 31 March 2017, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Authorised Signatory

Date: 14 APR 2017

Crowe Horwath.

Crowe Horwath ATA
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Telephone : (230) 467 8684 / 466 2992
Telefax : (230) 467 7478
www.crowehorwath.mu

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF Sterlite Global Ventures (Mauritius) Limited

Opinion

We have audited the accompanying financial statements of **Sterlite Global Ventures (Mauritius) Limited** (the "Company") which comprise of the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended as set out on pages 7 to 10, and a summary of significant accounting policies and other explanatory information as set out on pages 11 to 22.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF Sterlite Global Ventures (Mauritius) Limited

Responsibilities of management and those charged with governance for the financial statements (Continued)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS Sterlite Global Ventures (Mauritius) Limited

Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA

Crowe Horwath ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: 14 APR 2017
Ebene, Mauritius

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

ASSETS	NOTES	2017 USD	2016 USD
Non-current asset			
Investment in subsidiary	7	**12,375,000**	12,375,000
Current assets			
Other receivables and prepayments	8	**2,070**	2,070
Cash and cash equivalents		**1,784**	18,695
Total current assets		**3,854**	20,765
TOTAL ASSETS		**12,378,854**	12,395,765
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	**12,381,447**	12,381,447
Accumulated losses		**(47,351)**	(34,818)
Total equity		**12,334,096**	12,346,629
Non-current liability			
Borrowing	10	**40,000**	40,000
Current liability			
Other payables	11	**4,758**	9,136
Total liabilities		**44,758**	49,136
TOTAL EQUITY AND LIABILITIES		**12,378,854**	12,395,765

These financial statements have been approved and authorised for issue by the Board of directors on and signed on ....14 APR 2017....... its behalf by:

} **DIRECTORS** Joomraj Sooneelall
} Gyaneshwarnath Gowrea

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 USD	2016 USD
EXPENSES			
Licence fees		**(2,015)**	(1,891)
Professional fees		**(6,200)**	(4,325)
Accounting fee		**(400)**	(2,200)
Audit fee		**(1,768)**	(2,056)
Disbursements		**(375)**	(390)
TOTAL EXPENSES		**(10,758)**	(10,862)
FINANCE COSTS			
Bank charges		**(985)**	(290)
Interest expense	11	**(790)**	-
Loss before taxation		**(12,533)**	(11,152)
Taxation	12	-	-
Loss for the year		**(12,533)**	(11,152)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(12,533)**	(11,152)

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital USD	Accumulated losses USD	Total equity USD
At 1 April 2015	12,381,447	(23,666)	12,357,781
Total comprehensive loss for the year	-	(11,152)	(11,152)
At 31 March 2016	12,381,447	(34,818)	12,346,629
Total comprehensive loss for the year	-	(12,533)	(12,533)
At 31 March 2017	**12,381,447**	**(47,351)**	**12,334,096**

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	2017 USD	2016 USD
Cash flows from operating activities			
Loss before taxation		**(12,533)**	(11,152)
Changes in working capital:			
Increase in prepayments		-	(1,199)
(Decrease)/increase in other payables		**(4,378)**	4,456
Net cash used in operating activities		**(16,911)**	(7,895)
Cash flows from financing activities			
Refund of fund to holding company	10	-	(190)
Funds received from holding company	10	-	25,000
Net cash generated from financing activities		-	24,810
Net movements in cash and cash equivalents		**(16,911)**	16,915
Cash and cash equivalents at beginning of the year		**18,695**	1,780
Cash and cash equivalents at end of the year		**1,784**	18,695

The notes on pages 11 to 22 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

1 GENERAL INFORMATION

The Company was incorporated in Mauritius, under the Mauritius Companies Act 2001 on 10 August 2010 and holds a Category 1 Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007. The Company's registered office is at c/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The principal activity of the Company is that of investment holding.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") and under the historical cost convention, as modified by the exemption for non-consolidation provided by the Mauritius Companies Act 2001 .

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the company`s accounting policies. The areas involving a higher degree or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 5.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2016.

Amendment to IAS 1 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income in associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company and should be separated into the share of items that, in accordance with other IFRSs:

(i) will not be reclassified subsequently to profit or loss; and

(ii) will be reclassified subsequently to profit or loss when specific conditions met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(i) New and amended standards and interpretations (Continued)

Annual improvements 2012-2014 Cycle

IFRS 7 Financial Instruments: Disclosures

(a) *Servicing contracts*

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. These amendments are not expected to have any impact on the Company.

(b) *Applicability of the amendments to IFRS 7 to the financial statements*

The amendment clarifies that the offsetting disclosure requirements do not apply to the financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Company.

IAS 34 Interim Financial Reporting

Disclosure of information 'elsewhere in the interim financial report'

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the financial statements and at the same time. This amendment must be applied retrospectively.

(ii) Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however, the Company has not early applied the following new or amended standards in preparing these financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the now requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(ii) Standards issued but not yet effective (Continued)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortise cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting period. Debt instrument that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent changes in the fair value of an entity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value though, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount to the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-Step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue (or as) the entity satisfies a performance obligation

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(ii) Standards issued but not yet effective (Continued)

IFRS 15 Revenue from Contracts with Customers (Continued)

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

Amendments to IAS 12 Income tax -Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assessed whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that is probable that the entity will achieve this; and

4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

Amendments to IAS 7 Statement of Cash flows (Disclosure Initiative)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value which is the value of consideration received or given plus transaction costs and subsequently at fair value or at amortised costs.

Financial instruments carried on the statement of financial position include cash and cash equivalents, receivables, borrowing and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 14.

(i) Cash and cash equivalents

Cash comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(ii) Borrowings

Interest bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on an accruals basis and charged to the statement of profit or loss and other comprehensive income.

(iii) Other payables

Other payables are recorded at anticipated settlement amounts.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States dollar ("USD"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity

Stated capital represents the proceeds received and in consideration for which, ordinary shares were issued.

Accumulated losses include all current and prior period results as presented in the statement of profit or loss and other comprehensive income.

Expense recognition

Expenses are recognised on an accrual basis in the statement of profit or loss.

Related parties

Related parties are individuals and companies where the individuals or companies have the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions, or vice versa.

Revenue recognition

Revenue earned by the Company is recognised on the following basis:

Interest income - as it shall be accrued, unless collectibility is in doubt.

Dividend income - should be recognised when the shareholders' rights to receive payments have been established.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Investment in subsidiary

Subsidiary undertakings are those entities in which the Company controls an investee if all of the following elements are present:

(i) power over the investee, exposure to variable returns from the investee, and

(ii) the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

(i) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights,

(ii) Substantive potential voting rights held by the Company and by other parties,

(iii) Other contractual arrangements,

(iv) Historic patterns in voting attendance.

Investment in subsidiary is shown at cost, less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

5 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires the directors to make use of certain critical accounting estimates. It also requires directors to exercise its judgement in the process of applying the Company's accounting policies.

The following are the management's judgements made in applying the accounting policies of the Company that have the most significant effect on the financial statements. Critical estimation uncertainties are described in note 6.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 4, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (USD).

Impairment of financial assets

Management assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. There are no such indications of events having impact on future cash flows of the Company. Therefore, no impairment provision is required to be made by the Company.

Impairment of non-financial asset

In assessing whether a full impairment test is required for the investment in the subsidiary, the Company has considered whether it has recognised a dividend from the investment and evidence is available that:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the subsidiary's net assets; or
- the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared

The directors have noted that the carrying amount of the investment in the separate financial statements is lower than the carrying amount in the financial statements of the subsidiary's net assets. Therefore, no impairment provision is required to be made by the Company.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly or virtually wholly owned subsidiary company holding a Category 1 Global Business Licence and having any company not to prepare consolidated financial statements. The financial statements are, therefore, separate financial statements which contain information about Sterlite Global Ventures (Mauritius) Limited as an individual company and do not contain consolidated financial information as the parent of a Group.

6 ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

7 INVESTMENT IN SUBSIDIARY

	2017 USD	2016 USD
At 31 March	**12,375,000**	12,375,000

Details of investment in the subsidiary incorporated in China are as follows:

Name of investee company	Class of shares held	Number of shares held	% Holding	Nominal value of Investment
Jiangsu Sterlite Tongguang Fiber Co. Ltd	Ordinary	12,375,000	75%	12,375,000

The directors have reviewed the financial position and performance of the subsidiary. They are of the opinion that the estimated recoverable amount of the investment is not less than its carrying amount and the investment has not suffered any impairment for the year under review.

8 OTHER RECEIVABLES & PREPAYMENTS

	2017 USD	2016 USD
Prepayments	**2,069**	2,069
Other receivables	**1**	1
	2,070	2,070

9 STATED CAPITAL

	2017 USD	2016 USD
At 31 March	**12,381,447**	12,381,447

The issued share capital of the Company comprises of 12,381,447 ordinary shares with a par value of USD1 per share. These shares are entitled to voting rights and to dividends. The shareholders have various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

10 BORROWING

	2017 USD	2016 USD
Principal amount		
At start of the year	**40,000**	15,190
Additions during the year	**-**	25,000
Refund of fund during the year	**-**	(190)
At end of the year	**40,000**	40,000

Effective 1 April 2016, the loan balance of USD 40,000 payable to Sterlite Technologies Limited ('**STL**') bears an interest rate of Libor+60 BPS i.e 1.976 %. The loan has no fixed repayment terms.

11 OTHER PAYABLES

	2017 **USD**	2016 USD
Interest payable to STL	**790**	-
Accruals	**3,968**	9,136
	4,758	9,136

12 TAXATION

The Company, under current laws and regulations, is liable to pay income tax on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or deemed tax credit of 80% of the Mauritius tax payable on its foreign source income.

There is no capital gains tax in Mauritius. Any dividend and redemption proceeds paid by the Company to its shareholders are also exempted from any withholding tax in Mauritius. However, no tax provision has been made for the year under review in view of accumulated tax losses of **USD 59,663** as at 31 March 2017 (2016: USD 58,635). The loss of USD 11,505 carried forward up to 31 March 2017 has been lapsed.

The directors have in accordance with the Company's accounting policy not recognised a deferred tax asset as the probability of taxable profit arising in future is remote.

	2017 **USD**	**Expiry date**
31 March 2013	**12,310**	2018
31 March 2014	**11,295**	2019
31 March 2015	**12,373**	2020
31 March 2016	**11,152**	2021
31 March 2017	**12,533**	2022
	59,663	

13 During the year under review, the Company transacted with a related entitiy. The nature, volume of transactions and balances with this entity are as follows:

Amount due to holding company - Sterlite Technologies Limited

Payable over a year

	2017 **USD**	2016 USD
At beginning of the year	**40,000**	15,190
Additions during the year	**-**	25,000
Refund of fund during the year	**-**	(190)
At end of the year	**40,000**	40,000

The loan balance of USD 40,000 payable to STL bears an interest rate of Libor+60 BPS i.e 1.976 %.

13 RELATED PARTY DISCLOSURES (CONTINUED)

Fees paid to key management personnel

There was no compensation of key management personnel for the year ended 31 March 2017 (2016: USD Nil).

Professional fees of USD 2,500 have been incurred by the Company for the year ended 31 March 2017 (2016: USD 2,500) in relation to directorship services rendered by Messrs. Gyaneshwarnath Gowrea and Doomraj Sooneelall. However, these fees are not paid to the individual officers but to the Company's administrator.

14 FINANCIAL INSTRUMENTS

Fair values
The carrying amounts of the assets and liabilities of the Company approximate to their fair values.

Currency profile
The Company's financial assets and liabilities are denominated in USD.

Risk and capital management

The capital of the Company is primarily for investment purposes in view of generating a return on the investment made by the shareholder. It is the Company's policy to finance its investment and any operating expenses from equity instruments. There were no changes in the Company's approach to capital management during the year.

The risks arising from the Company's financial instruments are as follows:
(i) Liquidity risk
(ii) Market risk
(iii) Interest rate risk

The Board of directors reviews and agrees policies for managing this risks are as follows:

(i) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has the continued financial support of its holding company in this process. Changes in liquidity risk will not have any material impact on the financial statements.

31 March 2017	**More than 1 year**	**Up to 1 year**
Liabilities	**USD**	**USD**
Borrowing	**40,000**	**-**
Other payables	**-**	**4,758**
Total	**40,000**	**4,758**

31 March 2016	More than 1 year	Up to 1 year
Liabilities	USD	USD
Borrowing	40,000	-
Other payables	-	9,136
Total	40,000	9,136

14 FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines. The Company is not subject to significant amount of risk as the unquoted investment is mainly financed by its parent. Changes in market risk will not have any material impact in the financial statements.

(iii) Interest rate risk

For the year ended 31 Mach 2017, the Company is exposed to changes in market interest rates on its financial assets on account of its loan to subsidiary and bank balance and on its financial liabilities on account of its loans from holding company which are at fixed/variable interest rates.

The following table details the Company 's exposure to interest rate risks. The total interest sensitivity gap represents the net notional amounts of all interest sensitive financial instruments.

31 March 2017	**USD**
Financial Assets	
Non interest bearing	1,784
Variable interest instrument	-
Total	1,784

Financial Liabilities	**USD**
Non interest bearing	4,758
Variable interest instrument	40,000
Total	44,758

Interest rate sensitivity

If interest rates had been 100 basis points higher/ lower and all other variables were held constant, the net loss for the year ended 31 March 2017 would increase/decrease by USD 400 (2016: USD NIL). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings.

Interest Rate	Low	High
	(1%)	1%
Variable interest instrument	(40,000)	40,000
Impact on total assets of the Company	(400)	400

Fair value hierarchy

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

14 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability.

The following tables set out the fair values of financial instruments that are analysed by the level in the fair value hierarchy into which each fair value measurement is categorised:

31 March 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**USD**	**USD**	**USD**	**USD**
Investment in subsidiary	-	-	**12,375,000**	**12,375,000**
Cash and cash equivalents	-	-	**1,784**	**1,784**
Total assets	-	-	**12,376,784**	**12,376,784**
Liabilities				
Borrowing	-	-	**40,000**	**40,000**
Other payables	-	-	**4,758**	**4,758**
Total liabilities	-	-	**44,758**	**44,758**

31 March 2016	Level 1	Level 2	Level 3	Total
Assets	USD	USD	USD	USD
Investment in subsidiary	-	-	12,375,000	12,375,000
Cash and cash equivalents	-	-	18,695	18,695
Total assets	-	-	12,393,695	12,393,695
Liabilities				
Borrowing	-	-	40,000	40,000
Other payables	-	-	9,136	9,136
Total liabilities	-	-	49,136	49,136

The fair values of cash and cash equivalents and accruals approximate their carrying values due to their short-term nature.

15 HOLDING COMPANY

The directors consider Sterlite Technologies Limited, a company established in India and listed on the National Stock Exchange and Bombay Stock Exchange, as the holding company and ultimate holding company.

16 EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2017.

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

FINANCIAL STATEMENTS
31 March 2017

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

FINANCIAL STATEMENTS
31 March 2017

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STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Anand Agarwal Andreas Avraamidis Popi Savva
Company Secretary:	Chelco Management Services Limited
Independent Auditors:	Costas Tsielepis & Co Ltd 205, 28th October Street Louloupis Court, 1st Floor 3035 Limassol Cyprus
Registered office:	221 Christodoulou Chatzipavlou Helios Court, 1st floor 3036, Limassol Cyprus
Banker:	ICICI Bank UK Plc
Registration number:	289252

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Independent Auditor's Report

To the Members of Sterlite Technologies Europe Ventures Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterlite Technologies Europe Ventures Limited (the "Company"), which are presented in pages 5 to 13 and comprise the statement of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2 to the financial statements where it is indicated that the financial statements have not been prepared on a going concern basis since it is the intention of the Management to liquidate the Company as soon as arrangements can be made. Our opinion is not qualified in respect of this matter.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the additional information to the statement of profit or loss and other comprehensive income on pages 14-16, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of Sterlite Technologies Europe Ventures Limited

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

Independent Auditor's Report (continued)

To the Members of Sterlite Technologies Europe Ventures Limited

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

GEORGE C. TSIELEPIS
COSTAS TSIELEPIS & CO LIMITED

George Tsielepis
Chartered Accountant and Registered Auditor
for and on behalf of
Costas Tsielepis & Co Ltd

Limassol, 14 June 2017

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 March 2017

	Note	**01/04/2016-31/03/2017 €**	01/04/2015-31/03/2016 €
Administration expenses		**(1,119)**	(1,634)
Operating loss		**(1,119)**	(1,634)
Finance costs	5	**(15)**	(75)
(Loss) before tax		**(1,134)**	(1,709)
Tax	6	**-**	-
Net loss for the year		**(1,134)**	(1,709)
Other comprehensive income		**-**	
Total comprehensive loss for the year		**(1,134)**	(1,709)

The notes on pages 9 to 13 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

31 March 2017

	Note	31 March 2017 €	31 March 2016 €
ASSETS			
Current assets			
Receivables	7	**7,822**	-
Cash at bank and in hand	8	**2,496**	11,558
		10,318	11,558
Total assets		**10,318**	11,558
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**2,000**	2,000
Share premium		**13,000**	13,000
Accumulated losses		**(5,577)**	(4,443)
Total equity		**9,423**	10,557
Current liabilities			
Trade and other payables	10	**895**	1,001
		895	1,001
Total equity and liabilities		**10,318**	11,558

On 14 June 2017 the Board of Directors of Sterlite Technologies Europe Ventures Limited authorised these financial statements for issue.

....
Director

....
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
31 March 2017

	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 31 March 2015/ 1 April 2015	2.000	13.000	(2.734)	12.266
Total comprehensive loss for the year	-	-	(1.709)	(1.709)
Balance at 31 March 2016/ 1 April 2016	**2.000**	**13.000**	**(4.443)**	**10.557**
Total comprehensive loss for the year	-		(1.134)	(1.134)
Balance at 31 March 2017	**2.000**	**13.000**	**(5.577)**	**9.423**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

CASH FLOW STATEMENT
31 March 2017

	Note	01/04/2016-31/03/2017 €	01/04/2015-31/03/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		(1.134)	(1.709)
		(1.134)	(1.709)
Changes in working capital:			
Increase in receivables		(7.822)	-
Decrease in trade and other payables		(106)	(12.000)
Cash used in operations		(9,062)	(13.709)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised exchange profit		-	
Net decrease in cash and cash equivalents		(9,062)	(13.709)
Cash and cash equivalents at beginning of the year		11,558	25,267
Cash and cash equivalents at end of the year	8	2,496	11,558

The notes on pages 9 to 13 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2017

1. Incorporation and principal activities

Country of incorporation

The Company Sterlite Technologies Europe Ventures Limited (the "Company") was incorporated in Cyprus on 23 June 2011 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 221 Christodoulou Chatzipavlou, Helios Court, 1st floor, 3036, Limassol, Cyprus.

Principal activity and nature of operations of the Company

The Company did not carry out any operations during the year.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The financial statements have not been prepared on a going concern basis since it is the intention of the management to liquidate the Company as soon as arrangements can be made.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

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

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Significant accounting policies (continued)

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as by maintaining sufficient cash and by having available an adequate amount of committed credit facilities.

3.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Critical accounting estimates and judgements (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Finance costs

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
Sundry finance expenses	**15**	75
	15	75

6. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	01/04/2016- 31/03/2017 €	01/04/2015 31/03/2016 €
(Loss) before tax	**(1,134)**	(1,709)
Tax calculated at the applicable tax rates	**(142)**	(214)
Tax effect of tax loss for the year	**142**	214
Tax charge	**-**	-

The corporation tax rate is 12,5% (2013:12.5%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 March 2017, the balance of tax losses which is available for offset against future taxable profits amounts to €17,940 for which no deferred tax asset is recognised in the statement of financial position.

7. Receivables

	31 March 2017 **€**	31 March 2016 €
Parent company's current accounts - debit balances (Note 11.1)	**7,822**	-
	7,822	-

The parent company's balance bears no interest and there is no specified repayment date.

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

8. Cash at bank and in hand

Cash balances are analysed as follows

	31 March 2017 **€**	31 March 2016 €
Cash at bank and in hand	**2,496**	11,558
	2,496	11,558

9. Share capital

	31 March 2016 **Number of shares**	**31 March 2016** **€**	31 March 2015 Number of shares	31 March 2015 €
Authorised Ordinary shares of €1 each	**10,000**	**10,000**	10,000	10,000
Issued and fully paid Balance at 1 April	**2,000**	**2,000**	2,000	2,000
Balance at 31 March	**2,000**	**2,000**	2,000	2,000

10. Trade and other payables

	31 March 2017 **€**	31 March 2016 €
Accruals	**895**	1,001
	895	1,001

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

11. Related party transactions

The Company is controlled by Sterlite Technologies Limited, incorporated in India, which owns 100% of the Company's shares.

11.1 Parent company's current accounts - debit balances (Note 7)

	31 March 2017 €	31 March 2016 €
Sterlite Technologies Ltd	7,822	-
	7,822	

The parent company's accounts are interest free, and have no specified repayment date.

12. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2017.

13. Commitments

The Company had no capital or other commitments as at 31 March 2017.

14. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

STERLITE TECHNOLOGIES EUROPE VENTURES LIMITED

ADMINISTRATIVE EXPENSES

31 March 2017

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
Auditors' remuneration - current year	893	1,000
Auditors' remuneration - prior years	-	634
Other professional fees	226	-
	1,119	1,634

FINANCE COSTS
31 March 2017

	01/04/2016- 31/03/2017 €	01/04/2015- 31/03/2016 €
Finance costs		
Sundry finance expenses		
Bank charges	**15**	75
	15	75

COMPUTATION OF CORPORATION TAX

31 March 2017

	Page		£
Net loss per income statement	5		(1,134)
Net loss for the year			(1,134)

Apportionment to the relevant years of assessment	2017 £	2016 £
Period 01/04/2016 - 31/12/2016		(1,134)
	-	(1,134)
	-	(1,134)
Loss brought forward		(16,806)
Loss carried forward		(17,940)

S R B C & CO LLP
Chartered Accountants

C-401, 4th Floor
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INDEPENDENT AUDITOR'S REPORT

To the Members of Sterlite Telesystems Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Sterlite Telesystems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and had no cash dealings during this period.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: July 04, 2017

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

Re: Sterlite Telesystems Limited (the "Company")

(i) There are no property, plant and equipment in the Company, hence the requirements under paragraph 3(i)(a), (b) and (c) are not applicable to the Company and hence not commented upon.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

(vi) To the best of our knowledge and as explained, the cost records prescribed by the Central Government under section 148(1) of the Companies Act, 2013, are not applicable to the Company for the year ended March 31, 2017.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other material statutory dues applicable to it. The Company did not have any statutory dues towards service tax, value added tax, provident fund, sales tax, custom duty, excise duty, cess and employees' state insurance.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, service tax, sales-tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to information and explanation given by the management, the company has not paid any managerial remuneration during the year hence reporting under clause 3(xi) is not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, there are no related party transactions entered during the year to which provisions of section 188 are applicable. Further, the provisions of section 177 are not applicable to the Company. The details of related party transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: July 04, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF STERLITE TELESYSTEMS LIMITED

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

We have audited the internal financial controls over financial reporting of Sterlite Telesystems Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

Opinion

In our opinion, the Company has, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune
Date: July 04, 2017

STERLITE TELESYSTEMS LIMITED
BALANCE SHEET AS AT 31 MARCH 2017

	Notes	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Assets			
Non-current assets			
Financial assets			
Other financial assets	3	3.07	0.55
Other assets	4	0.29	-
Total non-current assets		3.36	0.55
Current assets			
Financial assets			
Cash and cash equivalents	5	0.64	1.45
Total current assets		0.64	1.45
Total assets		4.00	2.00
Equity and liabilities			
Equity			
Equity share capital	6	2.00	2.00
Other equity			
Retained earnings	7	(6.72)	(2.91)
Total equity and liabilities		(4.72)	(0.91)
Current liabilities			
Financial liabilities			
Short term borrowings	8	6.44	0.91
Other financial liabilities	9	2.28	2.00
Total liabilities		8.71	2.91
Total liabilities		4.00	2.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: July 04, 2017

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

K S Rao
Director
DIN:00022533

Place: Mumbai
Date: July 04, 2017

Anupam Jindal
Director
DIN: 03040078

Place: Mumbai
Date: July 04, 2017

STERLITE TELESYSTEMS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Income			
Other income		-	-
Total income (I)		-	-
Expenses			
Other expenses	10	3.17	2.91
Total expenses (II)		3.17	2.91
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(3.17)	(2.91)
Finance costs	11	0.64	-
Loss before tax		(3.81)	(2.91)
Tax expense			
(i) Current tax		-	-
(ii) Deferred tax		-	-
		-	-
Loss for the year		(3.81)	(2.91)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(3.81)	(2.91)
Earnings per equity share			
Basic and diluted			
Computed on the basis of loss for the year (Rs. per share)	12	(19.05)	(14.57)
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 S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105734

Place: Pune
Date: July 04, 2017

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

K S Rao
Director
DIN:00022533

Place: Mumbai
Date: July 04, 2017

Anupam Jindal
Director
DIN: 03040078

Place: Mumbai
Date: July 04, 2017

STERLITE TELESYSTEMS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	March 31, 2017 (Rs. in Lacs)	March 31, 2016 (Rs. in Lacs)
Operating activities			
Loss before tax		(3.81)	(2.91)
Finance costs		0.64	-
Operating profit before working capital changes		(3.17)	(2.91)
Movement in working capital:			
(Increase)/decrease in other financial assets	3	(2.52)	(0.55)
(Increase)/decrease in other assets	4	(0.29)	-
Increase/(decrease) in other financial liabilities	9	(0.36)	2.00
Change in working capital		(3.17)	1.45
Cash used in operations		(6.33)	(1.46)
Direct taxes paid (net of refunds)		-	-
Net cash used in operations		(6.33)	(1.46)
Net cash flow from investing activities		-	-
Financing activities			
Proceeds of issue of share capital	6	-	2.00
Proceeds from short term borrowings from holding company	8	5.53	0.91
Net cash flow from financing activities		5.53	2.91
Net increase / (decrease) in cash and cash equivalents		(0.81)	1.45
Cash and cash equivalents as at the beginning of year	5	1.45	-
Cash and cash equivalents as at the year end	5	0.64	1.45
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts (refer note 5)		0.64	1.45
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 S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: July 04, 2017

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

K S Rao
Director
DIN:00022533

Place: Mumbai
Date: July 04, 2017

Anupam Jindal
Director
DIN: 03040078

Place: Mumbai
Date: July 04, 2017

STERLITE TELESYSTEMS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

A. Equity share capital

	No. in Lacs	Rs. in Lacs
At the beginning of the period	-	-
Issue of share capital (Note 6)	0.20	2.00
At March 31, 2016	**0.20**	**2.00**
At March 31, 2017	**0.20**	**2.00**

B. Other equity

	(Rs. in Lacs) Retained earnings
At the beginning of the period	-
Loss for the period	(2.91)
At March 31, 2016	**(2.91)**
Loss for the period	(3.81)
At March 31, 2017	**(6.72)**

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 S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: July 04, 2017

For and on behalf of the Board of Directors of
Sterlite Telesystems Limited

K S Rao
Director
DIN:00022533

Place: Mumbai
Date: July 04, 2017

Anupam Jindal
Director
DIN: 03040078

Place: Mumbai
Date: July 04, 2017

1. Corporate information

Sterlite Telesystems Limited (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 21 September 2015 and is a wholly owned subsidiary of Speedon Network Limited.

The Ind AS financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on July 04, 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer note 17 for information on how the Company adopted Ind AS.

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

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b) Foreign currencies

The Company's Ind AS financial statements are presented in INR, which is its functional currency.

c) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value.

d) Taxes

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised:

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

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

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

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

e) 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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

f) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits and bank balance;

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

- Other receivables

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

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

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

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

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

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

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

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

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

Financial liabilities

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

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

The Company's financial liabilities include short term borrowings and other financial liabilities.

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

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

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

Loans and borrowings

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

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

Derecognition

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

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.

The following table shows various reclassification and how they are accounted for:

Original classification	**Revised Classification**	**Accounting Treatment**
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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.

g) Cash and cash equivalents

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

h) Presentation of EBITDA

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

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

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendments to Ind AS 7, Statement of Cash Flows
The amendments to Ind AS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosures in the financial statements.

Amendments to Ind AS 102, Share-based Payment
The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. These amendments do not have any effect on the financial statements.

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NOTE 3: Other financial assets

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Security deposits	0.55	0.55
Other receivables	2.52	-
Total	3.07	0.55

NOTE 4: Other assets

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Non-current		
Balances with central excise authorities	0.29	-
Total Non-current	0.29	-

NOTE 5: Cash and cash equivalents

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Balance with banks:		
On current accounts	0.64	1.45
Total	0.64	1.45

NOTE 6: Share capital

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Authorised shares		
50,000 (31 March 2016: 50,000) Equity Shares of Rs.10 each	5.00	5.00
Issued, Subscribed and fully paid-up shares		
20,000 (31 March 2016: 20,000) Equity Shares of Rs.10 each fully paid up	2.00	2.00
Total issued, subscribed and fully paid-up share capital	2.00	2.00

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

	31 March 2017		31 March 2016	
	(No. in Lacs)	(Rs. in Lacs)	(No. in Lacs)	(Rs. in Lacs)
At the beginning of the period	0.20	2.00	-	-
Issued during the year	-	-	0.20	2.00
Outstanding at the end of the year	0.20	2.00	0.20	2.00

b. Terms/rights attached to equity shares

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

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

	31 March 2017		31 March 2016	
	(No. in Lacs)	% holding	(No. in Lacs)	% holding
Spenlon Network Limited, holding company	0.20	100%	0.20	100%

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

	31 March 2017		31 March 2016	
	(No. in Lacs)	% holding	(No. in Lacs)	% holding
Spenlon Network Limited, holding company	0.20	100%	0.20	100%

NOTE 7 : Other equity

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Deficit in the statement of profit and loss		
Balance as per last financial statements	(2.91)	-
Loss for the year	(3.81)	(2.91)
Net deficit in the statement of profit and loss	(6.72)	(2.91)

NOTE 8 : Short term borrowings

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Loan from related party (unsecured)	6.44	0.91
Total	6.44	0.91
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	6.44	0.91
Net Amount	6.44	0.91

The Company has obtained unsecured borrowing from holding company which carries interest at 7.50% p.a.

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NOTE 9 : Other financial liabilities

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
TDS payable	0.10	0.20
Interest payable to holding company	0.64	-
Others	1.54	1.80
Total	2.28	2.00

NOTE 10 : Other expenses

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Rates and taxes	0.06	-
Legal & professional	0.81	0.91
Payment to auditor (As Audit Fees)	2.25	2.00
Miscellaneous expenses	0.05	-
Total	3.17	2.91

NOTE 11 : Finance cost

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Interest on financial liabilities measured at amortised cost		
- On loan from holding company	0.64	-
	0.64	-

NOTE 12: Earnings per share

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

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

The following reflects the loss and share data used in the basic and diluted EPS computation

	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Loss for the year	(3.81)	(2.91)
Weighted average number of equity shares in calculating basic and diluted EPS (Numbers)	20,000	20,000
Earnings per share		
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(19.05)	(14.57)

NOTE 13: Fair values

The management assessed that cash and cash equivalents, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 14: Related party transactions

A. Name of related party and nature of relationships:

Related parties where control exists:

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

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

	Transactions with Speedon Network Limited	
	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Transactions during the period		
Issue of shares	-	2.00
Short term loan taken	5.53	0.91
Interest expense	0.64	-

	Speedon Network Limited	
	31 March 2017 (Rs. in Lacs)	31 March 2016 (Rs. in Lacs)
Closing balances as at period end		
Interest payable	0.64	-
Amount payable	6.44	0.91

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NOTE 15: Financial Risk Management Objectives And Policies

The Company's principal financial liabilities are mainly short term borrowings and the other financial liabilities. These liabilities mainly represents the payable for services availed by the Company and reimbursements payable to group company. The Company's principal financial assets include cash and cash equivalents and other financial assets.

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

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

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

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk mainly with respect to balances with banks.

Balances with banks

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 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. The Company closely monitors its liquidity position and deploys a robust cash management system.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The payables of the company are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs. in Lacs)

Particulars	Payable on demand	Less than 3 months	Total
As at March 31, 2017			
Short term borrowings	6.44	-	6.44
Other financial liabilities	-	2.28	2.28
	6.44	2.28	8.72
As at March 31, 2016			
Short term borrowings	0.91	-	0.91
Other financial liabilities	-	2.00	2.00
	0.91	2.00	2.91

NOTE 16: Capital Management

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

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

Particulars	As at March 31, 2017 (Rs. In Lacs)	As at March 31, 2016 (Rs. In Lacs)
Interest Bearing Loans and borrowings	6.44	-
Other Financial Liabilities	2.28	2.00
Less: cash and cash equivalents	(0.64)	(1.45)
Net debt	8.09	0.55
Equity share capital	2.00	2.00
Other equity	(6.72)	(2.91)
Total capital	(4.72)	(0.91)
Capital and net debt	3.36	(0.36)
Gearing ratio	240.57%	-151.0%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

NOTE 17: First Time Adoption

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on 31 March 2017, together with the comparative period data as at 31 March 2016 and for the period from 21 September 2015 to 31 March 2016, as described in the summary of significant accounting policies. The Company was incorporated on September 21, 2015.

There are no differences between Ind AS and Indian GAAP hence reconciliations of equity as at 31 March 2016 and profit reconciliation for the period from 21 September 2015 to 31 March 2016 have not been given.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: July 04, 2017

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

K S Rao
Director
DIN:00022533

Place: Mumbai
Date: July 04, 2017

Anupam Jindal
Director
DIN: 03040078

Place: Mumbai
Date: July 04, 2017

Report of the Directors and

Financial Statements for the Year Ended 31 March 2017

for

STERLITE TECHNOLOGIES UK VENTURES LTD

STERLITE TECHNOLOGIES UK VENTURES LTD

Contents of the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

STERLITE TECHNOLOGIES UK VENTURES LTD

Company Information
FOR THE YEAR ENDED 31 MARCH 2017

DIRECTORS:	A Agarwal K S Rao
REGISTERED OFFICE:	Third Floor 126-134 Baker Street London W1U 6UE
REGISTERED NUMBER:	08550014 (England and Wales)
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

STERLITE TECHNOLOGIES UK VENTURES LTD

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of an investment company.

REVIEW OF BUSINESS
The Company has invested £ [illegible] in Sterlite Technologies Industria LTDA, a 38% Joint Venture in Brazil. The Brazilian entity is a manufacturer and trader of Optical Fibre Cables.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

A Agarwal
K S Rao

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
A Agarwal - Director

Date: 26/06/2017

Report of the Independent Auditors to the Members of Sterlite Technologies UK Ventures Ltd

We have audited the financial statements of Sterlite Technologies UK Ventures Ltd for the year ended 31 March 2017 on pages four to eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
  have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
  the financial statements are not in agreement with the accounting records and returns; or
  certain disclosures of directors' remuneration specified by law are not made; or
  we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Sanjeev Phadse (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

Date: 26 JUNE 2017

STERLITE TECHNOLOGIES UK VENTURES LTD

Income Statement
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
TURNOVER		-	-
Administrative expenses		3,350	3,793
OPERATING LOSS		(3,350)	(3,793)
Interest payable and similar expenses		25,746	22,024
LOSS BEFORE TAXATION		(29,096)	(25,817)
Tax on Loss		-	-
LOSS FOR THE FINANCIAL YEAR		(29,096)	(25,817)

The notes form part of these financial statements

STERLITE TECHNOLOGIES UK VENTURES LTD (REGISTERED NUMBER: 08550659)

Balance Sheet
31 MARCH 2017

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	3		1,971,049		1,939,870
CURRENT ASSETS					
Cash at bank		998		1,367	
CREDITORS					
Amounts falling due within one year	4	5,750		5,750	
NET CURRENT LIABILITIES			(4,752)		(4,383)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,966,297		1,935,487
CREDITORS					
Amounts falling due after more than one year	5		2,042,821		1,982,915
NET LIABILITIES			(76,524)		(47,428)
CAPITAL AND RESERVES					
Called up share capital			3,150		3,150
Retained earnings			(79,674)		(50,578)
SHAREHOLDERS' FUNDS			(76,524)		(47,428)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were authorised for issue by the Board of Directors on 26/06/2017 and were signed on its behalf by:

A Agarwal

A Agarwal - Director

The notes form part of these financial statements

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

1. STATUTORY INFORMATION

Sterlite Technologies UK Ventures Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern
The financial statements have been prepared on a going concern basis. The parent company will provide the necessary support to maintain the company as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

3. FIXED ASSET INVESTMENTS

	2017	2016
	£	£
Shares in group undertakings	1,971,026	1,833,949
Loans to group undertakings	-	122,923
	1,971,026	1,956,872

continued...

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2017

3. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

	Shares in group undertakings £
COST	
At 1 April 2016	1,834,949
Additions	136,077
At 31 March 2017	1,971,026
NET BOOK VALUE	
At 31 March 2017	1,971,026
At 31 March 2016	1,834,949

	Loans to group undertakings £
At 1 April 2016	101,933
Repayment in year	(101,933)
At 31 March 2017	-

The above investment represents a 58% holding in Sterlite Conduspar Industrial LTDA, a company incorporated in Brazil.

These financial statements contain information about Sterlite Technologies UK Ventures Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 as the company itself is a subsidiary undertaking and its parent undertaking is not established under the law of an EEA state. The company is included in consolidated accounts of its parent company.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other creditors	5,790	5,351

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Amounts owed to group undertakings	2,042,815	1,982,915

The parent company has provided a line of credit of $ 3,500,000. As at the year end a sum of 2,042,815 (2016: £1,982,915) has been drawn. Interest is payable in quarterly instalments at the rate of 0.75%.

The amount drawn is repayable on demand. However, the lender has confirmed that the amounts outstanding will not be recalled within the next 12 months.

continued...

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2017

6 RELATED PARTY DISCLOSURES

As at 31 March 2017 the company owed a sum of £2,012,815 (2016: £1,982,919) to Sterlite Technologies Ltd (the ultimate parent company). Interest payable on this loan was £75,716 (2016: £78,024).

As at 31 March 2017 the company was owed a sum of NIL (2016: £191,923) by Sterlite Conduspar Industrial LTDA, a company incorporated in Brazil.

STERLITE TECHNOLOGIES UK VENTURES LTD

Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2017

	2017		2016	
	£	£	£	£
Income		-		
Expenditure				
Sundry expenses	-		(1)	
Legal and Professional fees	1,350		2,459	
Auditor's remuneration	2,000		2,000	
Foreign exchange losses	-		(674)	
		3,350		3,784
		(3,350)		(3,784)
Finance costs				
Bank charges	-		9	
Other interest	25,716		22,024	
		25,716		22,033
NET LOSS		(29,066)		(25,817)