

July 17, 2023

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C-1, G Block,  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051.

**BSE Limited**

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

**Sub.: Submission of Annual Report of FY 2022-23 and Notice of 24<sup>th</sup> Annual General Meeting ("AGM")**

**Ref.: Scrip ID - STLTECH/ Scrip Code - 532374**

Dear Sir/Madam,

This is further to our letter dated July 12, 2023, wherein the Company had informed that the AGM of the Company is scheduled to be held on **Friday, August 11, 2023 at 9.00 a.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

In compliance with the provisions of the Companies Act, 2013, rules frame thereunder and pursuant to Regulation 34(1) read with Regulation 53(2) and Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we are enclosing herewith the following documents as being circulated to the shareholders through electronic mode today:

- Annual Report for FY 2022-23;
- Business Responsibility and Sustainability Report; and
- Notice of 24<sup>th</sup> AGM of the Company.

Aforesaid documents are also being uploaded on the website of the Company at <https://www.stl.tech/> and on the website of Kfin Technologies Limited, Registrar and Transfer Agent, at <https://evoting.kfintech.com>.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **Sterlite Technologies Limited**

**Amit Deshpande**

General Counsel & Company Secretary (ACS 17551)

Encl.: As above.

A woman with dark curly hair and glasses is shown in profile, smiling and drinking from a clear plastic cup. The cup is tilted, and a pinkish liquid is visible inside. The background is a dark blue gradient with some light blue and pinkish streaks, suggesting a digital or futuristic theme.

SIMPLIFYING  
DIGITAL  
MAXIMISING  
POTENTIAL

“  
**CAN  
YOU  
HEAR  
ME?**

**STU**

Remember the joy and wonder on our faces when we learned how to make a simple communication device using just a paper cup and string and it worked...

This is the joy we feel when our solutions simplify the complex process of connecting people and businesses effortlessly, anytime and anywhere. Our innovative solutions have enabled countless individuals and organisations to communicate and collaborate more effectively than ever before. We take pride in being a reliable partner in the ever-evolving world of connectivity, and we are committed to staying ahead of the curve with cutting-edge technological advancements.

Our dedication to excellence is reflected in every aspect of our work, from our talented team to our advanced optical and digital solutions. We look forward to continuing to enable seamless connections and transform billions of lives.

**YES,  
I CAN!**”

# INDEX

## CORPORATE OVERVIEW

### Strategic Messages

- 04 Chairman's Message
- 06 Letter to the Shareholders

### Our Businesses

- 10 Spreading Our Love for Optical Around the World
- 12 Infusing Automation into Fiberisation
- 14 Engineering for Experience

### Our Global Footprint

- 16 Going Global with Our Solutions

### The STler World!

- 20 Striving Towards 50% Gender Ratio
- 21 Charting Exciting Career Paths for STlers
- 22 Creating the New, Now
- 23 A Baton of Change
- 24 Real Inclusion Needs Real Change
- 25 Evoking Joy - STL's Got Talent

### Our Leadership

- 26 Board of Directors
- 30 STL Leadership

### 36 Awards

### 40 ESG at the Core

### 60 Financial Highlights

### 62 Financial Discussion and Analysis

### 66 Management Discussion and Analysis

### 82 Risk Management

## STATUTORY REPORTS

### 90 Directors' Report

### 108 Corporate Governance Report

### 126 Business Responsibility & Sustainability Report

## FINANCIAL STATEMENTS

### 154 Standalone

### 240 Consolidated

## CORPORATE INFORMATION

### Forward-looking and Cautionary Statement

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

**These filings are available at:**  
[www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

## DIGITAL CONNECTIVITY -

**FROM PROMISE  
TO PROGRESS****Dear Stakeholders,**

It is with great pleasure that I bring to you the Annual Report of STL (Sterlite Technologies Limited) for FY23. The bygone year saw STL *Transforming Billions of Lives by Connecting the World* across 4 continents and nearly 100 countries.

As the world stands at the cusp of a **digital revolution**, I remember the year 1983 when the Internet, as we know it today, was born. It promised a new world with then, unimaginable possibilities. It has been 25 years now and the Internet has changed our lives. It now beholds another such revolution that promises to touch our lives more profoundly than ever.

**Internet has Proven Useful  
Beyond Doubt**

As they say, during the time of crisis, heroes are born. True to this saying, during the tough times of the pandemic, **digital connectivity** emerged as not only a saviour but also as a possibility that promised to unlock human potential through technology. For educators, it opened up a path to equitable education. For healthcare providers, it broke the shackles of distance and resources. For manufacturers, Industry 4.0 promised to digitally transform operations.

The **promise of technology** has been established beyond doubt for all. Now the next frontier is progress.



“ Ubiquitous, equitable  
and affordable connectivity is the  
need of the hour ”

**Time to Progress**

Recently, at a technology event, I had a wonderful near real-world **virtual reality** experience. These days, we talk a lot about how VR can bring in an immersive learning experience to classrooms. We can now vividly imagine this reality, but it's not yet simple and scalable. This led me to think about how we can take this technology to people who need it the most and use it on a more granular level. What if 150 million students in rural India can leverage this technology to understand textbooks curricula through visual effects and our friendly neighborhood doctors can use VR in medical diagnostic imaging to help create 3D models for better visualisation? Similarly, AI can be harnessed in a lot more ways to create a meaningful impact on society and **transform billions of lives**.

But for any technology to make such an impact on a large scale, what we really require is taking **top-notch connectivity** to every nook and corner in the world. This is not an easy task and it will take every ounce of our collective effort to connect the unconnected.

The world is still far from universal and meaningful connectivity. There are still significant differences between and within countries in network availability and quality.

Ubiquitous, **equitable** and affordable connectivity is the need of the hour

To make this magic happen, we will have to come together and create a roadmap to establish a network infrastructure that can support these technologies. A lot of fibre needs to reach everywhere, now to the premises, in the future even to rooms and devices! Building this extensive **digital infrastructure** is more like a highly coordinated line dance, rather than a riveting solo performance. Imagine a 'Macarena', rather than a solo Ballet performance. Industry, academia, policymakers and governments - all of these stakeholders, must work in perfect sync to bridge the 'coverage gap', 'familiarity gap' and then, 'usage gap' by combining digital connectivity, familiarity and contextualised use cases. I am keenly watching this journey in India where BharatNet - India's **digital inclusion programme** is moving towards its next phase and many rural use cases are emerging to make the most out of these rural digital highways.

**Networks that are Green  
and Sustainable**

While we collectively strive towards ubiquitous connectivity, we cannot let the internet tip the balance in favour of climate change. Telecom is an energy-intensive industry - accounting for ~2% of global energy demand. The Internet and supporting network components account for ~3.7% of global **greenhouse emissions**.

We have been innovating for humankind since forever. Now is the time to innovate for the environment. The question of how to reduce the plastic content in our networks, how to get more energy efficiency into data centres and wireless networks and how to make the telecom supply chain sustainable requires our relentless pursuit.

At STL, behind all the tech-driven capabilities and processes, lies our purpose of **Transforming Billions of Lives by Connecting the World**, but in a responsible way. We aspire to build green, resilient and **sustainable digital networks**. To do so, we have strengthened our focus on sustainability by committing to achieve **Net Zero Emissions** by 2030. Our initiatives like water positivity, Zero Waste to Landfill certifications and sustainable sourcing, reflect our commitment to a **greener planet**. A large part of our product innovation is also centred around reducing material consumption and plastic footprint in our optical solutions.

I feel blessed to be able to contribute when the world is ready to experience the magic of **digital technology** that will drive our future generations. I feel that we can take this magic to each and every person on this planet. As we enter FY24, I look forward to your continued support and encouragement in this digital journey of ours.

*Warm Regards,*

**Anil Agarwal**

Non-executive chairman, STL

UNRAVELLING THE PATH TO

# SEAMLESS AND INCLUSIVE DIGITAL CONNECTIVITY

## Dear Stakeholders,

I would like to begin by taking a moment to reflect on the incredible impact that digital connectivity has created on our lives, bringing with it, a vibrant mix of **convenience, connection** and **wonder**. Our devices converse and perform tasks for us. Our applications continuously learn and help us. Starting from being a humble tool of communication about a decade ago, it would be hard today, to point out an industry that the internet has not disrupted in the last 3 years. The statistics are clear as day and point towards an even more **digitally brilliant** future for all of us. In order to fully unlock the potential of these advancements, **high-speed** and **low-latency networks** are crucial. Technology is, after all only as successful as it is seamless.

That is where **STL's Ikigai** rests. Optical Fibre has emerged as the foundational element for the next leap in technology and the global deployment of fibre is rapidly accelerating. To borrow a quote from Reed Hastings, Co-Founder of Netflix, "**Fibre optic** is becoming like electricity. If you look at how electricity spread around the globe 100 years ago, that's what's happening now."

Another example is roads and highways. The impact of optical fibre is akin to the transformative power of roads in shaping the world. Just as roads connected distant regions, opened up new trade routes and drove economic growth centuries ago, optical fibre networks have become the **digital highways**, serving as the backbone of modern society in enabling connection and convenience

## From Fields to Pixels: Closing the Connectivity Gap

Continuing with the roads and electricity analogy, there must have been a definitive point in those journeys which moved the needle from **Promise to Progress**. We are at the same juncture in the journey of digital connectivity. Now that the promise of digital connectivity is established beyond doubt, we need to move the needle on progress. It is surely a collective effort where

industry, technologists, academia, policymakers and governments will join hands to build these digital networks that will shape the technology evolution for the next three decades!

2022 saw urban areas largely fiberised, and the next few years will focus on connecting semi-rural and rural regions, where a significant population of 3.4 billion resides. Citing examples from STL's key markets, about 75 million households in the US still do not have access to fibre internet. 150 million homes across Europe do not have access to FTTH. Upwards of 275 million households in India do not have access to fixed broadband internet.

It is now clear that we must collectively make the path to **connect the unconnected** simple, affordable and scalable. We need to do this today, but with a keen eye on the future because, we stand at the cusp of the next wave of **digital infrastructure build**, that will shape everything from our daily lives to the economy and even the geo-political order.

“Transforming Billions of Lives by Connecting the World”

“Multiverse, a groundbreaking, industry-first product that unlocks 4X capacity.”

## Future-proofing Tomorrow by Innovating Today

Last year, **network creators** made significant investments in 5G, Datacentres and Citizen Networks. Looking ahead, we are future-proofing our networks in preparation for **6G networks**.

FY23, for us, has been, in many ways, about future readiness and converting our **promises into on-ground realities**. This year, your Company continued its journey of “Transforming Billions of Lives by Connecting the World” across 4 continents and 100 countries. The results are in and I am proud to say we have been able to register our highest-ever revenues, of ₹6,925 crore (US\$863 million), a robust 27% growth over FY22.

Ankit Agarwal  
Managing Director

Pravin Agarwal  
Vice Chairman and  
Whole-time Director



With a sharp focus on our 3 business units, we delivered strong operating performance across geographies and progressed steadily towards our goal of becoming one of **the top 3 Optical players** globally.

We delivered a stellar 46% revenue and 93% EBITDA growth in the Optical business on the back of higher volumes and realisations. This was the result of passionate execution of the outlined priorities by our global teams. In the Global Services business, we strengthened our position in the private telecom segment, achieved operational break-even in the UK and received the prestigious **CMMI level-5 certification** for our India operations. At the close of the fiscal year, the Board approved the demerger of Global Services into a separate legal entity - a new chapter to unlock unconstrained growth for the business! We also took great strides in **STL Digital**, our newly incubated IT Services business, where we won orders worth ₹650 crore (US\$81 million) on the back of our talent and agility.

Across the world, our performance in our key markets gave us many reasons to celebrate. We kicked off commercial operations in our US factory in South Carolina, expanded our presence far and wide in UK/Europe with orders worth ₹2,400 crore (US\$298.92 million) and supported India's 5G rollout with engagements worth ₹1,000 crore (US\$124.55 million) from Indian telecom operators.

Working steadily towards future-proofing networks, we introduced Multiverse, a groundbreaking, industry-first product that unlocks 4X capacity. We were also the second company in the world to develop our slimmest fibre yet - a 180-micron optical fibre that enables the smallest diameters in cables with the highest fibre densities. We also embraced technology-intensive methods such as robotic trenching, 360° photogrammetry and GIS database visualisation, revamping the fiberisation value chain. Our focus on speed and quality resulted in a 2X increase in deployment velocity along with network lifespan enhancement.

And speaking of **innovation**, we applied our creativity not only to increase deployment speeds but also to achieve our sustainability goals. Our manufacturing plants went above and beyond, diverting over 96% of waste from landfills. We achieved Zero Liquid Discharge in six out of our eleven global manufacturing facilities. We replenished a staggering 1.4 billion litres of water in rural Maharashtra. This has had a tangible and positive impact on the lives of local communities. Our efforts haven't gone unnoticed. We received 19 national and global recognitions for our dedication to **sustainability** and **community development** throughout FY23.

### Doing it the STLer Way!

Another testament to our future-readiness is the **Future-ready Organisation** award to STL by the esteemed Economic Times (ET), which honours companies that are staying ahead of the curve and adapting to the changing needs of our industry and the world. Our sincere efforts towards building a diverse and inclusive environment earned us the **'Best Organisation for Women'** recognition.

### FY24 and Beyond

As we embark into FY24, we carry with us the progress we made in the past year and future aspirations that fuel our drive. Our intent and efforts remain resolute. Equipped with **strategic capabilities**, an innovative portfolio and **best-in-class** people practices, we are more connected than ever to our larger purpose of "Transforming Billions of Lives by Connecting the World". **Sustainability** is ingrained in our core and guides our every step. Moving forward, we will continue to push these boundaries to simplify connectivity and pave the way for **robust digital networks** that connect the unconnected across the world.

*Warm Regards.*



## Optical Networking

# SPREADING OUR LOVE FOR OPTICAL AROUND THE WORLD

Our love for optical fibre networks dates back to 1993 when we established an optical fibre cable plant in Silvassa, India. Cut to 2023, we now have 11 world-class manufacturing facilities globally and talent from 30+ nationalities to serve our customers across 100+ countries!

In the past three decades, we have come closer to our customers by developing optical capabilities globally. This optical story starts with our semiconductor-grade glass preform facility in Aurangabad in the state of Maharashtra, India. Our 10 advanced optical fibre, cable and interconnect facilities are spreading this love across India, US, Italy, China and Brazil.

Our leadership team and 1400 STLers across these 11 plants are striving day and night to build greener products and make our operations **100% sustainable**. All our facilities in India and Italy divert more than 99% of the waste away from landfills and channelise this waste for usage in other industries or upstream and downstream into the fibre value chain. Six of our global facilities are certified as **'Zero liquid discharge'** and our community water conservation programmes are helping fight water scarcity in our homeground - the state of Maharashtra.

Innovation - be it for the environment or for our customers - is always on our mind. This year we developed solutions that eased customer problems and accelerated digital infrastructure builds. We unveiled **Multiverse - India's first Multicore fibre at IMC 2022** and co-designed a ruggedised **optical connectivity solution - Opto-CRS** with one of our top customers in the UK. Opto-CRS is all about speed. It consists of fibre optic joint enclosures with 2X network ports and 12X drop cable ports and connectors which enhance endpoint capacity and enable high compatibility across different network architectures. **Multiverse** fibre is a futuristic design that enables **4X** capacity and is expected to play a pivotal role in high-bandwidth, low-latency applications.

With these solutions, we are **connecting lives** across four continents and 100 countries with optical solutions.

Last year, we also strengthened our ongoing relationships with customers like Vocus by becoming a major part of Project Horizon in Western Australia. In the UK and Europe, we brought smiles to millions by enabling gigabit connectivity through the top operators. In the US, we were thrilled to work with network creators and service providers to move the needle on **rural connectivity** projects like the Rural Digital Opportunity Fund (RDOF) and the American Connection Project.

World-class, sustainable optical manufacturing across India, USA, Italy, Brazil and China





## Global Services Business

# INFUSING AUTOMATION INTO FIBERISATION

FY23, for us, was about **bringing automation** at the core of our deployment services. Our unique seven gate approach brought in **tech-intensive** methods like robotic trenching, 360° photogrammetry and GIS database visualisation, into the fiberisation value chain. We wanted to solve for speed and quality in broadband rollouts and infusing **automation into fiberisation**, achieved just that, leading to a 2X increase in deployment speed and network lifetime enhancement. We are also proud to become the 13th Indian company to achieve the prestigious **CMMI Level 5** accreditation. At the moment, only 23 companies worldwide are certified at CMMI Level 5.

With a rich fibre deployment experience of **~94,000 km** under our belt, we went deeper in India, supporting the 5G-led fiberisation and network modernisation in 18 states across India. Our first-time-right approach has enabled us to become a preferred partner for leading telecom companies in their pursuit of deploying **5G networks** across the country.

6 **13<sup>th</sup> Indian company to achieve the prestigious CMMI Level 5 accreditation**

6 **5G-led fiberisation and network modernisation in 18 states across India**

We successfully delivered a **10,000 km network buildout** for one of the leading telecom companies. It was not only for operators, but FY23 also saw greater momentum from public and private enterprises which needed integrated services across a broader spectrum. We stepped in with enhanced offerings, adding **managed services** to our portfolio, to work with the likes of NTT, NHAI and RajCOMP Info Services, a leading IT consulting company owned by Rajasthan government.

Moving westward, we took greater strides towards delivery, **skilling** and **automation** in the UK and ably supported Project Gigabit! As a part of our network augmentation programme, we created synergies between skilled field engineers in India and the UK, to creatively address **fibre deployment** challenges.

## STL Digital

# ENGINEERING FOR EXPERIENCE

Taking bold steps into the future with **STL Digital**

While our optical fibre and services are connecting the world, our tech talent is all set to drive **digital transformation** with agility and style! With a vision to be one of the top **IT services** companies, we are taking bold steps into the future with STL Digital, which will enable enterprises and industries to experience the **future of digital transformation**. Our leadership, with over 200 person years' of experience, in IT Services and solutioning, is challenging status-quo and building futuristic

and resilient solutions for our customers. Currently, we have a team of 900+ IT consultants across offices in the US, UK and a delivery centre in Bengaluru, India. With a strong association with reputed partners like AWS, Google, Microsoft, IBM and other technology majors, we **offer end-to-end IT solutions** that can help businesses deliver innovative experiences and **operational excellence** with **agility**. Our expertise lies in building customised solutions across product engineering, software,

cloud, data and analytics, enterprise application services, and cyber-security.

In the span of less than a year, we have successfully acquired **more than 18 global customers** from leading healthcare, manufacturing, automotive, software and cloud enterprises. Some of our **marquee wins** include building core product engineering platforms for a major cloud player and providing Enterprise SaaS, Cyber Security, Data and Analytics solutions for a major conglomerate.

# GOING GLOBAL WITH OUR SOLUTIONS

## Lights, camera, action...in the US

FY23 was a year when diverse and seasoned industry experts came together to deliver a fantastic year for STL in the US. When we started the year, we wanted to **connect the unconnected**. And we started working towards that. Through our manufacturing facility in South Carolina, we strengthened operations and bolstered our local commercial and technical talent. To meet **optical fibre demand** and deliver on *shorter-than-average* market lead times, we flexed our global supply chain and strong partner networks. Through our flagship optical solutions, ribbon and loose tube cables, we enabled in rural connectivity projects. As a result, we bagged many multi-year, multi-million dollar orders for optical fibre cables. One was for a leading broadband connectivity company serving more than 32 million customers in 41 states and the other for a leading communications provider offering **gigabit speeds** in 25 states.

## Fiberising Europe, far and wide

This year, we set our hearts to connect the unconnected across Europe. We enabled many **national broadband programmes** across Europe including Italy's 'Italia 1 Giga' and UK's Project Gigabit, etc., through our **sustainable optical offerings**. Our 400 strong UK and Europe team worked with the top operators to co-create

products that could lend speed and scale to these rollouts. On one hand, we worked towards **de-skilling field operations** with plug and play optical connectivity products like **OPTO-BLAZE** and **OPTO-BOLT** and on the other hand, we focused on skilling the workforce on fast fiberisation practices. We synergised with our talent pool back in India to train the local field force on achieving **scale with speed**.

Another piece of the puzzle was to deliver optical fibre fast, in wake of mounting demand. Our plants in Italy scaled up to deliver shorter lead times and reliable supplies. The trust and confidence of our customers reflected in our numbers as we grew ~40% in order book over last year. We further **strengthened our relationship** with our UK-based customers like Netomnia while serving new geographies like Portugal, Switzerland, Croatia, Greece, Poland, Slovenia and Norway.

## A year of many 'firsts' for MEA region

FY23 was the year of many 'firsts' in the Middle East and Africa region. Through our **Centre of Excellence** in Dubai, we integrated R&D and product development to develop **tailormade solutions** for our customers. For the first time ever, we also received orders for optical fibre solutions from an oil and gas company in Sudan and also supplied our optical fibre cable solutions in Iraq. In total, we bagged **multi-million dollar orders** from 8 eight new Gulf nations this year. Our biggest wins were from the region's top two telecom operators. We also strengthened our focus on the enterprise segment with Cat7A Specialty cables and a new Enterprise solution.

3 Through our flagship optical solutions, we ably supported in **rural connectivity projects**

## Taking the 'Digital' magic to millions in Australia

Last year, we went on an exciting Australian Odyssey! When the Australian telecom industry was going through a **significant transformation**, we were there at the right time and with the right solutions. The need was for taking the **power of digital** to the rural population, but deploying optical networks in the harsh Australian landscape was a tough task. We designed resilient optical solutions that were fire and rodent-proof. We developed **high-strength cables** that could withstand high temperatures and black soil corrosion, specifically in Australian conditions. This led us to work with a diverse, yet **unique customer set**. We deepened our relationship with Vocus and also signed a multi-year contract with a tier-1 telecom company and partnered with a top Australian distributor.

**We developed high-strength cables that could withstand high temperatures and black soil corrosion, specifically in Australian conditions.**

## A force for good - fibre for 5G in India

The long wait for 5G in India got over in October 2022, with operators shoring up their capabilities for what would be, the world's fastest 5G rollout. With strong roots in India and with our indigenous optical and services offerings, we started to build **India's digital backbone!** Our entire focus, spanning R&D, solutioning and execution was on making 5G-led fibre deployment fast, easy and cost-effective. At IMC 2022, we showcased our solutions that were specially designed for **India's 5G rollout**. We unveiled 5G Cosmos - an optical solution to fiberise towers and small cells at scale. We also showcased **Gram Galaxy** - a comprehensive solution to accelerate last-mile rural connectivity and village digitalisation. These integrated solutions took a 360° view of the rollout, spanning across network design, optical products, **automation-led deployment**

and talent services. With these solutions and our promise of being a trusted fiberisation partner, we strengthened our partnerships with the Indian operators and clocked in orders worth ₹500 crore, post 5G spectrum auctions in the month of July 2022. We also started to work with a leading telecom company for setting up a **high-performance, modern communication network** across nine circles and with a large enterprise, as a prime partner for fiberising the Delhi-Hyderabad highway spanning over 500 km.



# 3,900 STLers, 30+ NATIONALITIES, 1 COMPANY

## Striving towards 50% gender ratio

STL's commitment to **gender diversity** is more than a story. We believe that a diverse workforce allows for fresh perspectives and creative solutions, ultimately driving success. Currently, our full-time **employee gender ratio** is at ~20%, but we have our eyes set on 50% and we're working hard to get there!

Some years back, we chose to start from the toughest point - our manufacturing plants, where a bulk of roles are traditionally male-dominated. Today, we have nearly **250-300 women** working in these plants across various roles. In fact, the entire **colouring section** in our optical cable factory is run by an **all-women team**.

But it's not just our manufacturing plants where we are taking strides. Our central functions have 28% **gender diversity**, with many women in senior and leadership positions. Moving westward, in our newest market - the US, nearly **30% STLers are women** who are helping STL scale rapidly. We also have a diverse batch of trainees this year, with 45% being **women engineers** and management trainees.

6 Our central functions have **28% gender diversity**, with many women in senior and leadership positions.



## Charting exciting career paths for STLers

Ask any STler, and they'll tell you that learning never stops! Perhaps it's the chance to **Learn from Anywhere** or the curiosity of learning something new, STLers don't miss the opportunity to enrol in **L&D** programmes. Some of our most sought-after, curated programmes are **ACT Up, Evolve, Accelerate and Elevate**.

**ACT Up** is a dynamic programme geared towards learners and practitioners in different stages of their careers: **from young employees in entry roles**, who show a promise for fast-tracked growth to **seasoned leaders ready to accept top leadership responsibilities**. In FY23, many STLers participated

in live ACT Up projects resulting in ₹28 crore of savings for the Company.

**Evolve** is meant for **young managers and first-time leaders**, who are ready for a challenge. Through a combination of assessments, skills labs, one-on-one coaching and Action Learning Programmes (ALPs), the 40+ participants pursue a personalised, rigorous 6-month learning path.

**Accelerate** is a multi-dimensional programme to enable and foster **40 STLers identified as potential future leaders**. The programme encompasses professionals from across Sales, Technology, Operations and Enabling

Functions, cultivating a diverse pool of talent. The Wharton-certified programme puts the participants through a capstone project led by a member of STL's executive team.

**Elevate** is geared towards STL's senior leadership team, with a focus on building high-performing teams and delivering on purpose-aligned global growth. **35 Executive, functional and divisional leaders**, undertook this Harvard-certified programme, which gives a highly personalised learning experience. A series of assessments, strategic dialogues, forums and group work allow the senior team to create and practice fearless, exponential strategies.

## Creating the New, Now

At STL, we walk the talk when it comes to understanding our employees and what makes them tick. A series of surveys and interviews with our employees, partners, vendors and customers were conducted to better understand what motivates and inspires us.

This unearthed the real **STLer spirit** with people unanimously calling out the opportunity to do new, exciting, challenging and purpose-driven work! Et voila! **Creating the New, Now** -was born! This phrase strikes

a deep chord with who we are and what we represent as a company. We are on an immersive journey to “live” this mantra through our daily work and interactions. **Creating the New, Now** is centred around three key pillars that truly embody the spirit of STL.

First up, **Unlocking Potential** is about each of us growing and thriving through constant learning, new experiences and challenging work!

Next, **Building a Global Brand**. A diverse set of STLers spread across 4 continents and 25 countries are all united in our commitment to transform billions of lives by connecting the world.

Last but definitely not the least, when **Everyone's in, Everyone wins**. At STL, we have a great cocktail of hearty collaboration and a sporty zeal for healthy competition! We also spike on DEI, Entrepreneurship empowering culture, and **innovation**, in addition to collaboration.

## A Baton of Change

A STLer leading from the front is **Daniel Romer**, the company's Head of Sales - North America, who won the Fibre under 40 Award by the Fiber Broadband Association (FBA) for his contribution towards bridging the digital divide in the USA.

And that's not all. **Sudipta Bhaumik**, STL's Head of Application Engineering and Standards, was appointed the Vice Chairman of the ITU-T (International Telecommunication Union), Study Group 15. ITU-T is the United Nations' specialised agency for information and

communication technologies. We are proud to have a STLer leading and representing the Company on a global stage.

The list goes on and on. **Dr. Saurabh Kapoor**, STL's Lead in Material Science and Engineering, recently won the prestigious ACerS Global Young Bioceramicist Award 2023. This award recognises his significant contributions in the area of Bioceramics. In the US, our sales operations manager, **Tamitha Brown** is the FBA - Women in Fiber Spotlight Winner!

When everyone's in,  
everyone wins!

## Real inclusion needs real change

The thing that matters the most to us is talent and potential. STLers know that an **inclusive workplace** allows us to attract, integrate and grow amazingly talented professionals that make STL a great workplace.

We are very proud of taking pioneering steps towards creating an organisation that allows **people with disabilities** to participate in manufacturing units! It has been an amazing journey from hiring, to onboarding, to watching these STLers grow and thrive. We also did an audit of our facilities to ensure that we are addressing the right issues for specially-abled STLers.

And then we went another step further by using **AI to eliminate biases** in resume shortlisting. We know we are hiring on merit, not biases.

We know that inclusion also means instituting policies that allow people with differing requirements and constraints to participate in the **STL journey**. Our flexi-holidays scheme allows people of different faiths and cultural backgrounds to celebrate their festive days. Our employee assistance program, where we have partnered with an industry leader in the health and wellness space, gives our colleagues and their families the space, the tools and confidence to overcome physical, mental and emotional stresses.

We have also started initiatives to bring more parity in salaries and **equitable opportunities** in growth, promotion and succession plans. Inclusion is more than just a fancy concept for us - its in the DNA of our sustained growth as a global company.



## EVOKING JOY STL's Got TALENT

While the company was gearing up to announce the Q3 FY23 results and finish strong in this fiscal, STLers were in for a surprise when **'STL's Got Talent'** was launched in December 2022. The excitement about this contest left employees in a frenzy for months.

After a host of entries, more than **80 STLers from various geographies** flaunted their talents ranging from singing, dancing, painting, art, sculpturing and much more, in front of a jury. Our work social media - Workplace was on fire with daily videos of **STLers from all locations!** It was great fun to realise that a quiet next-seat-neighbour was a super talented performing artist or

a serious-looking manager was a great comic! While **STLers** were having all the fun, the jury had the tough job of **selecting the winners** who received cash prizes in the Silver, Bronze and Gold categories. Special cash prizes were also awarded in the Individual Master Category and Group Master Category.

The top 15 entries were announced by the leaders at the Company's town hall event. Each winner also had to give a winning speech. How cool is that? This debut season of **STL's Got Talent** was just a warm-up! Speculation is rife about the next season being a riot!



## Board of Directors

# LEADERSHIP THAT IS SHAPING THE FUTURE



## Anil Agarwal

### Non-Executive Chairman

Mr. Anil Agarwal is the Non-Executive Chairman of STL. He has been the Executive Chairman of Vedanta Resources since March 2005. He founded the Vedanta Group in 1976 and has over four decades of entrepreneurial experience. He has helped shape the strategic vision of the Company to contribute to the larger purpose of uplifting communities.

Under his leadership, Vedanta has grown from an Indian domestic miner to a global natural resources group, with a world-class portfolio of large, diversified assets in Oil & Gas, zinc, silver, aluminium, copper, nickel, iron & steel and power that are capable of generating strong cash flows.

Mr. Agarwal's vision is to empower the nation by achieving self-sufficiency in the natural resources sector. Over the years, he has invested over US\$35 billion for the development of the natural resources sector in India. He has also been a

strong advocate for the growth of the MSME sector and startups in India.

Mr. Agarwal believes that businesses must give back to the society and help them prosper. He has pledged 75% of his wealth for social good. He has signed The Giving Pledge, a movement of global philanthropists who have committed to giving away a majority of their wealth towards philanthropic and charitable causes. Mr. Agarwal is committed to promoting the well-being of the communities with a focus on women and child development. His dream project, Nand Ghar, is developing model *Anganwadis* across India that are focused on eradicating child malnutrition, providing education, healthcare and empowering women with skill development. Mr. Agarwal is also committed to nurturing the youth through the promotion of sports and grassroots talent by developing state-of-the-art sports infrastructure in India.

The Anil Agarwal Foundation is committed towards empowering communities, transforming lives and facilitating nation-building through sustainable and inclusive growth. The Foundation has teamed up with the Bill & Melinda Gates Foundation to improve health and nutritional outcomes.

## Pravin Agarwal

### Vice Chairman & Whole-time Director

Mr. Pravin Agarwal is the Vice Chairman and Whole-time Director of STL and the Non-Executive Chairman of Sterlite Power Transmission Limited. He has been closely involved with Sterlite Group's operations in India since its inception in 1979. He has been the driving force behind the expansion of Sterlite Group's telecom and power businesses into multiple markets and STL's continued growth momentum. He is an astute businessman and a leader with almost four decades of experience.



## Ankit Agarwal

### Managing Director

A believer in purpose-led organisations, Ankit has been leading STL's growth journey as it transforms billions of lives by connecting the world. Over the past 13 years at STL, first as the head of international sales, then as the CEO of the Optical Networking business and now as the Managing Director, Ankit has been a change agent in connecting the unconnected across the globe.

He is the force behind STL's dramatic global expansion, customer-first ethos, R&D focus and strategic joint ventures & acquisitions. He has

strengthened STL's presence in India, USA, UK, Italy, China and Brazil. He holds sustainability very close to his heart and is leading the Company's ambitious Net-Zero by 2030 target, from the front.

Ankit is extremely passionate about improvement in health, education and the environment through digital inclusion in India. STL Garv, a rural-technology initiative incubated under his vision, is creating entrepreneurial opportunities while improving rural access to critical services.

Recognised as a 40 under 40 leader, Ankit is a strong supporter of young and entrepreneurial talent. He is a fitness enthusiast, an athlete and a long-distance runner. He encourages his teams and young people to work towards solid all-round growth at work and in life.

Prior to STL, Ankit was building Vedanta's corporate portfolio while overseeing multiple M&As, including the US\$8.6 billion acquisition of Cairn India. Ankit holds a Bachelor's degree from the University of Southern California and an MBA degree from London Business School.



## Sandip Das

### Independent Director

Mr. Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive. He was listed among the top 100 Globally Most Powerful Leaders in Telecom by Global Telecom magazine for four years. He is currently an Independent Board Director for Greenlam Industries, Senior Advisor to Analysys Mason, Advisor to a high-profile UK-based Advisory company and on the Advisory Board of the reputation management firm, Astrum. He also holds positions like Mentor to C-suite executives and is a Member of Board Matters (a National Board Directors' Council set up by Russell Reynolds), besides consulting for investment companies. He was formerly the MD, CEO & Board Director of Reliance Jio, Group CEO; Executive Director of Maxis Communications Berhad, Malaysia and CEO & Board Director of Hutchison Essar Telecom, India (Orange, Hutch). He holds a BE degree in Mechanical Engineering from NIT Rourkela, an MBA from the Faculty of Management Studies (FMS), University of Delhi and AMP from Harvard Business School.



## S Madhavan

### Independent Director

Mr. S Madhavan is a fellow member of the Institute of Chartered Accountants of India and also has an MBA from the Indian Institute of Management, Ahmedabad. He has had a long and illustrious career in accounting and tax and retired as a senior partner in PricewaterhouseCoopers, after holding leadership positions over a 15-year career. Mr. Madhavan started his career in Hindustan Unilever Ltd and spent several years there. He has also held senior committee positions in leading Chambers of Commerce such as ASSOCHAM and FICCI. He currently holds directorial positions in some of the top listed companies in India such as HCL Technologies, ICICI Bank, UFO Moviez and Transport Corporation of India. He is a leading exponent of corporate governance through his board and committee work.



## Kumud Srinivasan

### Independent Director

Ms. Kumud Srinivasan is Vice President and General Manager of Manufacturing & Operations Automation Systems at Intel Corporation. In this capacity, she is responsible for the automation and analytics of Intel's global logic and memory factories. She has spent 30+ years at Intel USA, leading multiple global functions, the most prominent ones being digital transformation and industrial automation. She is a seasoned leader, skilled at mobilising resources across organisational levels. Her management experience includes leading large teams in matrix, geo-dispersed organisations in the US, China and India. From 2012 to 2016, she served as President for Intel India. She joined the STL Board in 2018 and her experience in key industry domains such as Internet of Things, R&D, manufacturing and semiconductors is invaluable to the Company and its global customers.



## B J Arun

### Independent Director

Mr. B J Arun founded and led multiple successful ventures in the Silicon Valley. He founded California Digital, a Linux-based HPC leader; Librato, a software company and was most recently the CEO of July Systems, which is a location-based mobile management platform. He was instrumental in scaling these companies and finding synergistic exits by merging them with global technology giants like SolarWinds and Cisco Systems. An industry leader, Arun is currently the Chairman of TiE Global. He served as the President of the TiE Silicon Valley Chapter and remains dedicated to fostering entrepreneurship in the technology community.



## STL Leadership

# MEET OUR CHANGEMAKERS

## Ankit Agarwal Managing Director

A believer in purpose-led organisations, Ankit has been leading STL's growth journey as it transforms billions of lives by connecting the world. Over the past 13 years at STL, first as the head of international sales, then as the CEO of the Optical Networking business and now as the Managing Director, Ankit has been a change agent in connecting the unconnected across the globe.

He is the force behind STL's dramatic global expansion, customer-first ethos, R&D focus and strategic joint ventures & acquisitions. He has strengthened STL's presence in India, USA, UK, Italy, China and Brazil. He holds sustainability very close to his heart and is leading the Company's ambitious Net-Zero by 2030 target, from the front.

Ankit is extremely passionate about improvement in health, education and the environment through digital inclusion in India. STL Garv, a rural-technology initiative incubated under his vision, is creating entrepreneurial opportunities while improving rural access to critical services.



Recognised as a 40 under 40 leader, Ankit is a strong supporter of young and entrepreneurial talent. He is a fitness enthusiast, an athlete and a long-distance runner. He encourages his teams and young people to work towards solid all-round growth at work and in life.

Prior to STL, Ankit was building Vedanta's corporate portfolio while overseeing multiple M&As, including the US\$8.6 billion acquisition of Cairn India. Ankit holds a Bachelor's degree from the University of Southern California and an MBA degree from London Business School.

## Tushar Shroff Group Chief Financial Officer

Tushar has a rich experience of nearly three decades and is highly focused on building resilient and value-creating organisations. Tushar has deep expertise in the areas of fundraising, capital structuring, merger & acquisition, treasury management, taxation, financial accounting and planning, investor relations and business partnering. He has served as the finance committee member of GCCI (Gujarat Chamber of Commerce & Industry). As the Chief Financial Officer at STL, his vision is to bolster the Company's strategy to deliver consistent shareholder value and profitable growth. In his leisure time, Tushar loves playing table tennis and thoroughly enjoys old bollywood music and long drives with family and friends. He holds the cause of all-round development and well-being of specially-abled children, close to his heart and actively dedicates his time and energy towards this.



## Paul Atkinson CEO-Optical Networking Business

Paul is an industry expert with 30+ years of experience across multiple industries. Prior to joining STL, he was the Managing Director and Group CEO at IXOM. He has deep expertise in the optical space and was associated with the Prysmian Group for 20+ years as the CEO of affiliates and regions across the world. During this stint, he led multiple successful business integrations and was pivotal in delivering non-linear growth across business lines and geographies. He holds a degree from Melbourne Business School and Monash University.

## Praveen Cherian

### CEO-Global Services Business

A proven senior executive and a strong strategic thinker, Praveen has close to three decades of experience in handling high-growth teams and business units across multiple industries. He comes with a diverse experience ranging from leading large business units to sales, service delivery, marketing & strategy and business operations with local and international exposure.

In STL he has been successful in expanding STL Global Service's footprint to the UK, strengthening STL's partnership in the private telco segment and establishing Managed Services as a practice spanning Security, Cloud and Data Centres. Prior to joining STL, he headed the Infrastructure Services business for IBM across India/South Asia region. He has performed various other roles, including holding the position of the CEO of Network Solutions, Director and Head - Cloud Services Business and Wireless e-business Practice Leader for the Asia Pacific region. He is an Engineer in Electronics and Communications with an MBA in Sales and Marketing. He has completed Executive Leadership Programme from Cornell University and Sales Leadership Programme at INSEAD. He has served on the Board of two IT Services companies in India.



## Raman Venkatraman

### CEO-STL Digital

Raman is an industry stalwart who has 30 years of experience spanning multiple leadership roles across geographies. He also holds vast domain knowledge and expertise in managing mega-scale service offerings across the globe. Before STL, he was associated with TCS, as the Senior VP, Global Head of Hitech and Professional Services vertical and the Global Head of Alliances and Partnerships. He has built technology practices, which have since grown into large businesses for TCS globally. He holds a Master of Engineering [ME] degree in Electrical Communications Engineering from the Indian Institute of Science (IISc).

## Anjali Byce

### Group Chief Human Resources Officer

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



## Manish Sinha

### Group Chief Marketing Officer

With two decades of experience, Manish has played many roles in his professional journey - a technophile, a customer champion and a storyteller. Manish has been embracing change and blending technology and traditional skills to bring value to the organisation and its customers. He loves working at the intersection of world-class technology and aesthetic product marketing.

Manish started his career as a consultant with McKinsey. He went on to lead business unit P&Ls at WNS and Capital One. He has been a start-up guy at Quikr Homes and Common Floor. He is an engineering graduate from IIT Delhi and an MBA from IIM Calcutta. Since joining STL in 2017, he has been a beacon of growth, a driving force behind STL's branding efforts. Manish is committed to crafting narratives, brand identity and campaigns that align with purpose, organisational culture and growth. He has built a vibrant digital presence for the Company. Leading customer engagement for STL, he has been developing and implementing branding strategies for the organisation to grow exponentially and be future-ready. An enthusiastic customer champion, analyst and visionary, he has become the face of change for STL.

## Dr Badri Gomatam

### Group Chief Technology Officer

With close to thirty years of experience in the wired and wireless communications industry, Badri guides the Company's technology vision. He joined STL in 2011 and has since led the Company's transition to an end-to-end solutions enterprise. His deep expertise in semiconductors, photonics, enterprise, access and long-haul networks helped shape this evolution. Under his leadership, the Company today has over 733 patents to its credit. He holds an MS and Ph.D. from the University of Massachusetts, Amherst, and a BE from the Birla Institute of Technology, Mesra.



## Manuj Desai

### Chief Information Officer

Manuj comes with 24+ years of experience in the IT and Technology space, having extensively worked in architecture, product development, process re-engineering, analytics, visualisation, automation, digitisation and data science domains. In his earlier roles, he was associated with companies like Paypal, AIG, USDA, Amedisys and Sprint spanning the US, Canada and India. He is a Computer Engineer from Mumbai University and has a Master's certificate in Project Management from George Washington University.

## Akanksha Sharma

### Global ESG Head

Passionate about an 'inclusive and sustainable world', Akanksha leads the Company's ESG Practice for creating 'exponential impact'. She comes with over one and a half decades of eclectic experience in leadership roles cutting across sectors and geographies with organisations such as UNICEF, Vedanta and Jubilant. At STL, she leads the continuum of Sustainability, Climate Action, Tech-driven Social Impact and Sustainable Finance, integrating them into the business strategy, value chain, investor relations and customer synergies. Leveraging her multisectoral experience, she identifies opportunities, helps mitigate risks for sustained business bottom line and facilitates improved ESG ratings. Her work has been recognised with accolades such as the 'Most Impactful ESG Leaders Globally', 'Asia's Top Sustainability Leaders', 'Young CSR Leader', 'Influential Sustainability Leaders', among others. She has done her Master's in Sustainable Development from the University of Sussex; MBA from IBS, India and an advanced programme on ESG from Harvard Business School.



# RECOGNITIONS THAT MAKE US PROUD

## ET Future Ready Organisations Award

We were recognised as a Future-ready Organisation by the Economic Times (ET). The list features the best companies that have seized the unique opportunities before them, to imagine and create new systems that are more flexible, integrated, resilient and ultimately, more human.

## UN Women Empowerment Awards

STL's flagship Jeewan Jyoti Women Empowerment programme, run in rural Maharashtra, won this prestigious award for enabling women in rural communities to build sustained livelihoods and contribute towards the prosperity of their villages.

## Power & Tel 2022 Sales Achievement Award

We have been awarded the Sales Achievement Award at the Power & Tel Global Sales Meeting. This prestigious award is a symbol of our continuous efforts to bridge the digital divide in the USA. We are excited to partner with Power & Tel to build a world where equal digital access empowers a much greater future for everyone.

## ET Best Organisations for Women

We were recognised as the 'Best Organisation for Women in 2022' by The Economic Times, which highlights our trailblazing diversity and inclusion efforts. With this, we are inspired to set new standards by empowering female colleagues and building diverse teams.



**Indian Chamber of Commerce 2022**  
Gold Award for Occupational Health & Safety

We were conferred with the prestigious 4th ICC Occupational Health and Safety Gold Award by ICC. We were recognised for the efforts put in by our Global Services Business - India team, for achieving our goal of improving the health, safety and well-being of our people and other stakeholders engaged with us.

**Tata Innovista Award 2022**

Our ground-breaking innovation “Stellar Fibre” won the TATA Innovista 2022 award (Special Recognition) in the area of “Most Innovative Partner” for the project “G.657.A2 Fibre for Core & Access Networks”.

**Environmental + Energy Leads Award for Sustainability**

These awards recognise excellence and innovation-providing companies with improved environmental management outcomes. We bagged the top award under the ‘Top Project Waste Management’ category.

**2022 Cabling Innovators Awards**  
Gold Honorees

Cabling Innovators Awards recognise excellence in innovation that drives meaningful impact on the industry. Our Optotec Compact Optical Ribbon Closure and Celesta Intelligently Bonded Ribbon Optical Fibre Cable have been recognised for bringing innovation in the telecom industry.

**Golden Peacock CSR Award**

We have won the prestigious ‘Golden Peacock Award for Corporate Social Responsibility’, organised by the Institute of Directors (IOD). We were recognised for our proactive action across areas such as - Women Empowerment, Healthcare, Education and Environment Conservation.

**International Green Apple Award**

STL was recognised for its collaborative ESG efforts towards leveraging partnerships for climate action to ensure holistic development in water-stressed regions and restoration of bio-diversity.



# SHAPING A SUSTAINABLE AND INCLUSIVE FUTURE

ESG, for us, is more than ensuring environmental, social and governance compliances. It is about driving positive impact for our customers and communities while keeping our eyes on long-term sustainability.

Our approach to creating agility and exponential impact is fundamentally based on global ideals and national goals, thereby ensuring shared value for all stakeholders. It is aptly described through our purpose of 'transforming billions of lives by connecting the world'.

Being a leading global optical and digital solutions company, we strive to leverage our core technology expertise to deliver future-ready and sustainable digital networks, while building resilient communities. This is evident through the progress we have made on our ESG goals taken in FY21. While each of them are audacious, we believe that our philosophy focused on innovation, excellence, sustainability and social responsibility through collaboration will help us accomplish our feat.

With a sharp focus on energy and waste management, water stewardship, employee diversity, social impact and robust governance policies, we continue to grow responsibly. We do this by ensuring ethical, eco-friendly operations and create shared benefit for all stakeholders, including the communities where we operate. We hold integrity very close to our heart and are committed to be governed by highest moral and ethical standards.

## Contributing To National Priorities And Global Goals

Our purpose also ensures that, as a participant to the UN Global Compact (UNGC) and a signatory to the UN Women Empowerment Principles (UN WEP), our actions are aligned with these organisations' guiding principles. We also contribute to 16 of the 17 UN Sustainable Development Goals (SDGs) through our operations and CSR initiatives. We continuously collaborate with governments, NGOs and other stakeholders, to drive responsible operations and reinforce that through our community initiatives. Environment conservation, green products, net zero emissions,

social responsibility, good governance, circularity, optimal resource utilisation and sustainable sourcing are thus, not only our corporate goals but a major part of our purpose of Transforming Billions of Lives by Connecting the World. This goes beyond just communities in and around our operations. It also extends to regions such as aspirational districts identified by **Niti Aayog**, where development is crucial not just for India, but also for the world to truly progress toward achieving the SDGs.

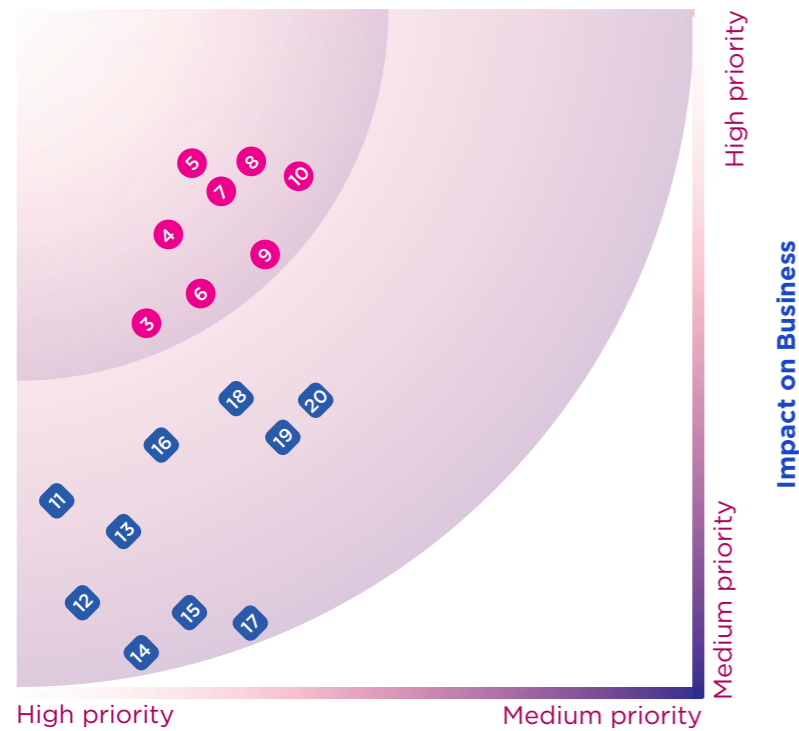
At the same time, our ESG efforts have also been contributing to several of India's national priorities that include Swachh Bharat Mission (waste management), Beti-padao-beti-bachao (gender equality), Project on Climate Resilient Agriculture (POCRA-Maharashtra), Atal Bhujan Yojna (water conservation), Jal Jeevan Mission (access to clean drinking water and conservation), Mission Green India and the National Afforestation Programme (NAP) Scheme, among several others.

## Our ESG efforts have been appreciated and recognised by several renowned forums in India and globally. During FY23, we have received 19 awards for our efforts. Some key examples below:

- Greentech Environment Award, Environment+ Energy Leader Award in the 'Top Project Waste Management' category
- UN Women Empowerment Awards for STL's flagship **Jeewan Jyoti Women Empowerment programme**, run in rural Maharashtra
- International Green Apple Award for leveraging partnerships for climate action, to ensure **holistic development in water-stressed regions and restoration of bio-diversity**
- Global Sustainability Award and Wastemet Award, for adding value through **excellence in environment, sustainability and waste management**
- Golden Peacock CSR Award for proactive action across areas like **Women's Empowerment, Healthcare, Education and Environment Conservation**

# Our Approach to Ensuring a Sustainable Business

## Materiality matrix



### Impact On Stakeholders

- |  |                                      |
|--|--------------------------------------|
| 1. Water                               | 11. Employee diversity and inclusion |
| 2. Waste management/circular economy   | 12. Community initiatives            |
| 3. Health and safety                   | 13. Human capital management         |
| 4. Fair labour practices               | 14. Supply chain management          |
| 5. GHG emissions and energy management | 15. Human rights                     |
| 6. Customer experience                 | 16. Sustainability-driven innovation |
| 7. Digital inclusion                   | 17. Air pollution                    |
| 8. Product quality and safety          | 18. Materials sourcing               |
| 9. Economic impact                     | 19. Privacy and data security        |
| 10. Business ethics                    |                                      |

## Stakeholder engagement

For us, engagement helps understand and respond to our stakeholders' needs and expectations. They include organisations and persons who can impact our operations, such as customers, suppliers, waste buyers, communities and other partners. Through online surveys, in-person meetings, forums and several other platforms, we endeavour to make sure that we are able to receive continuous and impartial opinions. This spans across STL's operations, our entire value chain, as well as communities where we operate.

## Materiality assessment

In today's dynamic world, the constantly changing economic landscape brings with it new challenges, as well as opportunities. It, thus, becomes imperative to proactively identify areas that have the capacity to affect business progress.

After an exhaustive survey with several stakeholders in FY22, we recalibrated our materiality matrix, realigning our ESG priorities. Each of these topics have been finalised, based on the responses from various stakeholder engagement forums. Each material topic is aligned with the Global Reporting Initiative (GRI) standards and its indicators. Ascertaining these priorities, which could either be risks or opportunities, allows us to plan proactively and ensure sustainability in the regions we operate in. At the same time, it ensures that we are able to create shared value and deliver impact at scale for our workforce, the communities we operate in, other stakeholders and the Company.







# Environmental Performance


## Our goals for 2030

 Net-Zero GHG emissions

 Sustainable sourcing

 Water positivity

 100% plants ZWL certified

 LCAs for 100% product families

## Our strategy

At STL, we emphasise on systemic transformation, capable of delivering sustainable impact. This has ensured a reduction in our environment footprint along with financial gains. Our approach includes -

**Working towards green and clean operations and eco-friendly products**

**Driving diversity, equality, inclusion, social welfare and learning & development for our workforce, as well as in communities. We ensure ethics and transparency govern every engagement we make**

## Understanding our key risks and opportunities

STL's leadership and ESG teams analyse the Company's risk management system, including the ESG risks and opportunities. As part of our business continuity programme, environment or climate risks to our Company assets are identified and necessary caution and mitigation plans are put in place. The responsibility for implementation is also assigned and gets reviewed at different levels. These include acute and chronic risks, such as building fires, natural calamities, catastrophic events, water shortages, temperature rise and others, like the recent pandemic. Apart from risks, we also look at potential opportunities that offer strategic or fiscal benefits.

## Striving for Net-Zero by 2030

With a focus to achieving net-zero emissions by 2030, we committed to the Science Based Targets Initiative in FY23. This strengthens our commitment to enabling a sustainable future through energy efficiency measures, transitioning to renewables and looking at raising the bar on sustainability not just within our operations, but across our value chain. We have invested in systems and maintenance at our manufacturing units, that allows us to enhance our operational efficiency while reducing our environment footprint.



### Focused on water positivity

Our efforts to achieve water positivity by 2030, include ensuring Zero Liquid Discharge as well as recirculation of treated water, within our processes and for domestic use. 100% of our Indian manufacturing units are now Zero Liquid Discharge certified by DQS, thereby making sure our operations cause no harm to communities around. At the same time, by ensuring that we harvest rain water and recycle and reuse waste water from our operations, we make sure this precious resource is utilised efficiently, especially in water-stressed regions such as Aurangabad. Water recycling models, that have been implemented across all of our Indian manufacturing units, have helped us recycle over 650,000 cubic metres (m<sup>3</sup>) of water till date.

### Promoting circularity

Each of our manufacturing units, that have been operational for over a year, are Zero Waste to Landfill (ZWL) certified by TUV SUD. This includes 100% of our Indian and Italian plants. Efforts are underway to also include our China and US plants under ZWL certification. These proactive efforts are extremely crucial to ensure waste reduction during the manufacturing process. Avoidance of landfilling and constant innovation have been instrumental in promoting circular use of resources and diverting more than 220,000 MT of waste from landfills till date. This approach has also enabled us to prioritise reuse of waste, allowing us to convert costs of landfilling into revenue streams, where our by-products from the manufacturing process are now used as input material by other industries.

#### ACHIEVEMENTS FOR FY23

**9,500+ tonnes of CO<sub>2</sub>**

emissions have been avoided through energy efficiency measures

**43.13%**

of sourcing done from MSMEs

**186,000+ m<sup>3</sup>**

water recycled in manufacturing processes

**47,000+ MT**

of waste diverted from landfills

**28,000+ MT**

of by-products reused as input materials for production by other industries

### Sourcing sustainably

After releasing our sustainable sourcing and conflict-free sourcing policies in FY22, we have focused on ensuring that all our raw materials are sourced from conflict-free areas and that none of them fall under the critical raw material list. Efforts to evaluate existing and new vendors across ESG parameters are underway. The emphasis is not only on environmental practices, but also adherence to human rights, fair labour practices, gender equality, no corruption and other such social and governance aspects. In addition to this, we have also maintained a sustainable supply chain by prioritising local sourcing. To ensure that quality is at par with global standards, local partners are supported through capacity and capability building, pertaining to their job work and raw material quality improvements.

### Building a green and efficient product portfolio

Innovation that focuses not just on operational viability, but also resource conservation is how we at STL ensure excellence in product quality. To develop green and efficient products, we constantly relook at the manufacturing process, ensuring these processes are energy efficient, product designs are innovative, utilise lesser resources and much more. Lifecycle assessments for each of our product families also enable us to optimise and substitute materials with those that have a lower environment footprint.



### Driving sustained progress within our operations and in communities



## Creating Transformational Impact at Scale

### Our goals for 2025



**5 million lives to be transformed**



**5 million plantations**



**5 million cubic metres of water to be replenished**

### Our strategy

At STL, our social strategy involves creating transformative impact for every STLer (our employees), as well as vulnerable and underserved communities. Policies aligned with national and global frameworks ensure complete and unwavering adherence to human rights and labour practices not just within our operations, but also across our value chain. They also make sure our employees stay safe and healthy and remain motivated, as part of a workplace culture that is diverse yet inclusive. But as a good corporate citizen, we also believe in the development and upliftment of communities susceptible to issues like climate change, inequality, lack of access to quality education and healthcare, poverty and so on. We have, therefore, been focusing on areas like women empowerment, healthcare, education and environment conservation as each of these areas allows us to create shared value, while contributing to various other developmental issues. Through impactful partnerships, we have been able to deliver transformational and sustainable impact at scale.

### Understanding key risks and opportunities

Employees are a company's biggest asset. It is, therefore, essential that they stay engaged and motivated, have equal opportunities to grow, learn and develop. This promotes innovation and excellence. It also reduces the risk of attrition or unrest, which may arise from notions of unfairness. For a company to truly understand its global customer base, a diverse and inclusive workforce is fundamental. At the same time, to prevent operational and compliance risks that may stem from local communities and authorities, it is important to collaborate and work with them to promote development. This helps a company build goodwill and resilience, while upskilling and creating an employable talent pool. Hence, we

undertake thorough need assessments under the focus areas identified by the Company prior to initiating a Corporate Social Responsibility (CSR) programme, which helps us address major issues affecting a region. We use such insights to build impactful partnerships with non-government organisations, local authorities, governments and other social organisations to design programmes that are capable of creating real, holistic and sustainable transformation.



## Creating an inclusive society

Our women empowerment programme – Jeewan Jyoti focuses on empowering women in rural areas to emerge as independent and capable members of society, through vocational skilling and sustained livelihood opportunities. We firmly believe that such skilled and empowered women who are able to support their families and contribute financially, are capable of changing traditional perceptions around independent and working women. Till date, this programme has created over 5,000 women leaders in rural areas through market-relevant and certified skilling courses, micro-livelihood programmes, self-help groups, micro-financing, sustained earning opportunities and much more. Facilities like a crèche for young mothers and transportation have ensured that women from over a 100 villages can avail of the opportunities the programme offers.

**2,500+**  
lives benefitted

**₹21 lakh**  
revenue generated

**10**  
self-help groups  
formed

## Access to quality healthcare

Our hybrid healthcare model has not only improved awareness on tropical and seasonal ailments, but also introduced tele-consultations in remote rural areas of Gadchiroli and Nandurbar in addition to Aurangabad. Specialised camps focusing on women's health and sanitation are helping dispel myths around traditional taboos such as 'kurma pratha' (targeted at women menstruation) in regions like Gadchiroli, as well as instilling good health and hygiene practices among the women in these regions. Cardio-metabolic, eye care, nutrition, rapid tests and free medication are also provided through the programme.

**700+**  
villages covered across  
Maharashtra (India)

**1.25 million+**  
lives impacted through  
hybrid healthcare and social  
behaviour change interventions

**44,000+**  
tele-consultations done

## Enabling tech-led education

STL's Digital Equalizer and Inclusive Learning ed-tech programme ensured that children from rural areas and marginalised communities were given access to quality education including STEM learning. During the year, a select batch of students participated in a special PICO satellite-making project along with SpaceZone. This involved students building nano-satellites that would be used by the Meteorological Department to measure and study several weather related parameters. In addition to this, there was a special focus given to students from grades one to four, who lacked fundamental reading and literacy skills. Special classes and individual attention, followed by regular assessments have helped bring about tremendous improvement in this target group.

Apart from students, teachers are also trained on leveraging digital content to make learning more fun, interesting and interactive.

**60%**  
teachers trained using  
digital learning techniques

**200+**  
villages covered  
across three districts

**100,000+**  
lives benefitted

**55 acres**

of land covered through plantations

**5,000+**

households provided with access to clean drinking water

**100,000**

plantations done

**80,000+**

lives benefitted

**1.69+ m<sup>3</sup>**

of water replenished across 24 villages

**Building climate resilient communities**

Our ethos is to not only drive sustainable and green operations, but also supplement those through our CSR-related environment conservation efforts. This mainly includes afforestation, biodiversity restoration and water conservation in water-stressed regions like Aurangabad. Together with partners such as state governments, local authorities and the World Bank Water Resources Group, we are striving to build water resilient villages. Such collaborative efforts have helped us ensure coverage of main areas that build resilience including access to clean drinking water, climate resilient agriculture, awareness on water conservation in addition to improving the ground water levels through surface and ground water recharge and harvesting of rain water at an institutional level.

Our afforestation and reforestation efforts have not only helped improve the green cover in regions like Vetale, Pune and Aurangabad, but also enhanced the bio-diversity in the regions.

**2,000+**

volunteers

**2,500+**

volunteering hours clocked

**5,000+**

lives benefitted

**Helping STLers live their purpose**

At STL, we offer employees the opportunity of volunteering anytime, from anywhere through our global volunteering platform, as well as in-person through our CSR programmes and specially curated events like Daan Utsav and others. STLers have contributed to creating audiobooks for over 1,500 visually challenged individuals and fulfilled the wishes of more than 700 children, through our Daan Utsav #GiftAWish campaign.



### Human rights and fair labour practices

We are steered by the Universal Declaration of Human Rights, the International Labor Organisation's Declaration on Fundamental Principles and Rights at Work and the Adherence to Social Security Measures as Per Applicable Laws (ESIC & EPF) in addition to several other national and global frameworks. Our human rights policy covers every individual within STL and its value chain while ensuring liberty, equality, equal opportunity, security and no discrimination based on age, gender or any other factor.

### Guaranteeing a safe and healthy workplace

Employee productivity is directly linked to a workplace that is clean, safe, secure and healthy. At STL, we have a certified ISO 14001 environment management system in addition to best-in-class practices and systems, making sure our employees are able to work in a safe and healthy environment. Focus is not just on physical health and safety, but also on psychological well-being with adequate forums for them to voice their concerns and get professional help, ensure that they are able to operate without any fear of injury or adverse effect on their health.

### Learning and development

All of our learning and development efforts are mapped in a way that help STLers achieve their goals, while also contributing to improving the overall performance of the Company. We believe that learning and development is fundamental to keep pace with the ever-changing market. It helps employees excel and drives innovation.

**Zero**

Human Rights and Labour related complaints

**SA8000 certification**

received for our Rakholi and Dadra manufacturing units

**Zero fatalities**

reported in FY23

**100%**

of permanent employees in India covered under health insurance

**89%**

employees covered through various L&D efforts

**43,400+**

training hours clocked through L&D efforts by employees

# SHAPING AN EQUITABLE AND INCLUSIVE FUTURE

Leveraging innovation, technology and partnerships, we have developed solutions that ensure sustainable transformation at scale. We are focused on building women leaders in rural communities through vocational training and sustainable livelihood, making quality education available in rural areas, fostering water-resilient communities, and ensuring access to clean water.


**1.1+ million** lives transformed (FY23)

**400** educational institutions in rural areas enabled with STEM education

**Quality Healthcare** for marginalised and vulnerable communities

 **Optical Networking**

 **Global Services**

 **Digital and Technology Solutions**

# Good Governance: Committed to Transparency and Integrity

## Our strategy

The foundation of our operations is that all business should be steered in a transparent and moral manner. This includes our reporting methods, as well as implementation and redressal mechanisms in place. All of these efforts are aimed

at nurturing trust among our stakeholders, which we have accomplished via transparency, regulatory compliance and a strong Code of Conduct and Ethics policy. These guide our Company's procedures, operations and culture.

### Board-level committees that ensure good governance



**Nomination and Remuneration Committee**



**Audit Committee**



**Stakeholders' Relationship Committee**



**Risk Management Committee**



**Corporate Social Responsibility Committee**

### Best-in-class practices facilitated through policies and certifications

#### The STL Code of Business Conduct and Ethics

categorises responsibilities across the Company and policies on compliance with the law, general standards of safety, conflict of interest, accounting and payment practices

#### Whistleblower Policy

is in place to govern the receipt and treatment of complaints and to protect confidentiality and anonymous reporting of the same

#### The Prevention of Sexual Harassment Policy

or POSH, is being strictly followed by STL to ensure that all employees feel safe at the workplace and that all such incidents reported, are kept confidential and investigated promptly

#### ISO 45001 certification

received by all STL manufacturing facilities

#### ISO 9001 certification

that ensures best-in-class quality management

#### International Labour Organisation

principles adhered to, across all STL locations

## Governance structure

It is our constant endeavour to abide by and guarantee that the chief tenets of ethics, transparency and accountability govern every single one of our business transactions across the value chain. To ensure this, we have board-level committees that aid management in serving and safe-guarding the interests of the Company and each of its stakeholders.

## 2 meetings

of the Sustainability and CSR Committee held

## 2 Independent Directors

in addition to our Vice Chairman and MD are members of the Sustainability and CSR Committee

## Ethics and anti-corruption

Our approach to good governance ensures that our policies translate into actions, within our operations and across our value chain. This ensures that our subsidiaries, business partners and vendors are covered under the ambit of our governance framework, in an organised manner. Every one of them are governed by a range of guidelines, that ensure alignment with Human Rights, Fair Labour practices, STL's Code of Conduct and the Whistleblower Policy, among others.

While the detailed Code of Conduct, Whistleblower and Prevention of Sexual Harassment Policies guide the actions of every STler, they also offer them a medium to voice their concerns and complaints without fear of retaliation. An annual level compliance training ensures that we are able to learn from the previous year's experiences. We build these into our ways of working and training, to help employees understand changing scenarios as well as new regulations, their responsibilities and grievance redressal systems.

# 100%

of employees covered under POSH and Code of Conduct trainings



**The future of connectivity is bright.  
Now is the time for us to get it right!**

### ChatGPT on the future of connectivity

In a world woven with strands of light,  
Where connectivity dances day and night,  
I glimpse the future, a digital domain,  
Where boundless connections forever remain.

Through unseen waves that traverse the air,  
A symphony of data, beyond compare,  
Devices intertwine, minds intertwine,  
A tapestry of unity, technology's design.

From humble beginnings, cords and cables,  
To wireless wonder, life's new fables,  
The future unfolds, a breathtaking sight,  
Where boundaries blur, and distances alight.

No corner untouched, no soul left aside,  
As connectivity becomes our trusted guide,  
Boundaries erased, oceans no more,  
We stand united, a global rapport.

A farmer's harvest, shared across the globe,  
A student's quest, with knowledge bestowed,  
A patient's ailment, diagnosed with grace,  
The power of connection, a saving embrace.

But with great power comes a choice to make,  
To wield technology for good's sake,  
For connectivity can build or divide,  
It is in our hands, the future's tide.

Let's choose to bridge the gaps that divide,  
To unite hearts and minds, side by side,  
A future of empathy, understanding and peace,  
Where connectivity's blessings will never cease.

So let us dream of a world interconnected,  
Where hearts and minds are never neglected,  
In this digital tapestry, woven with care,  
The future of connectivity, we shall share.

## FY23: A STRATEGIC APPROACH TO ACHIEVE SUSTAINED GROWTH

**Ambition to become** one of the top 3 optical companies in the world

**Empowering top network creators** in the world to build advanced, deeply fiberised and digital networks.

**Sharp Focus** on 3 strategic levers of Growing Optical business, Consolidating Global Services business and Building Digital business

**Solid progress on Net-Zero by 2030** goals with the prestigious Zero Waste to Landfill certifications for all manufacturing facilities in India and Italy

Performance for FY23 (from continued operations)

REVENUE	EBITDA	PAT (after minority interest)
₹ 6,925 Cr. ▲ (up by 27%)	₹ 931 Cr. ▲ (up by 29%)	₹ 245 cr. ▲ (up by 51%)

 **Optical  
Networking**

 **Global  
Services**

 **Digital and  
Technology Solutions**



# FINANCIAL HIGHLIGHTS

	FY 19	FY 20	FY 21	FY 22	FY 23
<b>Consolidated Numbers</b>					
Revenue (₹ crore)	5,087	5,154	4,825	5,437	<b>6,925</b>
Growth (%)	59	1	(6)	13	<b>27</b>
EBITDA (₹ crore)	1,164	1,104	854	723	<b>931</b>
EBIT (₹ crore)	969	813	568	415	<b>622</b>
PBDT (₹ crore)	1,058	883	651	486	<b>620</b>
PBT (₹ crore)	864	542	380	199	<b>315</b>
PAT from continued operations (₹ crore)	585	433	269	147	<b>231</b>
PAT from discontinued operations (₹ crore)	(8)	(8)	(4)	(102)	<b>(104)</b>
PAT after minority share (₹ crore)	563	472	275	60	<b>141</b>
Average Capital Employed (₹ crore)	2,845	3,770	4,244	4,631	<b>5,022</b>
Diluted EPS (₹)	13.8	10.6	6.9	1.5	<b>3.5</b>

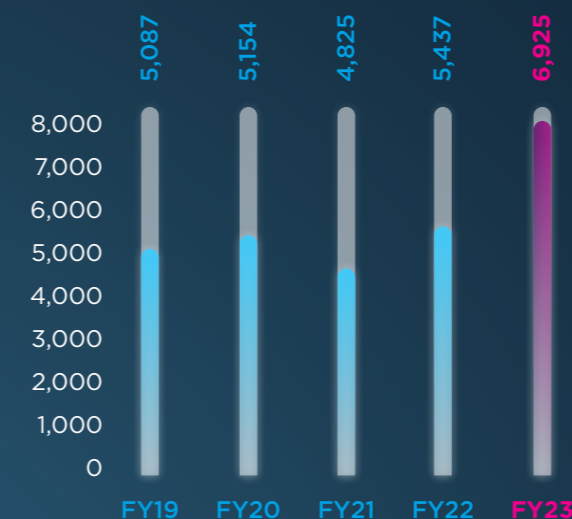
Revenue (\$ million)	63.36	64.19	60.09	67.71	<b>86.25</b>
EBITDA (\$ million)	14.50	13.75	10.64	9.01	<b>11.60</b>
EBIT (\$ million)	12.07	10.13	7.07	5.17	<b>7.75</b>
PBDT (\$ million)	13.18	11.00	8.11	6.05	<b>7.73</b>
PBT (\$ million)	10.76	6.75	4.74	2.47	<b>3.93</b>
PAT from continued operations (\$ million)	7.29	5.39	3.35	1.83	<b>2.88</b>
PAT from discontinued operations (\$ million)	(0.09)	(0.10)	(0.04)	(1.27)	<b>(1.30)</b>
PAT after minority share (\$ million)	7.01	5.40	3.43	0.75	<b>1.75</b>

<b>Ratios (%)</b>					
Return on capital employed (%)	34.1	21.6	13.4	9.0	<b>12.4</b>
EBITDA Margin (%)	22.9	21.4	17.7	13.3	<b>13.4</b>
EBIT Margin (%)	18.9	19	11.8	7.6	<b>9.0</b>
PBDT Margin (%)	20.8	17.1	13.5	8.9	<b>9.0</b>
PAT Margin (%)	11.1	9.2	5.7	2.7	<b>3.3</b>
Effective Tax Rate (%)	32.2	20.5	30.5	29.1	<b>26.9</b>

Conversion rate 1 USD = ₹ 80.29

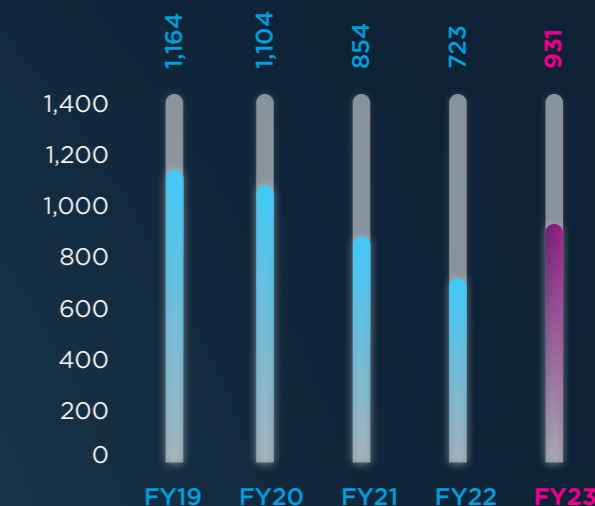
## Revenue

₹ in crore



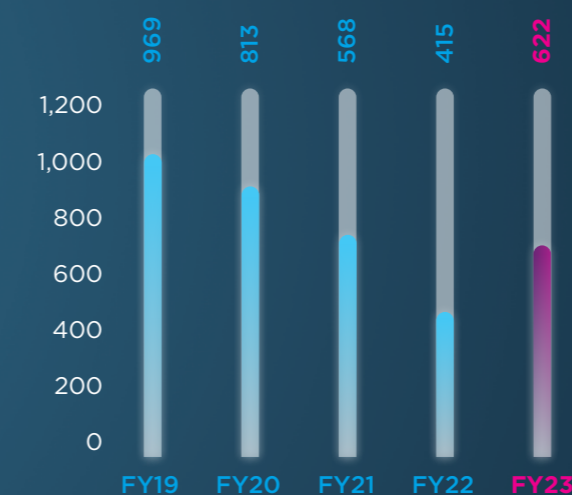
## EBITDA

₹ in crore



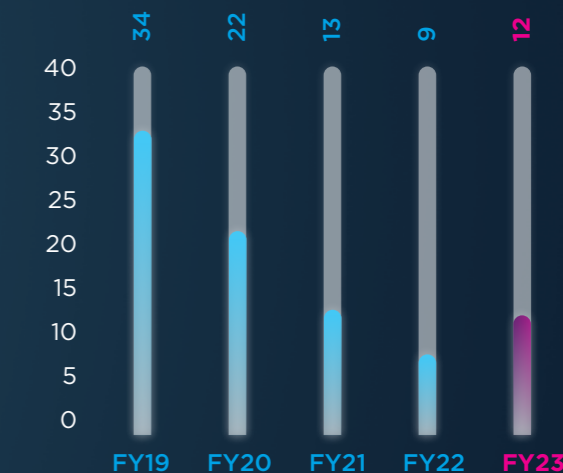
## EBIT

₹ in crore



## ROCE

₹ in crore



## FINANCIAL DISCUSSION AND ANALYSIS

# AIMING TO ACHIEVE GLOBAL LEADERSHIP

The promise of Digital has been established beyond doubt. New-age technologies like Artificial Intelligence and Machine Learning (AI/ML), the Internet of Things (IoT), Virtual Reality (VR), Augmented Reality (AR), Cloud Computing etc. are shaping the future of digital networks. To make these possibilities a reality, strong digital networks that are pervasive and competent will be required.

Collectively, we must fiberise, modernise and quickly deploy our networks in order to connect the unconnected. There is a great possibility for us. We must develop the muscle for delivering quality at scale while also becoming lean, agile and focused in order to complete this marathon.

We have been continuously building capabilities to win in this decade of network creation. We have been leading the industry for the last 30 years in providing end-to-end solutions in the Optical Networking space.

## Sharp Focus, Strong Operating Performance

Our focused strategy yielded solid results for the Company with record revenue of ₹6,925 crore, bringing us closer to our vision of being amongst the top three global players in the optical networking space. The industry continues to show significant long-term growth paving the way for us to continue to grow and achieve global leadership.

## Relentless Focus on Growth Levers

As we enter FY24, we base our strategy on three growth levers:

### GROW Optical Networking Business

- Increase OFC market share and optical connectivity attach rate
- Optimise raw material & fixed cost

### CONSOLIDATE Global Services Business

- Focus on Indian private sector
- Build capability for value added services
- Achieve profitability in UK

### BUILD Digital Business

- Consciously invest in building technology and capability

## Financials at a Glance (₹ in crore)

Particulars	FY23	FY22	y-o-y
Revenue	6,925	5,437	27%
EBITDA	931	723	29%
EBITDA Margin (%)	13.4%	13.3%	
Profit after tax	231	147	57%
EPS (Diluted) (₹)	6.12	4.02	52%

Note - Numbers from continuing operations

## Revenues

The Company has recorded its highest-ever revenue of ₹6,925 crore during FY23, 27% higher compared to last year, mainly driven by higher sales in Optical Networking business (ONB). Below is the segment-wise revenue.

Particulars	FY23	FY22
Optical networking business	5,439	3,713
Global services business	1,511	1,844
Digital and technology solutions	70	6
Inter segment elimination	(95)	(126)
Total	6,925	5,437

Our ONB business reported revenue of ₹5,439 crore with a strong 46% growth, on the back of increased volumes and realisations, as well as significant growth in its focus markets. Our Global Services business (GSB) reported revenue of ₹1,511 crore, in line with the Company's strategy to focus on selected profitable projects. In the first year of its operation, our Digital and Technology solution business (Digital) reported revenue of ₹70 crore, on back of strong order book.

## Profitability

The Company reported Earnings before interest, tax, depreciation and amortisation (EBITDA) of ₹931 crore in FY23 with 13% EBITDA margin driven by ONB business growth. Below is the segment-wise EBITDA.

Segments (EBITDA in ₹ crore)	FY23	FY22
Optical networking business	1,045	541
Global service business	47	156
Digital and technology solutions	(124)	(6)
Unallocable segment	(37)	32
Total	931	723

ONB business reported EBITDA of ₹1,045 crore with growth of 93% over the previous year, on the back of increased volumes and improved realisation. The GSB business EBITDA dropped due to losses in UK operations and lower sales from India operations. Digital segment reported EBITDA loss of ₹124 crore, on back of initial investment in capability building.

### Finance cost

Finance cost has increased from ₹238 crore in FY22 to ₹311 crore in FY23 mainly on account of an increase in borrowings and interest rates.

### Depreciation

Depreciation for the year stood at ₹309 crore in line with the previous year of ₹308 crore.

### Tax expenses

Tax expense for the year stood at ₹84 crore, implying a tax rate of 26.9% compared to ₹52 crore in FY22 with a tax rate of 29.2%.

### Dividend

In continuation to the progressive dividend policy, the Board of Directors has recommended a final dividend of 50%, ₹1 per equity share subject to the approval of shareholders.

### Balance sheet

Particulars	FY23	FY22
Net fixed assets (₹ crore)	3,150	3,224
Net debt (₹ crore)	3,121	2,782
Net debt equity ratio (Net debt/Equity)	1.49	1.36
Net Debt/EBITDA ratio	3.35	3.85
ROCE (%)	12.4%	9.0%

### Net fixed assets

The net fixed assets decreased from ₹3,224 crore as on March 31, 2022 to ₹3,150 due to sale of telecom business, Impact data solutions and impairment wireless business assets. During the year, the Company has partially capitalised optical fibre facility in the US.

### Borrowing, cash and bank balance

The gross debt of the Company increased from ₹3,311 crore as on March 31, 2022, to ₹3,668 crore as on March 31, 2023. The total cash and bank balance, coupled with current investments at the end of FY23, was ₹547 crore as against ₹530 crore at the end of FY22.

The net debt increased from ₹2,782 crore as on March 31, 2022, to ₹3,121 crore as on March 31, 2023, mainly due to higher CapEx.

Particulars	(₹ crore)	
	Mar-23	Mar-22
Working capital		
Inventories	832	920
Trade receivables	1,822	1,706
Contract asset	1,416	1,255
Current investment	40	0
Cash & bank balances	507	530
Others including loans & advances	588	570
(A) Total current assets	5,205	4,981
(B) Total current liabilities*	2,822	3,080
Working capital (A-B)	2,383	1,901
Debtors turnover ratio	3.80	3.19
Inventory turnover ratio	8.32	5.91

\* Current liabilities exclude current borrowings and lease liability

**Net working capital has increased on account of reduction in trade payables and increase in contract assets.**

### Return on capital employed (ROCE) and capital structure

- The ROCE in the current fiscal improved to 12.4% compared to 9.0% in the previous year.
- Total equity of the Company as on March 31, 2023 stood at ₹2,095 crore as against ₹2,047 crore as on March 31, 2022.
- The net debt-equity ratio of the Company stood at 1.49 at end of FY23, as compared to 1.36 at the end of FY22.

## MANAGEMENT DISCUSSION AND ANALYSIS

# NEW FRONTIERS IN DIGITAL TRANSFORMATION

It was 2020 and all of us were amazed by the possibilities of widespread digitalisation. Three years hence, the promise of Digital has been established beyond doubt. Rapid digital advances continue to sweep the world, with their effects being felt across our day-to-day lives and a wide array of industries including telecom, manufacturing, transportation, biosciences and e-commerce. With each passing year, new-age technologies like Artificial Intelligence and Machine Learning (AI/ML), Internet of Things (IoT), Virtual Reality (VR), Augmented Reality (AR) and Cloud computing, are maturing and unraveling the path ahead.

Today, we can vividly imagine the full extent of the possibilities that digital transformation presents to us. Here are some interesting technological developments that are making rapid advances and exerting considerable influence on our lives

## Artificial Intelligence and Machine Learning, in action

The launch of ChatGPT marked a significant milestone in the mainstreaming of AI/ML technology and paved the way for large-scale consumer adoption. We stand witness to the versatility of this conversational chatbot as it nonchalantly responds to any query put forth before it. This development has far-reaching implications in the way we carry out our everyday lives. The roaring reception received by ChatGPT would provide the impetus needed to fast-track research in this space. We can expect more such applications catering to a wide variety of use cases in the coming years.

## Extended reality, getting closer to adoption

Extended reality, which encompasses Augmented Reality (AR), Virtual Reality (VR) and mixed reality is another interesting phenomenon that is taking the world by storm. The digital ecosystem is tirelessly working to create a virtual world that mirrors the physical world. From immersive entertainment to applications that enhance productivity and foster greater collaboration, the user experience is being redefined. The launch of an immersive viewing experience in the **Indian Premier League** by Jio, shows how close we are to taking AR/VR to the masses. As the steam picks up, the next frontier of growth for this technology would be the multisensory Extended Reality, which could ultimately culminate into the much-famed Metaverse. According to estimates from Statista's Advertising & Media Outlook, we are still in the nascent stages of AR/VR adoption. **By 2027, both AR and VR are expected to surpass 100 million users worldwide.**

## IoT gathering pace

Over the years, the adoption of IoT-based solutions has picked up in home automation, supply chain management, smart cities, Industry 4.0, consumer electronics like smart wearables and more. With the introduction of standalone 5G in many geographies, networks are now more agile than ever, to handle IoT and M2M communications. According to the Ericsson Mobility Report (November 2022), cellular **IoT connections are set to grow from less than 3 billion connections in 2022 to more than 5 billion connections in 2028.** Further, 60% of the connections in 2028 are expected to be based on 4G/5G technologies followed by massive IoT technologies like NB-IoT and CAT-M

## Open platforms, edging towards democratisation

Another promising technological trend is the launch of open platforms that seek to democratise financial and e-commerce transactions. In the Indian context, Unified Payments Interface / Open Network for Digital Commerce (ONDC) are classic examples. According to the economic survey, between CY19 & CY22, UPI transactions grew by approximately **115% in terms of volume and 121% in terms of value**. In December 2022, UPI touched 782 crore transactions worth ₹12.8 lakh crore. This is expected to grow further. After the roaring success of UPI, the Indian Government is working towards a similar disruption in the e-commerce space through ONDC. This is expected to create a more inclusive e-commerce platform that encourages wider participation from buyers and sellers alike.

## Cloudification and Edge Computing, growing at breakneck speed

With the explosion of new use cases, there is a growing need to have network and computing infrastructure that has sufficient capacity, latency, agility and resilience. Transition to the Cloud and expansion of Edge Compute infrastructure are seen as the most practical means of handling this requirement. What started as cloudification of typical consumer applications has now reached a stage where even the underlying networks are being cloudified. Cloud-native 5G platforms are a case in point. According to multiple research reports, the global cloud computing market is set to grow at a CAGR of more than 15% between 2023 and 2030 and reach US\$1400 billion by 2030. Similarly, various researchers predict that the edge computing market size is set to explode from US\$10 billion in 2022 to upwards of US\$130 billion in 2030.

This is impressive progress and we have just scratched the surface. Digital advancement will continue in an unhinged way and will need a strong anchor. Behind the scenes, ubiquitous and competent digital networks will have to stand tall to convert these possibilities into realities.

Our task is cut out for us. Collectively, we have to connect the unconnected across the world, fiberise and modernise our networks and deploy them fast. What the world needs and what STL aspires to achieve through its business, are converging to create a powerful opportunity for us. 5G, FTTx, 6G and beyond, optical and digital solutions will continue to drive digitalisation into the far future.

**To run this marathon, we need to become lean, agile, focused and build the muscle for delivering quality, at scale. This is what we set out to achieve in FY23 and now we are poised to grow and take a lead in Transforming Billions of Lives by Connecting the World.**

## Eyes Set on Long-term and Sustained Growth

Early last year, we shared our strategic intent to drive focused growth and followed through with strong execution of the outlined priorities, unlocking agility and financial robustness. In order to increase transparency, we also started segmental financial reporting for our 3 business units namely Optical Networking, Global Services & Digital and Technology (STL Digital).

### Optical Networking Business

In our Optical Networking and Connectivity business, we recorded robust growth in both Revenue and EBITDA. We reached a 12% market share in the global ex-China optical fibre cable market by the end of FY23, gaining 3% market share in one year. We realised these financial gains on the back of winning multiple long-term contracts from customers in North America. Last year, we set up a greenfield manufacturing

facility for optical fibre cable in South Carolina (USA), which will start commercial production in Q1 FY24. All of these steps have propelled us to move forward in our journey to become one of the top 3 Optical Networking players globally. On the Optical Connectivity (interconnect) front, we continue to look at new markets, new product development and co-create these products with our key customers.

### Global Services Business

In our Global Services Business, we took some key initiatives to consolidate our business towards select customer segments, particularly private telcos. We closely worked with leading Indian telecom players to deploy fibre-dense networks for 5G in India. Towards the end of the year, we were able to reach operational break even in the

UK region. We also took greater strides towards delivery, skilling and automation in the region and ably supported UK's Project Gigabit. In the Q4 FY23 meeting, we got the Board's approval to demerge the Global Services business. This move, once completed will unlock the path for unconstrained growth for the business.

### STL Digital

With a vision to be one of the top IT Services companies, we took some bold steps into the future with the formation of STL Digital which is focused on engineering digital experiences for customers across verticals including telecom,

technology, manufacturing and healthcare. Over the last year, we have built a strong core leadership team of 50+ people and a delivery team of 900+ consultants across the US, UK and a delivery centre in Bengaluru, India.

## Business Realignment in FY23

Early in FY23, we shared our strategic intent to drive focused growth. Taking action on this plan, we exited non-strategic businesses in 2022. We divested our IDS business to Hexatronic group for GBP 14 million. We also sold the telecom software products business to Skyvera, an affiliate for US-based Telco DR for US\$15 million. In Q4 FY23, we exited the wireless business.

Each of these three businesses, with their own focused strategy and leadership will form the basis of STL's growth in the coming years. Let us now move toward the industry and business performance overview for the three businesses

### Grow Optical Networking Business

We shall continue to grow the optical business by increasing OFC market share and connectivity attach rate.

We have also started projects to optimise raw material and fixed costs for increased operational efficiencies.

### Consolidate Global Services Business

Our focus will be to consolidate the Global Services business in the segments of our choice.

We will continue to focus on the private segment, along with driving improved performance and profitability for the UK business.

We will also continue building new capabilities for technology-led services and drive value through automation and new technologies.

### Build Digital Business

We shall continue to build digital business through focused investments toward new technologies and capabilities, especially in the areas of cloud, data security and product engineering.

## Optical Networking is Gaining Momentum

These are exciting times for the global optical industry. Technology breakthroughs led by IoT, cloudification, AI/ML, etc have brought a remarkable change in consumer behaviour. Fundamental to these new-age technologies is a robust network infrastructure. Network creators now understand that networks of the future must be agile and reliable, if they have to support such advanced use cases. This has led to a significant increase in investment in fibre-dense wireless and broadband networks. This thought of creating an agile and reliable infrastructure is bringing in all

stakeholders to work closely. Telecom and Cloud companies are working in tandem, for additional revenue streams that will result in increased profitability. Governments around the world are working towards digital inclusion, to further increase economic activity and deliver citizen-centric services. All these developments indicate that we are in the midst of a decade-long network-build cycle, characterised by a significant increase in investment towards fibre-dense wireless and broadband networks in addition to wireless access points, active network elements, hyperscale

and edge data centres. FY23 was a testament to the potential opportunities being created for network builders, however, there were macroeconomic challenges like supply chain issues due to the Russia-Ukraine conflict, mounting inflation and increasing interest rates. Yet, the year saw high investments being made toward digital network infrastructure by telecom companies, cloud companies, governments and in some cases, private equity players.

Looking ahead, global spending on telecom equipment is set to grow by 1% in 2023, despite the decline in overall telco capex. Having said this, the long-term outlook for network investments continues to remain strong. Telecom companies are estimated to invest a substantial US\$500 billion in 5G between 2023 to 2025 (The Mobile Economy 2022 by GSMA). A significant portion of this amount is expected to be invested in the fiberisation of towers and small cells to improve the fibre penetration levels. Markets like North America, Europe and South-East Asia are expected to make significant contributions to this journey. Governments have taken the mission of connecting their unconnected citizens through fibre-based broadband with national initiatives like:

## US

Rural Digital Opportunity Fund (RDOF) at **US\$20 billion**

Broadband Equity, Access and Deployment (BEAD) at **US\$42.5 billion**

Other programs including Mid mile program, totaling up to **US\$97 billion**

## GERMANY

**US\$14 billion** in Bundesverband Musikindustrie (BVMI)

## UK

**GBP5 billion** in Project Gigabit

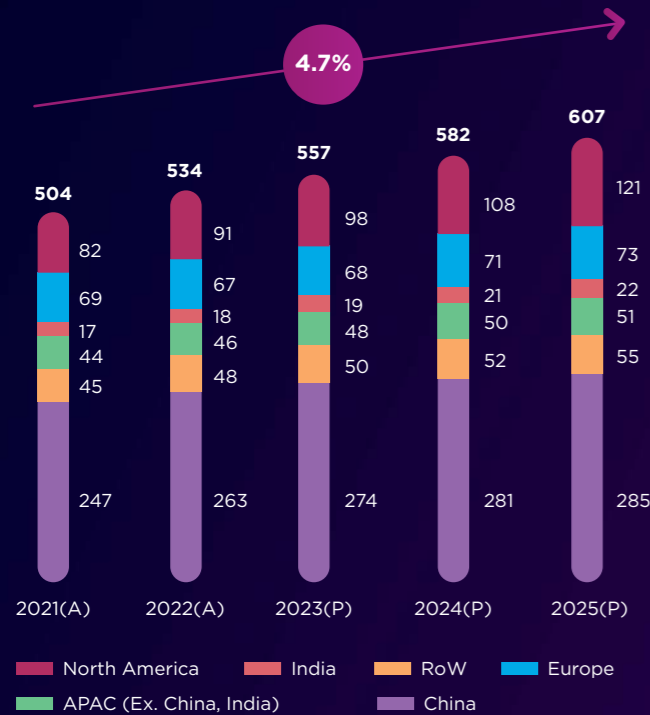
## INDIA

BharatNet phase 3 to connect all **600,000 villages**



## OFC demand buoyancy is here to stay

OFC Demand region-wise (Million Fkm)



<p><b>North America</b> <b>11%</b> CAGR 2022-25</p>	<p><b>Europe</b> <b>3%</b> CAGR 2022-25</p>	<p><b>India</b> <b>8%</b> CAGR 2022-25</p>
---	---	--

Source: CRU



2022 saw the highest-ever global optical fibre cable demand at 534 million Fkm, with China accounting for almost half of the world demand (CRU). The demand surge was led by the US on the back of investments from telecom companies (Tier 1, 2 and 3) and support from the US Government, for the rural connectivity drive. Going forward, it is expected that the US would continue to drive the global (ex. China) demand momentum over the next 5 years. Although there could be some slack in the short term, due to increased inflation, inventory build-up and shortage of skilled manpower for deployment, the mid to long term outlook is positive, considering there is still a long way to go for the US to increase its coverage from existing ~50% home passes. CRU predicts that the demand for **OFC in North America** would grow at a CAGR of ~11% between 2022-25. The bulk of this growth would come from the US.

According to CRU, **OFC demand growth in the European region** over the next 3 years is expected to be ~3% and will be led by the UK and Germany, due to their significantly lower fibre penetration levels. Despite lower demand growth, one of the bright spots in this market is the increased import restrictions by the EU on Chinese products, which opens up opportunities for manufacturers from other parts of the world. **India's fibre cable demand** in CY22 was mainly on account of investments in FTTH, 5G and national long-distance networks by Tier-1 operators like Airtel and Jio. With an FTTH/B coverage of less than 10%, there is a huge potential for further growth, both in urban and rural areas. It is expected that the issues with respect to the BharatNet execution model would be resolved from CY24. This would act as a huge boost to the regional demand.

According to CRU, OFC demand growth in India, over the next 3 years, is expected to be ~8%. In addition to India, Australia and South East Asian countries are also expected to add to the APAC Ex-China demand. There is a delay in the China Mobile tender, which may have an impact on the overall demand situation in the short term. Over the next 3 years, CRU expects the global demand to grow at a CAGR of ~4.7%.

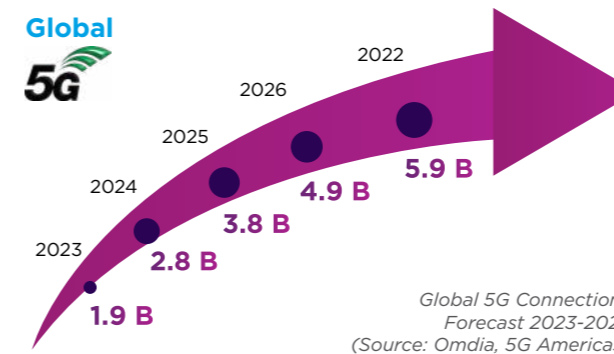
The following macro-trends are shaping the strong demand trajectory for optical fibre cables across the globe.

## 5G deployments remain strong

Global 5G connections surpassed a historic milestone of 1 billion at the end of CY2022, as against 600 million at the end of CY2021. 5G deployment was broadly led by three regions, namely North America, Oceania, East and Southeast Asia and Western Europe. 235 service providers have launched commercial 5G services globally, with 35 standalone 5G networks.

More commercial 5G network launches are expected in 2023-24. As their deployment picks up over the next 2 to 5 years, there will be greater demand for fibre, due to increased cell densification (more radio heads per unit area) and fiberisation. According to Omdia and 5G Americas, 5G connections are projected to touch 1.9 billion by 2023 and 5.9 billion by 2027. North America and Western Europe are expected to have the highest 5G penetration rates.

Connections forecast 2023-2027



Global 5G Connections Forecast 2023-2027 (Source: Omdia, 5G Americas)

## Active discussions on the 6G roadmap

Though 5G is still in the adoption stage in many nations including India, active discussions on 6G have commenced. 6G, where the digital, physical and human worlds will seamlessly fuse, will increase data transmission rates to more than 100 GBPS and reduce latency to sub-millisecond levels. Its use cases will be in the areas of precision healthcare, smart agriculture, digital twins and robot navigation. For 6G, mobile operators will need to use higher frequencies and deploy more wireless nodes. All of these nodes will be connected to fibre. In terms of timelines, China is planning to introduce 6G applications by as early as 2025. Also, the first commercial 6G network could be available as early as 2030.

## Fibre to the home and enterprise continues to grow

The growing adoption of **FTTx (Fibre to the home and enterprise)** is another important driver of fibre optic demand globally. FTTx's key selling point, as compared to traditional wireless networks, is that it offers high bandwidth with better network stability and reliability. The demand for hybrid working models, along with increased interest in digital transformation initiatives by enterprises, has further increased the importance of having reliable wired connections at homes and offices. Apart from the organic increase in new fibre optic connections owing to these developments, the communication industry is also witnessing the replacement of legacy technologies like DSL and coaxial cables with fibre optic cables. Although significant investments have happened in this space over the last few years, there is still a long way to go for all regions, except China, to increase their FTTH/B coverage rates. In China, as a next frontier to fibre to the home, telcos have launched fibre to the room or FTTR services. In FTTR, the fibre cable network extends to every room in the home, so every room and corner will have gigabit network speed.

## Data centre demand sees disproportionate increase

The third most important driver of fibre optic cable demand is **data centres**. With increasing storage and compute requirements there is a growing need for new data centres - both hyper-scale and edge. According to CRU, it is expected that the hyper-scale data centre operators would double their capital expenditure levels to ~US\$350 billion from 2023 to 2027, leading to a further uptick in the demand for optical connectivity and related products.

## Optical connectivity is set to rise along with fiberisation

As fibre connectivity reaches millions of homes and premises, the need for Optical Connectivity products will massively increase. Optical Connectivity products comprise of end-point accessories like joint enclosures, connectors and pre-connectorised solutions.

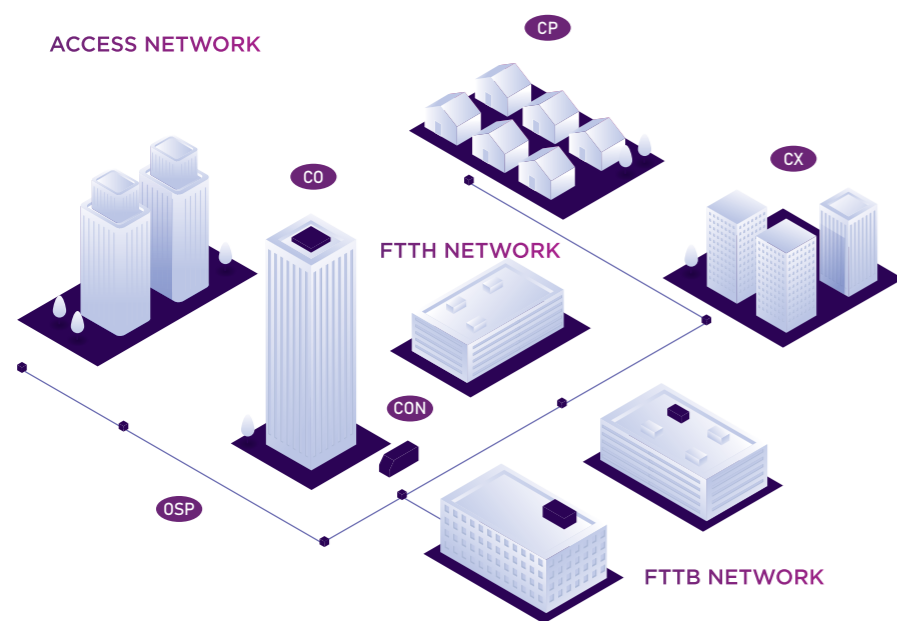
Imagine a region for dense network deployment in Europe. With millions of homes to be passed, the operators need fast and hassle-free field termination. The scarcity of skilled manpower and high costs necessitate innovation at the end points. Hence, there is a need for plug-and-play Optical Connectivity products and solutions like pre-connectorised cables. These pre-connectorised cables have connectors and other

accessories, like enclosures already inbuilt, thereby eliminating the need for patching and splicing for cable termination. This lowers the cost of deployment and also speeds up the entire process.

Owing to the ambitious rollout targets and lack of in-house expertise, most of the customers value partners who can provide all these solutions in an integrated fashion. This opens up a new set of opportunities for players like STL. These products are margin & return accretive and have a market size bigger than the optical cables. According to our estimates, the global Optical Connectivity market size currently stands at ~US\$10 billion and this market is expected to grow at a much faster pace than optical fibre cables.



### FTTH NETWORK



- CO Central Office**  
Racks  
Subracks
- OSP Outside Plants**  
Closures  
Cabinets  
Accessories
- CON Consumables**  
Connectors  
Splice Protectors
- CX Connectivity**  
Patchcords & Pigtailes  
Splitters  
Breakout Cables  
Attenuators
- CP Customer Premises**  
Termination Box  
Patch and Splice Slice

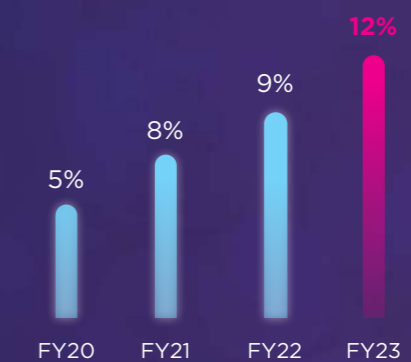
## Progressing towards becoming one of the top 3 optical players globally

Our ambition is to become one of the top 3 optical players globally (Ex- China). We have been building global capabilities, solutions and teams to achieve this milestone. To realise this vision we took the following initiatives in FY23:

### Gaining market share in our focus markets

We are focused on long-term partnerships with customers in the US, EMEA and India, for their 5G and FTTH rollouts. In FY23, we were able to build strong relationships with our customers across our focus markets. These efforts led us in accruing a 12% market share globally (ex-China). In Europe and UK, we deepened our existing engagements and also partnered with 20 new customers, closing FY23 with orders valued at ₹2,400 crore. In India, we worked with top telecom operators for their pan-India fibre rollouts, winning orders worth ₹1,000 crore.

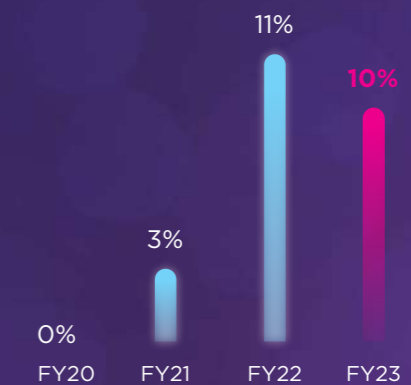
Global ex-China OFC Market Share



### Increasing Optical Connectivity attach rate

In FY21, we acquired Optotec in Italy and entered the passive Optical Connectivity market. Since then, we have experienced consistent growth. We measure this growth through attach rate - which is the percentage of Optical Connectivity product revenues bundled with optical fibre cable revenues. By the end of FY23, we have reached a 10% attach rate from a negligible attach rate in FY20.

Optical Connectivity attach rate



### Optical Connectivity growth framework

Going forward, we shall adopt a four-pronged approach to grow Optical Connectivity. The **first step** is to offer connectivity solutions to our existing accounts, particularly in the European market. As a **next step**, we have started going through the product approval cycle in new markets. Our **third step** will be to develop new products, for an entirely new customer segment e.g. Cloud and the **fourth step** will be to scale tuck in acquisitions in strategic markets.





### Disproportionately focusing on developing “Industry First” solutions

To forge deeper and enduring relationships with our customers, we are continuously investing in R&D to develop and launch industry-leading new products. Last year, we launched **Multiverse**, our multicore fibre. This has 4X the transmission capacity than normal fibre with the same diameter. This greenest-ever optical fibre reduces cable surface area by ~75% and plastic in the ground by ~10%. We were also among the world’s first companies to launch 180-micron optical fibre and cable, our slimmest product yet. This fibre enables the smallest diameters in cables with the highest fibre densities. As the service providers densify the network with more fibre, duct space will be a precious asset. That is where STL’s high-density micro cable will help operators to pack more capacity in limited duct space, thereby reducing costs and deployment times.

R&D investments leading to 650\* patents till Q4 FY23



#### Multiverse

India’s first multicore fibre for 4x capacity for 5G networks and Fibre to the x networks



#### Slimmest fibre & cable

Developed slimmest fibre and cable with 180 micron optical fibre and 288 fibres packed in 6.5 mm cable

### Greenfield OFC capacity in the US

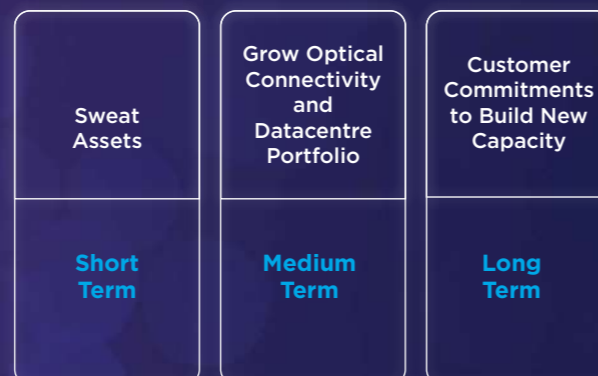
In order to get closer to our customers, we have established a world-class Greenfield optical fibre cable manufacturing facility in South Carolina, US. This facility will produce high-end ribbonised cables that are essential for high-capacity and fast deployment in North America. We have also started commercial production from this facility and continue to increase its utilisation.



Optical Fibre Cable Facility, USA

Lastly, as we move forward, we will continue to increase utilisation and sweat assets in the short term, grow Optical Connectivity in the medium term and continue to add capacity backed by customer commitments over the long term. With these clearly outlined priorities for the Optical Networking business, we are confident of gaining further momentum and getting closer to global leadership in this business.

#### Optical Networking Growth levers



## Global Services is Set to Play a Pivotal Role in Digital Transformation

In the coming years, building and managing networks and IT infrastructure will be a cornerstone of digital transformation in our businesses and countries. Let’s take the example of India, where the bulk of the demand for optical fibre cables is driven by Tier-1 telecom operators such as Bharti Airtel and Reliance Jio. This demand is set to see an uptick with the recent successful auction of the 3.5 GHz, 5G band. Last year, in October 2022 both operators launched 5G services. While Airtel has deployed 5G in non-standalone mode for homes, Jio has gone ahead with the launch of 5G services in a standalone mode. Both operators have covered more than 3,000 towns in India and are expected to cover all the cities by the end of 2023.

Fiberisation of towers and small cells is crucial to get the true 5G experience. It is expected that the telcos would deploy ~2,00,000 cable km across the national long-distance network, access network and FTTH rollout in the next 18 to 24 months. In terms of value, Indian Telcos are expected to spend ~US\$1.5 billion to US\$2.5 billion for fibre rollouts in the next 2 to 3 years. The fiberisation space is not constrained by intent or capital. It is now hinging on fast and high-quality deployments. In a highly fragmented fibre roll-out services market, the presence of pan-India players like us, with significant technological capabilities

and project management experience, can add great value for the telcos.

Further, BharatNet - 3 would significantly expand the fibre roll-out services market size in India. Apart from fibre roll-out opportunities, we continue to pursue system integration opportunities that come from various government departments, public sector enterprises and defence.

Coming to the UK market, we are partnering with tier-1 telcos and alt-nets to deploy fibre to the premises network. As per various Industry estimates, FTTH home pass for 2023 is expected to be 4.8 million homes as compared to 4.7 million homes passed in 2022.



## STL Global Services business poised for unconstrained growth

### India

As the 5G deployments in India pick up pace, we are partnering with leading telcos to deploy fibre-dense networks. We are one of the preferred partners with Airtel and are closely working with another private player in the country. On the back of our long-standing partnerships, we continue to win new orders for fibre deployment. If one looks at our revenue share from private telcos, it has gone up from 31% in FY22 to 43% in FY23. In addition to fibre deployment, we are also building capabilities toward value-added services to improve the margin profile. We are also improving our execution speed to reduce net fund involvement days for India Services.

### UK

In the UK, We are working with the leading telecom and broadband service providers, ably supporting Project Gigabit, which aims to drive full fibre connectivity to homes and premises. One of the key highlights in the UK, for us, has been achieving operational break even in the month of March, 2023. We aim to be profitable in FY24. Our sales engine is focused on increasing wallet share from existing customers and our delivery engine, on operational efficiencies. Our project execution, both in India and the UK, is going as per plan.

### Global Services Demerger

To unlock the future growth potential of this business, STL's Board of Directors recently approved the demerger of the Global Services business into a separate legal entity, on a going concern basis. This decision, once approved by the shareholders and regulators, will create an industry-leading business that will drive large-scale network and IT infrastructure projects with sharp customer focus and agility. The shareholding of STL and the new entity will mirror each other and the new entity will be publicly listed.



## IT Services and Digital Transformation to Grow Unabated

2022 has been a good year for the global enterprise software & IT services industry. According to Gartner, global IT spending is forecasted to reach US\$4 trillion in 2023. The market is expected to grow by a single digit, on the back of investments in digital transformation initiatives as well as cloud adoption. Such growth has been possible in spite of adverse macroeconomic developments like the Ukraine-Russia war, continuing slowdown due to the pandemic which resulted in rising inflation, increased interest rates and layoffs across the tech industry. This further reinforces the resilience of the IT services industry even in the face of external challenges.

Key technology trends that continue to shape this industry are:



**Sustainable product engineering**

With increasing emphasis on reducing carbon footprint, minimising waste and optimising resource utilisation, organisations are expected to focus on sustainable product engineering practices, such as eco-design, life cycle assessment and circular economy principles.



**Data privacy and security**

With increased focus on data privacy and security in enterprise SaaS solutions and stricter compliance and regulations, organisations may demand robust data encryption, access controls and data governance in their SaaS applications to ensure the confidentiality, integrity and availability of their data.



**Hybrid work model fuelling cloud adoption**

Gartner estimates that spending on desktop-as-a-service will reach US\$3.2 billion in 2023, as companies shift away from traditional client computing to subscription-based virtual desktop services. This trend is seen across a wide range of cloud services. Cloud-based tools for communication, project management, video conferencing, file sharing and knowledge management, will also gain more traction going forward.



**Edge computing and real-time analytics**

Organisations will increasingly adopt edge computing for data analytics and AI, enabling processing and analysis of data at the edge of the network, closer to the devices or sensors generating the data, particularly relevant in industries such as manufacturing and healthcare.



**Personalisation and hyper-personalisation**

Companies are already using AI-driven recommendation engines, predictive analytics and customer segmentation to understand individual customer preferences and deliver tailored experiences. This trend is further expected to gather steam as companies go more granular on data-led customer insights.



**Ethical AI and responsible data analytics**

Increased emphasis on ethical AI, including fairness, transparency and accountability in AI algorithms and models is expected to gain momentum. Data analytics practices may also be guided by responsible data management principles, including data privacy, security and consent.



**Collaborative and agile product development**

Product engineers need to work closely with other functions such as design, manufacturing and supply chain, while adopting agile methodologies and collaborative tools to enable efficient and effective product development processes.

**All of these trends will lend speed and scale to digital transformation initiatives across private and government enterprises. Agility will play a key role in the IT Services sector, going forward.**

## STL Digital on the path to unlocking scale





To explore the full potential of the IT services industry and to pivot from niche telecom software to broader IT services, we onboarded Mr. Raman Venkatraman. He is an industry stalwart with more than 30 years of experience and has generated and delivered billion-dollar global IT services in the past. With a focus on agility and talent, Raman started building a core leadership team and technology capabilities to cater to industries like telecom, technology, manufacturing, healthcare and more. As we progressed, we decided to exit the niche area of telecom billing software business and sold this business to Skyvera, an affiliate for US-based Telco DR for US\$ 15 million.

We are excited to share that over the last 12 to 15 months, we have come very far and have built a strong core leadership team of 50+ people and a delivery team of 900+ consultants. We have opened a delivery centre in Bengaluru, multiple offices in India, the US and the UK, along with two customer experience labs. We have acquired 18 global customers and delivered revenue of ₹70 crore in FY23 and an open order book of ₹649 crore at the end of Q4 FY23.

### We have decided to focus on the following Industry verticals

- Technology
- Life science, Healthcare and Manufacturing
- Communication, Media and Services
- Consumer Industry
- Energy, Resources and Utilities

### Our Service offerings are

<p><b>Cloud &amp; Cyber Security</b></p> 	<p><b>AI &amp; Data Analytics</b></p> 
<p><b>Enterprise SaaS Services</b></p> 	<p><b>Product Engineering</b></p> 

With years of multi-industry experience, our core leadership team comes in with deep domain expertise and deep customer connections. One of our core strengths is strong technology capabilities and advanced certified competence across cloud, data, SaaS and cyber security along with ecosystem alliances and investments. This clubbed with our promise of agility, has helped us to differentiate ourselves and win customer orders in FY23.

Our agility and ability to provide differentiated customer experience shall help us grow further on a QoQ basis. In order to reduce losses, we are working to improve utilisation & offshore/onshore revenue mix.

## Delivered on Financial Priorities in FY23

In FY23, we delivered our financial priorities. We grew revenue from continued operations by 27% to ₹6,925 crore and EBITDA by 29% to ₹931 crore.

One of the key reasons for the same, is our focused growth strategy, specially tuned towards the optical business. The optical business revenue grew by 46% to ₹5,439 crore and EBITDA by 93% to ₹1,045 crore, in FY23. Key drivers for margin improvement were optical fibre cable volumes and pricing gain, product mix shift to higher margin products and reduction in logistics costs. In FY24, we shall continue to put our efforts to optimise raw material and fixed costs.

In services, our FY23 revenue stood at ₹1,511 crore and EBITDA stands at ₹47 crore. Going forward, as the UK operations have turned profitable, this should help in improving profitability. In FY24, we shall continue to work to improve net fund involvement by improving execution and adding capabilities in high-tech value add services.

In the digital business, we are growing QoQ on revenue. Overall, we delivered ₹70 crore in revenues in FY23. In FY24, we shall continue to invest in this business to grow revenues on a QoQ basis. We are also working on improving utilisation and revenue mix to become profitable.

Our order book is stable at ₹11,052 crore at the end of Q4 FY23. We had a record year in terms of new orders won, in FY23. Our revenue mix is shifting to customer segments and geographies of our choice. We are increasing our share in the Telco segment. In terms of geography, we are increasing our share in the Americas and

European markets. It is heartening to note that in line with our strategy, we have increased our revenue contribution from the American market from 13% (last year) to 38%. Again, this is a reflection of our product innovation and the reward of investment in R&D over the years. In FY24, we aim to grow revenue by 10% to 12% and move towards net debt/EBITDA of less than 2.5 times.

As we enter the new financial year, customer centricity, technology innovation and sustainability will be the cornerstones of our growth. Our world-class leadership and global talent are driving the Company towards our ambition of becoming one of the top 3 optical players in the world while living our purpose of

*Transforming Billions of Lives by Connecting the world.*

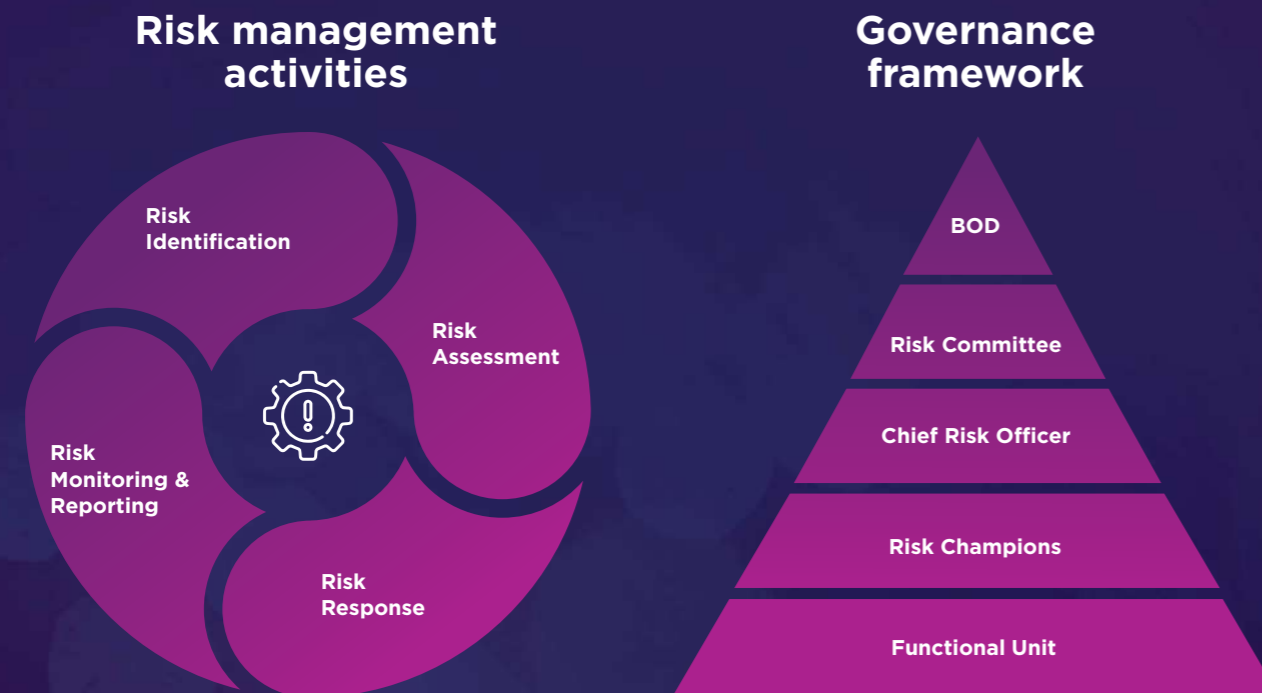


RISK MANAGEMENT

# TECHNOLOGY-LED END-TO-END SOLUTIONS

At STL, Enterprise Risk Management (ERM) is a critical function that helps the Company protect and enhance value for its customers, investors, employees, partners and other stakeholders. STL works proactively to identify and monitor the most significant risks through an ERM process. The purpose of this process is to reduce the likelihood and impact of risks and improve decision-making to help STL achieve its strategic, financial, compliance and operational objectives.

## ERM Governance Framework



## Risk-management organisation structure

STL has a multi-layered risk-management framework, aimed at effectively mitigating various risks to which its businesses are exposed.

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

<b>Board of Directors (Risk Management Committee of the Board):</b>	Ensuring the efficacy of the risk-management framework in achieving business objectives, safeguarding assets and enhancing shareholder value
<b>Risk Management Committee (Executive Committee):</b>	Overseeing risks and their management and reporting to the Board on the status of risk-management initiatives and their effectiveness
<b>Chief Risk Officer:</b>	Developing and ensuring implementation of Risk Management Policy
<b>Risk Champions:</b>	Ensuring that risks are considered in all decision-making processes and to adhere to mitigation plans developed for each risk thereby

## Risk management process

Risk management process includes activities relating to risk identification, risk assessment, risk response, as well as risk monitoring and reporting.

### Risk identification

This involves identifying internal or external events, that could potentially affect strategy and achievement of objectives. The risks identified are further categorised into:

#### Geo-political and macroeconomic risks

#### Strategic risks

#### Operational risks

#### Financial and reporting risks

#### Compliance risks

#### Geo-political and macroeconomic Risks

#### Strategic Risks

- Industry
- Consumer and competition
- Product portfolio and innovation

#### Operational Risks

- Talent management
- Service delivery
- Supply chain
- Cyber security

#### Financial and reporting Risks

- Financial reporting
- Foreign currency
- Counter party
- Liquidity
- Interest rate
- Commodity

#### Compliance Risks

- Code of Business Conduct
- Bribery and corruption
- Environment, Tax (GST, Income Tax)

## Geo-political and macroeconomic risks

STL operates in a global environment and can be affected by the general economic environment, political uncertainties, local business risks as well as laws, rules and regulations in individual countries, thereby affecting the demand for its offerings. For instance, the ongoing conflict between Russia and Ukraine and the resulting impact on commodity prices, high level of inflation and tightening of monetary policies across key customer markets, coupled with increase in interest rate may have direct and indirect impacts on STL's operations. The Company, at all times, closely monitors the development of world events and takes proactive actions to minimise potential negative impact.

## Strategic risks

Strategic risks are those risks which are inherent to the industry in which the Company operates. Strategic risks are analysed and mitigated through strategic actions on markets and customer offerings, investment in R&D and product innovation, among others. STL periodically assesses strategic risks to the successful execution of its strategy, its impact on financial performance, effectiveness of organisation structure, processes retention and development of high-performing talent and leadership. Some of the risks under this category include:

### Industry risk

The Company may not be able to implement its strategy successfully and deliver growth due to the changes in the industry in which it operates. STL's business depends on CapEx spends by the telecommunication sector which includes investment in backhaul, rollout of a new generation of mobile network and investment in fibre infrastructure and deployment. The Company continues to invest in its product portfolio and capabilities to increase its total addressable market. Further, STL is expanding its technology-led, end-to-end solutions and key account management

capabilities to focus on key customers across four of its principal customer segments of telecom operators, citizen networks, large enterprises and cloud companies

### Customer and competition risks

The market is competitive with few barriers to capacity expansion by existing and new players. Globally, most of the contracts are finalised through the competitive bidding process. Therefore, product pricing becomes an important factor. STL is expanding its capacity and focusing on increasing its market share through access to new markets, new product development and enhancing its client footprint. The Company closely monitors technological advances and competitive market changes to adapt its strategies to be able to benefit from these opportunities and safeguard against potential threats.

### Product portfolio and innovation risks

There is a risk that STL might be unable to develop new products and solutions, which can proactively meet customer's unmet needs. In the fast-changing world, the launch of new and technically improved variants of products or solutions by STL's competitors could put the Company's prospects at risk. To minimise the impact of these risks and pursue new opportunities, the Company continues to invest deeply in new technologies and capabilities through partnership ecosystem and investments. In addition, it is continuously investing in its existing product portfolio and large innovation projects. Key innovation projects are closely monitored, with a well-established gate and project management approach. Further, STL also aims to execute value-creating M&A, to further develop its technology-led, end-to-end solutions.

## Operational risks

Operational risks are the risks which can negatively impact the operations of the Company. These risks are related to people, policies, procedures and IT systems impacting the product and service delivery to its customers. One of the Company's focus areas is to transform its business through processes, platforms and analytics. The Company has a strong mechanism in place to review the operations, including business processes and procedures to minimise the risk relating to product and service delivery to customers. Some of the potential risks in this category are:

### Talent management risk

STL's ability to successfully implement its strategy and deliver value and growth is highly dependent on its organisational structure and its ability to attract, develop, engage and retain best professional talent with a focus on diversity. Further, the inflation-related increase in hiring and retaining key talents, may potentially result in higher personnel cost.

STL has taken significant steps in building a competitive edge through its talent. The Company onboarded the best-in-class talent globally, including a vibrant group of graduate engineers and management trainees. It is focused on building future capabilities and talent pipeline through a robust succession planning programme, extensive job rotation and development programmes to identify and develop young leaders. STL invested in developing capabilities to reskill and upskill its employees for future roles and ring-fenced critical talent. Additionally, STL undertook a structured program to benchmark the operating model with global best standards and define options to streamline the same for efficient allocation of resources to areas of growth. The Company has rolled out programmes focused on employee well-being and mental health. A high focus on Diversity, Equality and Inclusion (DEI) has resulted in overall Diversity of 19% with 44% gender diversity in Campus Hiring. STL also welcomed its first batch of people with disability (PWD) employees at the Optical Connectivity plant. Multiple policies linked to building an equal and inclusive environment were rolled out, e.g., Employee Assistance programme, flexi-holidays and AI-enabled resume stack ranking, to reduce inadvertent unconscious bias in the hiring process. The Company has been certified as 'Great Place to Work' for the third year in a row, was listed in the ET Future Ready Organisation Award 2022 and Won the ET Best Company for Women Award 2022.

### Service delivery risk

STL is undertaking various large-scale, end-to-end projects. The Company has implemented strong project management frameworks, which are supported by digital tools and applications. Despite this, there is a risk associated with the completion of its projects within contractually agreed timelines, which can result in penalties and in remote scenarios, contract termination. Such outcomes may result in lower revenues, margins and adverse brand image.

### Supply chain risk

With the global reach and scale of STL's operations, it is important for the Company to have a seamless supply chain as disruptions in its manufacturing, delivery, logistics or supply chain can negatively impact its revenue and reputation. Additionally, significant fluctuation in timing and placement of orders by its customers can also impact its planning and fulfilment. There is also a risk of a single or limited source for a few input materials. The Company has implemented digital tools for scenario-based planning and forecasting. Procurement intelligence and benchmarking are followed to optimise prices and engage with the right vendors. Further, to protect against disruptions and volatility in global supply chains, the Company is driving initiatives for the development of the vendor ecosystem, diversification of geographies for sourcing along with an emphasis on local sourcing wherever possible.

### Cyber security risk

Cyber security risk is one of the key risks as cyber threats continue to develop and become more sophisticated. Cyber security incidents include data theft, ransomware (monetary/reputational losses), business interruption by malware, phishing, data privacy breaches and availability of IT systems. Rapid adoption of digital technologies and interactions across stakeholders have put in place a greater need for secure and reliable IT systems and infrastructure. STL has implemented a defence in-depth approach to manage and control these risks, which includes a multi-year programme that focuses on cyber security resilience and capability. The programme is addressing cyber security by looking at risk identification, assessment, response and recovery taking account of people, tools and technology as well as processes. The Company continues to assess the risk and is investing in evolving security architecture to further strengthen its capabilities in managing cyber security risks.

## Financial and reporting risks

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

### Financial reporting risk

Ineffective internal control over financial reporting may result in an unclear view of the financial position and business performance. The Company has implemented a robust Internal Financial Control (IFC) framework in order to ensure that reporting is complete, transparent and free from material weaknesses. The system for internal control is based on an integrated framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), which outlines the components, principles and factors necessary for an organisation to effectively manage its risks through the implementation of internal control framework.

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



Regular internal audits, by independent external audits, ensure that controls are designed and operating effectively. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests improvement for further strengthening of internal controls.

### Liquidity risks

The Company requires funds both for short-term operational needs as well as for long-term investment projects, mainly in growth projects. The aim is to minimise the risk by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity both in the short-term and long-term. The Company works with a healthy mix of long-term and short-term debts to manage the liquidity risk.

### Commodity risks

The Company is exposed to the risk of price fluctuation in raw materials and energy resources. The Company has strong policies and systems in place to minimise the price risk of its raw material to a large extent. The Company is vertically integrated globally, ensuring limited exposure and impact due to any movement in a single raw material.

### Interest risks

The Company is exposed to the risk of interest rate fluctuations in both domestic and foreign-currency borrowings. It uses a judicious mix of

Indian and foreign currency, borrowing within the stipulated parameters to mitigate the interest-rate risk. This also helps to have a lower, blended interest rate. The interest rate for Indian currency (Rupee) borrowing is largely linked to Marginal Cost of Funds-based Lending Rate (MCLR) and for foreign currency borrowings, the rate is linked to the prevailing US Dollar The Secured Overnight Financing Rate (SOFR).

### Foreign currency risks

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

### Counterparty risks

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

## Compliance risks

Compliance risks are those resulting from violations or non-compliance with applicable laws and regulations, code of business conduct and ethics as well as breach of contractual compliance having material impact on the Company's financial, organisational and reputational standings. Compliance with laws and regulations is one of the essential elements of STL's code of business conduct.

The Company has a strong compliance management framework which also includes mandatory e-learning on code of conduct, prevention of sexual harassment at workplace (POSH), among others. Risks related to various compliances are identified, assigned to owners and monitored on a periodic basis. Further, a strong whistle-blower mechanism facilitates reporting on instances of non-compliance (the whistleblower policy is available on STL's website). In addition, external independent and internal auditors review the compliance management framework, including its operating effectiveness and submit their findings to the Audit Committee.

### Risk assessment

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

### Risk response / Risk mitigation

This involves identification and evaluation of possible responses to risks, which include evaluating options in relation to risk appetite (accept, mitigate or transfer the risks), cost vs. benefit of potential risk responses and degrees to which a response will reduce the impact and/or likelihood. Once mitigation plans are finalised, owners are identified and assigned tasks to implement the plans.

### Risk monitoring and reporting

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

#### INTERNAL CONTROL FRAMEWORK

##### Control environment

Code of Business Conduct, defined role of BoD and management

##### Risk assessment

Strategic, Operations, Financial and Compliance Risks

##### Control activities

Process controls, IT general controls, MIS reviews

##### Information & communication

Policies and Procedure, SOPs, IT tools

##### Monitoring

Exco review, internal audits

# DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the Annual Report for the Financial Year 2022-23 together with the audited financial statements of the Company for the financial year ended March 31, 2023.

## FINANCIAL SUMMARY/HIGHLIGHTS

The financial results of the Company are elaborated in the report on Management Discussion and Analysis. Given below are the financial highlights.

Particulars (₹ crores)	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	5,356	4,856	6,925	5,437
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)	916	649	931	723
Less: finance cost	280	216	311	238
Less: depreciation and amortisation expense	203	198	309	308
Net profit/(loss) before exceptional item and taxation	433	235	311	178
Exceptional item	-	53	-	16
Net profit/(loss) before taxation	433	288	311	194
Total tax expenses	98	73	84	52
Net profit/(loss) for the year after tax	336	215	227	142
Share of profit/(loss) of joint venture			4	5
Net profit for the year after tax & share in profit/(loss) of joint venture	336	215	231	147
Profit/(loss) from discontinued operations	(260)	(132)	(104)	(102)
Profit for the year	75	82	127	45
Share of profit/(loss) of minority interest			(14)	(15)
Net profit attributable to owners of the company	76	83	141	60
Balance carried forward from previous year	1,587	1,580	1,679	1,695
Amount available for appropriation	1,663	1,663	1,820	1,755
<b>APPROPRIATIONS</b>				
Equity dividend and tax thereon	(20)	(79)	(20)	(79)
Others	3	3	3	3
Transactions with non-controlling interest			(26)	
Balance carried forward to the next year	1,646	1,587	1,777	1,679

## PERFORMANCE

### Standalone

FY23 closed with Revenues of ₹5,356 crores, EBITDA of ₹916 crores, PAT of ₹75 crores and EBITDA margins of 17.1%.

### Consolidated

FY23 closed with Revenues of ₹6,925 crores, EBITDA of ₹931 crores, Net Profit attributable to owners of the Company ₹141 crores and EBITDA margins of 13.4%.

## OPERATIONS

With a strong global presence spanning four continents and serving customers across over 100 countries, STL is a trusted name in the industry. Our expert offerings in Optical Connectivity, Global Services, and Digital and Technology solutions have won us the trust of leading names in telecom, cloud, citizen networks, and large businesses. In the US, STL's fibre optic and connectivity solutions are helping the country build ubiquitous broadband networks. STL has strengthened its presence with an advanced manufacturing facility in South Carolina. STL has been front and centre of the UK's digital transformation journey for more than 10 years. The company's optical cable and interconnect offerings and

network deployment expertise have pushed it to the centre of 'Project Gigabit' in the UK. STL has strengthened its capabilities by setting up an Optical and Services Centre of Excellence. We are serving the optical and network build needs of our UK-based customers with design innovation and shorter lead times through our optical cable and interconnect manufacturing setups in Italy. In **Europe**, STL is driving design innovation in the optical network space to support national connectivity programs and help build ubiquitous broadband, FTTx, and 5G networks. Through its advanced Optical Fibre cable (OFC) and Optical Interconnect facilities in Italy, STL has helped in meeting the fibre demand and expedited fibre rollouts across the European region. The company's optical solutions are helping accelerate 5G connectivity and smart living in the **Middle East**, and are driving digital inclusion in Africa. STL has a centre of excellence in Dubai that integrates R&D and product development for the region. STL started its journey in **Australia** in 2020 when it became the trusted optical partner for the second-largest telecom operator in Australia. Since then, it has been an integral part of the region's digital transformation journey.

We're excited to share that in May 2023, our board approved the demerger of our Global Services business, which will pave the way for unlimited growth opportunities. We recently formed **STL Digital**, a dedicated team that specializes in engineering amazing digital experiences for

customers in various industries such as telecom, technology, manufacturing, and healthcare. We can't wait to see what the future holds for our company!

Early in FY23, we shared our strategic intent to drive focused growth. Taking action on this plan, we exited three less profit-making businesses in FY23. We divested our IDS business to Hexatronic group for ~GBP 14 million. We also sold the telecom software products business to Skyvera, an affiliate for US-based Telco DR for ~US\$15 million, and in Q4FY23, we exited the wireless business.

As a company, we are strongly driven by our purpose of 'Transforming Billions of Lives by Connecting the World'. This purpose serves as a north star for our Environment, sustainability and Governance (ESG) efforts. While delivering advanced optical and digital solutions for future-ready networks, we are constantly looking for ways to create value in our communities and for the environment. STL is championing sustainability and has committed to becoming Net Zero by 2030. We keep sustainability at the core of our manufacturing operations. At STL, waste management is one of the most fundamental ways the company drives its sustainability agenda. Four of our manufacturing units in India are Zero Waste to Landfill certified by Intertek, a US Quality Assurance provider. The Rakholi, Dadra and Shendra plants have received Level 1 certification for diverting more than 99% of waste. STL's Waluj plant has received a Level 2 certification for diverting more than 96% of waste from landfills. STL aims to have all its plants across the globe certified over the next few years. We continue to ensure Zero Liquid Discharge across 100% of our optic fibre plants in drought-prone Aurangabad, Maharashtra.

## BUSINESS RESTRUCTURING

The Board of Directors in its meeting held on May 17, 2023 approved Scheme of Arrangement whereby the Global Services Business will be demerged into STL Networks Limited, a wholly owned subsidiary of the Company, on a going concern basis, under the provisions of Section 230 to 232 of the Companies Act, 2013, subject to, inter-alia, receipt of approvals from the shareholders and creditors of the Company, as may be directed by the National Company Law Tribunal, Mumbai Bench, Securities and Exchange Board of India (SEBI) BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and approval of other regulatory or statutory authorities as may be required. Pursuant to the Scheme, the Resulting Company will be listed on the BSE and NSE.

## DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The Board of Directors ('the Board') is pleased to recommend a final dividend of ₹1/- per Equity Share (i.e. 50%) of ₹2/- each for the FY23. For the FY22, the dividend paid was ₹0.50/- per share (i.e. 25%) of ₹2 each.

The distribution of dividend will result in payout of around ₹39.86 crores (excluding tax) on dividend. The dividend payout is subject to approval of shareholders at the ensuing Annual General Meeting ('AGM'). The Company proposes not to carry any amount to reserves for the FY23.

In terms of the provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders subject to tax deduction at source at the applicable rates. For further details on taxability, please refer to annexure to the Notice of Annual General Meeting.

The Dividend Distribution Policy of the Company, in terms of Regulation 43A of the Securities and Exchange Control Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing

Regulations'), is available on the website of the Company at <https://www.stl.tech/Code-of-Conduct-and-Policies.html>. The dividend recommended is in accordance with the principles and criteria as set out in the dividend distribution policy.

## SHARE CAPITAL

The paid-up equity share capital as on March 31, 2023 was ₹79.68 crores. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights or sweat equity shares.

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In compliance with the Listing Regulations, the Company has included a separate section on Business Responsibility and Sustainability as a part of this Annual Report.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

## BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During FY23, seven meetings of the Board of Directors were held on April 28, 2022; July 25, 2022; October 13, 2022; November 4, 2022; December 6, 2022; January 27, 2023 and February 23, 2023. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days.

## COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Board comprises of Mr. S. Madhavan – Chairman, Ms. Kumud Srinivasan – Member, Mr. Sandip Das – Member and Mr. Pravin Agarwal – Member. All recommendations given by Audit Committee during FY23 were accepted by the Board.

Further details on the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of this Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the recommendation of the Nomination & Remuneration Committee (NRC), the Board, in its Meeting



held on April 28, 2022, approved re-appointment of Mr. Sandip Das as an Independent Director of the Company for a second term of two consecutive years with effect from October 16, 2022 to October 15, 2024 and the same was approved by the members at their Annual General Meeting held on August 26, 2022.

Mr. Ankit Agarwal was appointed as Managing Director for five consecutive years with effect from October 08, 2021 upto October 07, 2026 by the members at their Annual General Meeting held on August 26, 2022.

Pursuant to Section 149 read with Section 152 of the Companies Act, 2013 ('the Act'), Mr. Anil Agarwal (DIN 00010883), Chairman and Non-Executive Director will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his appointment.

Members of the Company, in the Annual General Meeting held on June 26, 2018 had approved the appointment of Ms. Kumud Srinivasan as an Independent Director for a period of five years from May 22, 2018 upto May 21, 2023. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 17, 2023, approved the re-appointment of Ms. Kumud Srinivasan as an Independent Director of the Company for a second term of two years with effect from May 22, 2023 to May 21, 2025 based on the skills, experience, knowledge and report of her performance evaluation. The re-appointment is subject to the approval of the members at the ensuing Annual General Meeting by way of a Special Resolution.

Details of the aforesaid proposals for appointment are provided in the Annexure to the Notice of the AGM.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(7) of the Act and Regulation 16 and 25 of the Listing Regulations. The Independent Directors of the Company have also registered themselves in the databank with the Indian Institute of Corporate Affairs and confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold the highest standards of integrity.

Mr. Mihir Modi, stepped down as a Chief Financial Officer (CFO) and Key Managerial Personnel of the Company, effective October 14, 2022 and Mr. Tushar Shroff was appointed as a Chief Financial Officer of the Company effective December 06, 2022.

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

1. Mr. Ankit Agarwal – Managing Director
2. Mr. Tushar Shroff – Chief Financial Officer
3. Mr. Amit Deshpande – Company Secretary

### PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the NRC has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board. Pursuant to the provisions of the Act and the Listing Regulations, the Board

has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. Details of the evaluation mechanism are provided in the Corporate Governance Report.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(3)(c) and Section 134(5) of the Act, Directors, to the best of their knowledge and belief, state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year April 1, 2022 to March 31, 2023;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### COMPLIANCE WITH SECRETARIAL STANDARDS

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

### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts and arrangements with related parties, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis, except for those which were specifically approved by the Board (for transactions not in ordinary course).

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2023.

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

## SUBSIDIARIES AND JOINT VENTURES

In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided as part of the consolidated financial statement. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity. This also includes highlights of performance of Sterlite Global Ventures (Mauritius) Limited, Metallurgica Bresciana S.p.A. Sterlite Technologies Inc., USA and Sterlite Tech Cables Solutions Limited which are material subsidiaries of the Company.

During FY23, STL Digital UK Limited became a subsidiary of the Company:

During FY23, your Company transferred of its Digital Business Undertaking to STL Digital Limited, a wholly owned subsidiary of the Company as a going concern on a slump sale basis.

During FY23, the Company entered into definitive documents to acquire balance 25% stake (through its wholly-owned subsidiary) in Jiangsu Sterlite Fiber Technology Co., Ltd. (JSFTCL) (Formerly known as Jiangsu Sterlite Tongguang Fiber Co. Ltd.). The acquisition of 25% stake in JSFTCL has been completed on December 14, 2022. The Company now holds 100% shares of JSFTCL through its wholly owned subsidiaries in China and Mauritius.

During FY23, the following have ceased to be subsidiaries of the Company:

- Sterlite Global Venture (Mauritius) Limited (“**SGVML**”) (a wholly owned subsidiary of the Company), divested its entire stake (amounting to 80% of the entire share capital) held in Impact Data Solutions Limited, UK (“**IDS UK**”) to Hexatronic Group AB (publ.). Consequent to the Transaction, IDS UK and its wholly owned subsidiary Impact Data Solutions BV, ceased to be the subsidiaries of SGVML and step-down subsidiaries of the Company respectively effective October 04, 2022.
- STL Tech GmbH has been closed with effect from October 18, 2022.
- Sterlite Technologies Inc, USA merged with Sterlite Tech Holding Inc., USA effective April 1, 2023.

The Company has complied with Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, for the downstream investments made during the year.

Policy on material subsidiaries, as approved by the Board of Directors, can be accessed on the Company’s website at <https://www.stl.tech/Code-of-Conduct-and-Policies.html>

The Audited Financial Statements of the Subsidiary Companies have not been included in the Annual Report. The financial statements of the Subsidiary Companies and the related information will be made available, upon request, to the members seeking such information at any point of time. These financial statements will also be available on the Website of the Company at <https://www.stl.tech/downloads.html>

## FINANCIAL STATEMENTS

Pursuant to various circulars issued by the Ministry of Corporate Affairs and SEBI, the Company shall not be dispatching physical copies of the Annual Report and shall

be sent only by email to the members. However, copies of the Annual Report will be provided to the members upon request.

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

## STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) (‘PWC’) has been appointed as the Statutory Auditors in the Annual General Meeting held on August 26, 2022 for the second term of five consecutive years from the conclusion of 23<sup>rd</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> Annual General Meeting of the financial year for 2027.

## STATUTORY AUDITOR’S REPORT

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, in their report for the financial year ended March 31, 2023.

## SECRETARIAL AUDITOR

Pursuant to Section 204 of the Act, Mr. Jayavant B Bhawe, Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2023. The Report of the Secretarial Auditor is annexed as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## COST AUDITOR

The Company is required to make and maintain cost records for certain products as specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, the Company has been making and maintaining the records as required.

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company are required to be audited. Mr Kiran Naik, Cost Accountant, was appointed as the Cost Auditor to audit the cost accounts of the Company for said products for FY23 and the audit is ongoing. Cost Audit Report for FY23 will be filed with the Registrar of Companies within the prescribed timelines.

The Board of Directors has approved the appointment of Mr. Kiran Naik as Cost auditor for FY 24 at a remuneration of Rs. 110,000. Mr. Kiran Naik, being eligible has consented to act as a Cost auditor. As required by the provisions of the Act, a resolution seeking Members’ approval for the remuneration payable to Mr Kiran Naik, Cost Auditor for FY24 is included in the Notice convening the ensuing AGM.

## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2023 and are operating effectively.

The Board of Directors has devised systems, policies and procedures/frameworks, which are currently operational

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

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

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

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

#### **DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)**

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

#### **STATUTORY COMPLIANCE MANAGEMENT**

The Company mitigates its legal and regulatory compliance risks with the help of an online compliance management tool. It is a well-defined system for storing, monitoring and ensuring compliances under various legislations. Non-compliances, if any, are reported and corrective actions are taken within a reasonable time. Any regulatory amendment is updated periodically in the system. Based

on reports from the system and certificates from functional heads, the Managing Director presents the quarterly compliance certificate to the Board at the Board meetings.

#### **BUSINESS RISK MANAGEMENT**

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

This framework, inter alia, includes identification of internal and external risks faced by the Company, including financial, operational, sectoral, sustainability, information, cyber security, strategic or any other risk as may be determined by the Risk Management Committee and the measures for risk mitigation, reporting of critical risks within the Company and Business Continuity Plan.

The Risk Management Committee of the Board comprises of Ms. Kumud Srinivasan as the Chairperson and Mr. Sandip Das, Mr. Ankit Agarwal and Mr. Tushar Shroff as Members.

#### **WHISTLE BLOWER MECHANISM**

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

#### **DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT**

The Company is committed to maintaining a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act"). The Company has also set up "Prevention of Sexual Harassment Committee, which is in compliance with the requirement of the POSH Act, to redress the Complaints received regarding sexual harassment which has formalised a free and fair enquiry process with clear timeline. During the financial year, Company received one complaint under the POSH Act which has been closed as on the date of this Report.

The Company is already in compliance with the directions issued by the Honorable Supreme Court of India in May 2023 for the proper implementation of POSH Act.

#### **EMPLOYEES STOCK OPTION SCHEME**

The Company's Employee Stock Option Schemes are in line with Company's philosophy of sharing benefits of growth with the growth drivers and are in compliance with the applicable SEBI Regulations. The Company allotted 8,23,648 shares during the year to various employees who exercised their options. The Certificate from the Secretarial

Auditor confirming that the Scheme has been implemented in accordance with the SEBI Regulations and the resolution passed by the shareholders would be placed at the AGM for inspection by member.

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

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

## ANNUAL RETURN

In terms of Section 92(3) of the Act, the annual return of the Company for the financial year ended March 31, 2023 shall be available on the Company's website <https://www.stl.tech/investors.html>

## CREDIT RATING

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

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## NON-CONVERTIBLE DEBENTURES

During FY23, your Company raised ₹100 crores through issuance of 10,000 Secured, Rated, Redeemable, Non-Cumulative, Non-Convertible Debentures (NCDs) of face value of ₹1,00,000 each on private placement basis. As on March 31, 2023, the Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹540 crores. The Company has maintained asset cover sufficient to discharge the principal amount along with outstanding Interest at all times for its NCDs. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

The details of debenture trustee are as below–

### Axis Trustee Services Limited

The Ruby, 2<sup>nd</sup> Floor, SW  
29 Senapati Bapat Marg, Dadar West  
Mumbai- 400 028  
Contact No.: +91- 022-6230 0438

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Act, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed amounts lying with the Company as on March 31, 2023 have been uploaded on the Company's website at <https://www.stl.tech/latest-disclosure.html>

## TRANSFER OF 'UNDERLYING SHARES' TO IEPF

In terms of Section 124(6) of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the equity shares in respect of

which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. Details of shares transferred have been uploaded on the website of the Company.

### CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Sustainability and Corporate Social Responsibility Committee ('CSR Committee') which comprises Mr. B. J. Arun, Chairman, Mr. Sandip Das, Mr. Pravin Agarwal and Mr. Ankit Agarwal, Members. The Board has also approved a CSR policy on recommendations of CSR Committee, which is available on the website of the Company at <https://www.stl.tech/Code-of-Conduct-and-Policies.html>

As part of its initiatives under Corporate Social Responsibility, the Company has undertaken projects in the areas of Education, Health, Women Empowerment and Community Development during FY23.

During the year, the Company has spent ₹7.90 crores on CSR activities. The Annual Report on CSR activities, in accordance with Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure V** to this Report.

### GENERAL

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

- a) The Company has not accepted any deposits from the public or otherwise in terms of Section 73 of the Act read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.
- b) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- c) The Whole-time Directors of the Company do not receive any remuneration or commission from any of its subsidiaries.
- d) No significant or material orders were passed by the Regulators, Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) The Auditors have not reported any matter under Section 143 (12) of the Act, therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.
- f) No application has been made under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("the IBC, 2016"), hence, the requirement to disclose the details of application made or any proceeding pending under the IBC, 2016 during the year along with their status as at the end of the financial year is not applicable.
- g) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

### ACKNOWLEDGEMENT

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

### For and on behalf of the Board of Directors

**Pravin Agarwal**  
Vice Chairman &  
Whole-time Director

**Ankit Agarwal**  
Managing Director

Place: Pune  
Date: May 17, 2023

# ANNEXURE I

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members

#### STERLITE TECHNOLOGIES LIMITED

4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9,  
STS 12/1, Pune – 411001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STERLITE TECHNOLOGIES LIMITED (CIN: L31300PN2000PLC202408) (Hereinafter called 'the Company')

Secretarial Audit was conducted for the financial year 2022-23, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on March 31, 2023 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e) Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- i) SEBI (Delisting of Equity Shares) Regulations, 2009
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

and circulars/guidelines issued thereunder;

- (vi) Other Applicable Laws: As informed by the management, no other laws are applicable specifically to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

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

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

All the decisions of the board were passed with unanimous consent of all the directors present in the meeting and are recorded as part of the minutes.

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

I further report that during the audit period: -

1. On July 25, 2022 the board of directors approved sale of its entire investment in Impact Data Solutions Limited (80% stake) and indirectly acquired shares of Impact Data Solutions B.V. at a consideration of not less than GBP 9.6 Mn
2. On August 26, 2022 the members at the 23<sup>rd</sup> Annual General Meeting approved the re-appointed Mr. Sandip Das as an Independent Director by way of special resolution for a consecutive term of 2 years from October 16, 2022 to October 15, 2024.
3. On August 26, 2022 the members at the 23<sup>rd</sup> Annual General Meeting approved the appointment of Mr. Ankit Agarwal (DIN 03344202) as Managing Director by way of special resolution for a period of 5 years with effect from October 8, 2021 up to October 7, 2026.
4. On August 26, 2022 the members at the 23<sup>rd</sup> Annual General Meeting approved the re-appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as statutory auditors for a consecutive term of 5 years to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting to be held for the financial year 2026-27.
5. Mr. Mihir Modi resigned as Chief Financial Officer and Key Managerial Personnel with effect from October 14, 2022.
6. On December 6, 2022 the board of directors appointed Mr. Tushar Shroff as Chief Financial Officer and Key Managerial Personnel with effect from December 6, 2022.
7. On January 27, 2023, the board of directors considered the proposal to raise the funds upto ₹500 crores through the issuance of fully paid-up equity shares/partly paid-up equity shares of face value of ₹2 each as may be decided by the Board or the Rights Issue Committee of the Board, by way of a rights issue to the existing shareholders.
8. On February 23, 2023 the board of directors approved the sale of the entire Digital Business at a consideration of not less than ₹15 crores to STL Digital Limited, a wholly owned subsidiary.
9. The Board of Directors in its meeting held on November 4, 2022 approved divestment of Telecom Software (OSS/BSS) business (Project Artemis) by way of slump sale as a going concern basis. On January 27, 2023, the board of directors approved sale of the assets of Telecom Software (OSS/BSS) Business at a consideration of not less than USD 15 Million.

**For J. B. Bhave & Co.**  
Company Secretaries

---

**Jayavant B. Bhave**  
Proprietor  
FCS: 4266 CP: 3068

Place: Pune  
Date: May 17, 2023

PR No. 1238/2021  
UDIN: F004266E000295667

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF STERLITE TECHNOLOGIES LIMITED (2022-23)**  
**AUDITORS' RESPONSIBILITY**

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSAS1 to CSAS4) I wish to state as under-

- Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on Secretarial Audit conducted by me.
- The Secretarial Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
- I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance

about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For J. B. Bhavé & Co.**  
Company Secretaries

**Jayavant B. Bhavé**  
Proprietor  
FCS: 4266 CP: 3068

Place: Pune  
Date: May 17, 2023



## ANNEXURE II

### Details of Stock Options as on March 31, 2023

Statement as on March 31, 2023 for Employee Stock Option Scheme, 2010 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Sr. No	Particulars	ESOP 2010 Scheme
1.	Date of Shareholders' approval	July 14, 2010
2.	Total Number of options approved	Upto 5% of the paid-up capital of the Company
3.	Vesting Requirements	1. The company achieving targets as per prescribed Performance Criteria 2. continuous employment with the company
4.	Source of shares	Primary
5.	Exercise price	Options vest at a nominal value of equity shares i.e. ₹2 per option
6.	Maximum term of options granted	Granted options would vest over a period of five years from the date of grant. Vested options are to be exercised within five year from the date of vesting
7.	Variation of terms of option	None
8.	Option movement during the year:	
	Number of options outstanding at the beginning of the year	30,02,165
	Number of options granted during the year	16,03,514
	Number of options forfeited/lapsed during the year	7,38,200
	Number of options vested during the year	14,48,276
	Number of options exercised during the year	8,23,648
	Number of shares arising as a result of exercise of options	8,23,648
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	₹16,47,296
	Number of options outstanding at the end of the year	30,43,831
	Number of options exercisable at the end of the year	6,10,633
9.	Employee-wise details of options granted during FY23 to	
I.	Number of options granted to Senior Managerial Personnel	None
II.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Mr. Raman Venkatraman, CEO - Digital Business
III.	Identified employees who were granted options during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
10.	Diluted earnings per share pursuant to issue of ordinary shares on exercise of Options calculated in accordance with Ind AS 33	₹1.89 ₹1.82
11.	Method of Calculation of Employee Compensation Cost	The Company has used fair market value method for calculation of compensation cost, using the Black Scholes Option Pricing Model and Monte Carlo simulation model. Use of model is based on the related vesting conditions.

Sr. No	Particulars	ESOP 2010 Scheme
		₹2
		Grant I - ₹25.87
		Grant II – ₹29.77
		Grant III – ₹28.22
		Grant IV – ₹48.66
		Grant V- ₹79.99
		Grant VI- ₹84.62 & ₹87.30
		Grant VII – ₹103.94
		Grant VIII- ₹162.87 & ₹92.90
		Grant IX – ₹265.58
		Grant X- ₹377.59
		Grant XI – ₹291.97 & ₹134.31
		Grant XII- ₹286.53
		Grant XIII- ₹136.86 & ₹44.32 & ₹22.30
		Grant XIV – ₹126.69 & ₹63.00
		Grant XV– ₹180.75
		Grant XVI – ₹276.80
		Grant XVII – ₹279.50
		Grant XIX- ₹253.80
		Grant XX – ₹139.40
		Grant XXI – ₹139.80
		Grant XXII – ₹175.00
12.	Weighted average exercise price and weighted average fair values of Options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock.	
	Weighted Average exercise price (per option)	
	Weighted Average Fair value (per option)	

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

**a) Assumptions under Black Scholes Option Pricing:**

Details	Grants															
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	
1. Risk Free Interest rate (%)	8.33	8.04	8.66	7.84	7.22	6.50	6.12	6.20	6.27	6.54	7.03	6.88	6.19	3.92	3.99	
2. Expected Life (yrs)	1.5	1.7	1.7	1.7	1.8	1.5	1.54	1.5	1.5	1.5	1.54	1.5	3.5	2.1	2.1	
3. Expected Volatility (%)	48.31	53.93	44.41	51.55	55.34	50.28	47.02	37.00	42.75	43.28	44.79	44.64	47.87	54.60	57.90	
4. Expected Dividend Yield (%)	0.73	0.79	0.79	0.59	0.72	1.14	0.47	2.20	1.90	1.30	1.04	0.69	1.07	2.5	2.5	
5. Weighted Average Fair value (₹)	25.87	29.77	28.22	48.66	79.99	84.62	103.94	162.87	265.58	377.59	291.97	286.53	136.86	126.69	180.75	

Details	Grants					
	XVI	XVII	XVIII	XIX	XX	XXI
Risk Free Interest rate (%)	4.35	4.35	4.67	7.09	7.09	7.00
Expected Life (yrs)	2.5	2.10	2.10	2.54	2.14	2.10
Expected Volatility (%)	55.50	55.80	49.50	49.10	43.10	44.70
Expected Dividend Yield (%)	2.36	2.36	2.50	0.78	0.78	2.50
Weighted Average Fair value (₹)	276.80	279.50	253.80	139.40	139.80	175.00

Assumptions used are as follows:

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

Assumptions used are as follows:

Variables	Grant VIII	Grant XI	Grant XIII	Grant XIV	Grant XVI	Grant XX
Price of underlying stock	₹172.30	₹301.75	₹145.35	₹135.40	₹295.80	₹143.85
Expected volatility	37.00%	44.79%	47.87%	54.60%	55.80%	49.10%
Risk Free rate	6.40%	7.03%	6.19%	3.92%	4.35%	7.09%
Exercise Price (per Option)	₹2.00	₹2.00	₹2.00	₹2.00	₹2.00	₹2.00
Dividend Yield	2.20%	1.04%	1.07%	2.50%	2.36%	0.78%
Fair Value of the option	₹92.90	₹134.31	₹44.32	₹63.00 & ₹22.30	₹145.09 & ₹137.99	₹36.93 & ₹133.40

which the options cannot be exercised.

- Expected dividend yield: Expected dividend yield has been calculated on the dividend prior to the date of the grant.

**b) Assumptions under Monte Carlo Simulation model**

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

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

# ANNEXURE III

## Statement of Disclosure of Remuneration

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

### A. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2023

₹ In crores

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2022-23	% increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/KMP to median remuneration of employees
<b>I. Whole-Time Directors/Key Managerial Personnel</b>				
1	Mr. Pravin Agarwal Vice Chairman & Whole-time Director	<b>8.17</b>	<b>-20%</b>	<b>79</b>
2	Mr. Ankit Agarwal (KMP) Managing Director	<b>3.94</b>	<b>6%</b>	<b>38</b>
<b>II. Non-Executive Directors</b>				
3	Mr. S Madhavan Independent Director	<b>0.33</b>	<b>10%</b>	<b>3.2</b>
4	Mr. Sandip Das Independent Director	<b>0.33</b>	<b>10%</b>	<b>3.2</b>
5	Mr. B J Arun Independent Director	<b>0.33</b>	<b>10%</b>	<b>3.2</b>
6	Ms. Kumud Srinivasan Independent Director	<b>0.33</b>	<b>10%</b>	<b>3.2</b>
<b>III. Key Managerial Personnel</b>				
7	Mr. Tushar Shroff (KMP)* Chief Financial Officer	<b>0.97</b>	<b>NA</b>	<b>9</b>
8	Mr. Mihir Modi (KMP)** Chief Financial Officer (former)	<b>1.50</b>	<b>NA</b>	<b>15</b>
9	Mr. Amit Deshpande (KMP) Company Secretary	<b>0.88</b>	<b>23%</b>	<b>9</b>

\* Appointed as CFO effective December 06, 2022

\*\* Ceased to be CFO effective October 14, 2022

#### Notes:

1. Remuneration to Non-Executive Independent Directors for the above purposes does not include sitting fees paid to them for attending Board/Committee meetings.
2. As the liability for leave encashment and Gratuity is provided on an actuarial basis for the Company as a whole, the said amounts are not included above in the remuneration of Directors and KMPs. The remuneration of KMPs also includes perquisites value of Employee Stock Options (ESOPs) exercised, if any.

- B.** The percentage increase in the median remuneration of employees in the financial year is **5.79%**
- C.** The number of permanent employees on the rolls of company as on March 31, 2023 is **3140**
- D.** Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY 23 was **7.05%**
- E.** It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## ANNEXURE IV

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023.

### A. CONSERVATION OF ENERGY

#### 1. The steps taken or impact on the conservation of energy.

##### Rakholi Plant:

In FY22-23, various initiatives are taken up across our plants which has contributed to decrease in energy consumption and hence the carbon footprint.

- a. Timer installation on All Office AC & Street lights.
- b. Installation of motion sensors to the Office lighting.
- c. Installation of Portable Chillers at individual lines to save load on main chiller to save 20000 units.
- d. Installation of portable compressor in dispatch & packing areas to save load on main compressor & to save around 10000 units, ₹90000.
- e. Water level sensors installed on all tanks to avoid water wastage due to overflow.
- f. Upgraded UPS for energy saving mode to run on 20% higher efficiency.
- g. PHE upgraded for Buffering machines to improve efficiency by 20%.

##### OFC Waluj:

- Revision in Electricity board power contract demand and gain annually saving on power bill.
- STP to recycle the water & the recycled water is used for gardening purposes.
- Installation of latest IGBT technology UPS, which provides 95% efficiency compare to old rectifier technology with below 90% efficiency.
- Replacement of overhead pumps of chilled water circulation with submersible single pump, having almost half of the power rating.
- Substantial energy saving project implemented in Sheathing lines, below 5 mpm line speed, Extruder and caterpillar will stop functioning automatically and saving both energy and raw material.
- Roof Top Green Solar Energy of 625kwp Installed and connected.
- Old roof lights of reliability lab are replaced with low power LED lights. Power saved and visibility.
- High Recovery RO plant with RO reject to usage in washroom and gardening.
- Aluminum air pipeline installed that have low friction during flow of air thereby resulting in high efficiency of compressor and low air losses.

- Centralised Utilities Building going live expected energy saving by 10 to 15%.
- Latest technology & highly efficient equipment selection with 100% redundancy (Dry transformer/UPS/RMU/Type Tested panels/HVAC/Cooling Towers/Pumps).
- New PEB shed with roof sky light design to reduce day time plant lighting load.
- Revamp the chilled water circulation pumping system with submersible improving reliability of system.
- Centralised SCADA system for Utility section under new project design phase completed.
- Machine running hours being tracked to increase the OEE of machines through efficient planning.
- Process tanks with insulation cladding and inside FRP coating are been used for energy loss reduction.
- **Compressed air Saving:-**  
Buffering machines replaced with new ring knife type air wipers.  
FG lines interlocked with extruder so that it will only work when extruder.  
Buffering lines interlocked with take up so that it will only work when take up is on.
- Replacing old plant lights with more efficient LED light for power saving as well to get better visibility.
- Making arrangement of lights-switching with alternate arrangements so that we can turn on/off the lights as per requirement.
- DC motors of production machines are being replaced by high efficiency AC motors. Power saving and less maintenance.
- The interlocking of Cooling tower Fan with CT sump water temperature to save fan motor running time.
- Pressure regulators applied in FG line air wipers to get the optimum utilisation of wipers at the lowest possible air pressure. This will save the air and thus the running hours of the air compressors will be reduced.
- Running cooling tower with VFD's and Common Header of all CT.
- Installed the Motion Sensor/LDR and timers for office & street Light & Air Condition Unit to reducing power consumption.
- Heat exchangers (PHE) installation for all sheathing & Buffering line in plant to reduce the load on chillers.
- Installation of water level sensors at collection tanks to contribute towards maintaining optimum level of water for the chillers and help towards power saving.

- **HVAC system**  
New generation inverter compressors can handle variable compression ratios effectively and handle variable load requirement efficiently.  
The special electronic expansion valves with 3000 steps used in these systems will take care of precise control of temperature.  
The machines can also precisely regulate the capacity based on the internal loads and external ambient. The features offer phenomenal 25% annualised power saving compared to any conventional system.
- **Utilising alternate sources of energy.**  
More Solar Power Capacity to Install on roof top and parking shed.  
Exploring for power exchange alternative from solar & wind power.
- **Rain Water Harvesting**  
Implementation of Rain water harvesting in the plant with a harvesting potential with a provision to use water back into process.
- **Food Composter machine**  
100kg per day installed for converting the canteen food waste into manure.

**Shendra Draw Plant:**

- a. Replacement of old filters in AHU. Annual Energy Saving at 37Hz is 74748 Units.
- b. Descaling of MEE plant, Chiller units & cooling tower fills change. Energy saving since July 2022 is 104483.
- c. Optimisation of Chiller consumption by changing set point. Annual Energy Saving 94104 Units.
- d. Automation of UV lamp push blower. Annual energy saving 13464.
- e. Installation of load manager which helped in optimising contract demand. Energy saving 3.6 Lac units.

**Waluj and Gaurav Plant:**

- a. Installation of VFD in AHU 7, 18, 21, 31. Annual Energy Saving at 40Hz is 413849 Units.
- b. Installation of 19 nos. motion sensors to the lighting. Annual Energy saving 37002 Units.
- c. Optimisation of AHU consumption by changing set point. Annual Energy Saving 1.58 Lac Units.
- d. Optimisation of PAC consumption by changing set point. Annual Energy Saving 9000 Units.
- e. Installation of timers for E1, E2 & E3 office AC's.
- f. Arresting the air leakages from the ducting by installation of additional nut-bolt. & applying the silicone sealant and fill up the gaps to prevent small leakages.
- g. All non-production area (service floor, admin, utility building) lights take on timer and motion sensor.

**2. The steps taken by the Company for utilising alternate sources of energy.****Rakholi Plant:**

- a. Working for Solar Energy with sustainability team, without any investment.
- b. Installation of High Recovery RO plant, with automation and new technology.

**Shendra Draw Plant:**

- a. Installed motion sensors in offices, service floor, battery room, UPS room, canteen, EHS & washrooms to contribute towards saving power.
- b. Street lights operation automation.
- c. Old CFL lights being converted to LED lights in phase 1 & 2 area of draw tower.

**Waluj and Gaurav Plant:**

- a. Installed motion sensors in offices, service floor, battery room, UPS room, canteen, EHS & washrooms to contribute towards saving power.
- b. Timer installation for E1, E2, E3 office AC's.
- c. Installation of VFDs in plant contributes energy saving.
- d. Optimized operations of AHU & PAC units.
- e. Leakages arrested from ducting by installation of additional nut bolt & applying silicone.
- f. Timer installation for staircase lighting.

**3. The capital investment on energy conservation equipment**

- a. Portable Chiller on 5 Buffering lines.
- b. Portable compressor in Packing & Dispatch area.
- c. New KAESAR 600 CFM Air compressors having high power efficiency.

**Shendra Draw Plant:**

- a. Capital investment on automation have less than half yearly payback period. It comprises 1 to 2% saving in monthly bill.
- b. Cost investment on LED lights has less than two-year payback period.

**Waluj and Gaurav Plant:**

- a. Cost investment on motion sensors & timers have less than a year payback period.

**B. TECHNOLOGY ABSORPTION****1. The efforts made towards technology absorption****Technology absorption in energy conservation****Rakholi Plant:**

- a. Installation of AHF panel for harmonics reduction & power factor improvement
- b. Upgraded UPS for energy saving mode to run on 20% higher efficiency.
- c. Centralised utility energy bridge concept extended to new shop floor area.

**Shendra Draw Plant:**

- a. New controller installation for old APFC panels for two LT Transformers for harmonics reduction & performance improvement but atomisation.
- b. Replacement of batteries of Delta ups to improve availability/reliability of panel & power supply to phase 2 of plant
- c. Switch yard Old revenue CT replacement as per new compliance of MSEDCL.
- d. Grid power transformers Routine Testing & oil filtration activity. Increased the reliability of power supply
- e. Carried out HT 33kV breaker and relay testing activity. Increased the reliability of power supply to the critical process of plant
- f. Painting work of URT & LT Transformer due to corrosion, which increased its service life span

**Waluj and Gaurav Plant:**

- a. Installation of new APFC panels for two LT Transformers for harmonics reduction & power factor improvement
- b. Retrofitting of old APFC panels for two LT Transformers for harmonics reduction & performance improvement
- c. Replacement of H2 plant, HT capacitor (6.6kV) with new rating capacitors which increased the availability/reliability of panel & power supply to H2 plant
- d. Switch yard Old CT/PT/LA replacement work due to ageing
- e. Grid power transformers Routine Testing, OLTC overhauling & oil filtration activity. Increased the reliability of power supply
- f. Carried out HT (33kV)/LT(6.6kV) breaker and relay testing activity. Increased the reliability of power supply to the critical process of plant
- g. Painting work of URT & LT Transformer due to corrosion, which increased its service life span
- h. Installation of chokes to the chiller-9 VFD. The failure rate of VFD has reduced due to power harmonics and transient voltage spikes.
- i. Ductable AC installation done in electrical building MCC room & scrubber PCC room.
- j. Annunciation panel installation done in electrical building panels gives reliability
- k. Tripping circuit provided for APFC during DG running reduces recovery time during power failure
- l. Installation of timers provides reduced person activity physically

**2. The benefits derived like product improvement, cost reduction, product development or import substitution****Rakholi Plant:**

- a. Cost reduction by installation of portable equipment for individual lines to reduce load on main equipment like Chiller & Compressor.

- b. UPS energy saving upgradation runs it on 20% higher efficiency

**Shendra Draw Plant:**

- a. By installing load manager, the contract demand is fully optimized while maintain the required load factor without any risk of maximum demand shoot.
- b. Replacement of focus lights with LED lights provides energy saving & also illumination.

**Waluj and Gaurav Plant:**

- a. Optimized motor speed due to VFD installation reduces wear & tear effect of pumps. Increased life & efficiency of pumps
- b. Replacement of focus lights with LED lights provides energy saving & also illumination.
- c. Timers fixed in the electrical building staircase, Production building staircase to avoid unnecessary wastage of power during daytime
- d. Replacement of focus lights with LED lights provides energy saving & also illumination.
- e. Taking VRV Controller online (IP based) where we can control, Monitor, Schedule On/Off of Acs from PCs It can help to minimize power consumption & increase the motor efficiency.
- f. Temperature controller with an alarm system Installed in IT server room.

**c. Rain Water Harvesting**

Implementation of Rain water harvesting in the plant with a harvesting potential with a provision to use water back into process.

**d. Sewage Treatment Plant****e. Environment and Sustainability****3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable****4. The expenditure incurred on Research and Development (₹ crores) 41 crores****a. Foreign Exchange Earnings and Outgo**

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

Foreign Exchange Actual Inflow: 3,516.37 crores

Foreign Exchange Actual Outflow: 1,642.96 crores

**b. Environment and Sustainability**

Company's initiatives to minimize environmental footprint of products, manufacturing and supply chain are guided by its environmental policy. The Environment Management System of the company is ISO 14001 certified. The company has dedicated departments to manage different environmental aspects which are responsible for managing and monitoring the performance. The performance is evaluated periodically and future actions are planned.

# ANNEXURE V

## ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

### 1. Brief outline on CSR Policy of the Company

We strive to transform everyday living, for under developed communities in and around our operations as well as aspirational districts. Access, innovation and resilience therefore form fundamental elements of how we design and implement our CSR programs. It allows us to create shared value by enabling a progressive, equal and inclusive future for all.

Our CSR focus areas - Education, Women Empowerment, Health and Environment are uniquely connected allowing us to contribute to several other development issues, the UN Sustainable Development Goals and Ten Principles of the UN Global Compact Network. In addition to this, collective action along with the Government of Maharashtra, NGOs, technical institutes and other social players allows us to drive all-inclusive transformation enabling communities to progress as we do.

Our CSR Policy (link: <https://www.stl.tech/pdf/corporate-social-responsibility-policy-2021.pdf>) summarises our company's CSR strategy, implementation protocol and types of programs undertaken in addition to several other governance aspects.

### 2. Composition of Sustainability and Corporate Social Responsibility Committee: (as on 31 March, 2023)

S. No.	Name of Director	Designation/Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
i.	B. J. Arun, Chairman	Non-Executive & Independent Director	2	2
ii.	Sandip Das	Non-Executive & Independent Director	2	2
iii.	Pravin Agarwal	Vice Chairman & Whole-time Director	2	2
iv.	Ankit Agarwal	Managing Director	2	2

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board is disclosed on the website of the company

STL's website has all details pertaining to the company's work on CSR, its policy and CSR Committee composition.

CSR Policy - <https://www.stl.tech/pdf/corporate-social-responsibility-policy-2021.pdf>

CSR Committee composition – <https://www.stl.tech/esg/>

CSR programs approved by the Board and their details - <https://www.stl.tech/esg/social-impact/>  
[https://www.stl.tech/pdf/STL-ESG\\_Report-FY22.pdf](https://www.stl.tech/pdf/STL-ESG_Report-FY22.pdf)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of Companies (CSR Policy) Rules, 2014, if applicable (attach the report)

Not applicable for FY23

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

### 6. Average net profit of the company as per section 135(5) – ₹394.70 crores

#### 7. (a) Two percent of Average net profit of the company as per section 135(5) – ₹7.89 crores

(b) Surplus arising out of the CSR projects/programmes or activities for the financial year – Nil

(c) Amount required to be set off for the financial year, if any - None

(d) Total CSR obligation for the financial year (7a+7b- 7c) – ₹7.90 crores



**8. (a). CSR amount spent for the financial year:**

Total Amount Spent for the Financial Year (in ₹ Lakh)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
790	NA	NA	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9	10	11	12	
S. No.	Name of the Project	Project ID (if available)	Item from the list of activities in schedule VII	Local Area (Yes/No)	Location of the Project	Project duration	Amount allocated for the project (in ₹ lakh)	Amount spent in the Current Financial Year (in ₹ lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ lakh)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency Name CSR Registration number.	
1	Jeewan Jyoti Women Empowerment Program	NA	Women Empowerment	Yes	Pune, Aurangabad, Akola	Ongoing	141	185	NA	No	Rangsuatra Lighthouse Communities Foundation Institute of Livelihood Research and Training	CSR00001688 CSR00001116 CSR00001484
3	Digital Equalizer & Improved Learning Programme	NA	Education	Yes	Aurangabad, Silvassa, Nandurbar	Ongoing	289	176	NA	No	American India Foundation	CSR00001977
4	Mobile Medical Unit	NA	Healthcare	Yes	Aurangabad, Nandurbar, Gachiroli	Ongoing	95	166	NA	No	Sevamob	CSR00001153
5	Mission Green	NA	Environment	Yes	Aurangabad, Pune	Ongoing	125	125	NA	No	The Ecological Society Village Social Transformation Foundation	CSR00009860 CSR00003542
6	Holistic Water Program	NA	Environment	Yes	Aurangabad	Ongoing	70	70	NA	No	Village Social Transformation Foundation	CSR00003542
7	Employee Volunteering	NA	Women Empowerment, Health, Education, Environment	Yes	Pune, Virtual	Ongoing	8	10	NA	No	Sterlite Tech Foundation	CSR00010514
8	Liver transplant support	NA	Healthcare	Yes	Pune	Ongoing	40	40	NA	No	The Pravin Agarwal Foundation	CSR00014975
9	Administration Expenses	NA	-	-	-	Ongoing	21	18	NA	Yes	-	-
<b>TOTAL</b>							<b>789</b>	<b>790</b>				

**Note:-** CSR activities have been carried out either through Sterlite Tech Foundation (Public Charitable Trust with 3 years track record) or directly by the Company through administrative support of several Implementing Agencies as mentioned above and other Non-Governmental Organisations or Charitable Institutions.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9
S. No.	Name of the Project	Project ID(if available)	Item from the list of activities in schedule VII	Local Area (Yes/No)	Location of the Project	Amount Spent for the project (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency
				State	District			Name CIN
				Not Applicable				

**(d) Amount spent in Administrative Overheads – ₹18 lakh****(e) Amount spent on Impact Assessment, if applicable – Not applicable for FY23****(f) Total Amount Spent for the Financial Year (8b+8c+8d+8e) – ₹7.90 crores****(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	7.89 crores
(ii)	Total amount spent for the Financial Year	7.90 crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01 crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

**9. (a) Details of unspent CSR amount for the preceding three financial years:**

1	2	3	4	5
Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years
			Name of the Fund	Date of Transfer
			Not Applicable	

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

1	2	3	4	5	6	7	8	9
Not Applicable								
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount Spent in the reporting Financial Year (in ₹)	Cumulative Amount Spent at the end of financial year	Status of the project -Completed/ Ongoing.
Not applicable								

**10. In case of creation or acquisition of asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.**

(Asset wise details)

**(a) Date of creation/acquisition of the asset(s) - None****(b) Amount of CSR spent for creation/acquisition of asset - NIL****(c) Details of the entity/public authority under whose name such asset is registered, address etc. – Not Applicable****(d) Provide details of the property or asset(s) created/acquired (including complete address and location of the property) – Not Applicable****11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable****Mr. Ankit Agarwal**

Managing Director

**B. J. Arun**

Chairman, Sustainability and Corporate Social Responsibility Committee

# CORPORATE GOVERNANCE REPORT

## PHILOSOPHY OF THE COMPANY ON CODE OF GOVERNANCE

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involves moral hazard.

The Company has a three-tier governance structure:

<b>Strategic supervision</b>	The Board of Directors occupies the topmost tier in the governance structure. It plays a role of strategic supervision that is devoid of involvement in the task of strategic management of the Company. The Board lays down strategic goals and exercises control to ensure that the Company is progressing to fulfill stakeholders' aspirations.
<b>Strategic management</b>	The Executive Committee is composed of the senior management of the Company and operates upon the directions of the Board.
<b>Executive management</b>	The function of Management Committee is to execute and realise the goals that are laid down by the Board and the Executive Committee.

## BOARD OF DIRECTORS

### Composition of Board

The Company's Board comprises directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required. As on March 31, 2023, the Board of Directors of the Company ("the Board") comprises of two Whole-time Directors and five Non-Executive Directors including one Independent woman director. Mr. Anil Agarwal is a Non-Executive Chairman and Mr. Pravin Agarwal is the Vice Chairman of the Board. The Board has no institutional nominee Director. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), requiring not less than half the Board to be Independent. The profiles of Directors are available at <https://www.stl.tech/board-of-directors/>

All Directors have made necessary disclosures regarding Directorships and Committee positions held by them in other companies. None of the Directors is a Member of more than ten Committees and Chairman of more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he/she is a Director. None of the Company's Independent Directors serves as an Independent Director in more than

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of STL Directors, thus bringing in diversity to the Board's perspective. The Board has identified the matrix below, which is used as a guide for its effective functioning.

Skill sets and description	Anil Agarwal	Pravin Agarwal	Ankit Agarwal	Kumud Srinivasan	Sandip Das	S. Madhavan	B. J. Arun
<b>Leadership</b> Understanding of organisational systems and processes, complex business and regulatory environment, strategic planning and risk management	√	√	√	√	√	√	√
<b>Strategic Planning and Oversight</b> Ability to think expansively, evaluate alternatives and make choices	√	√	√	√	√	√	√
<b>Operational Oversight</b> Understanding of business model and experience of having managed organisations with large consumer/customer interface in diverse business environments	√	√	√	√	√	√	√

Our Company perceives good corporate governance practices as key to sustainable corporate growth and long-term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and client satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation.

seven listed companies. The appointment of the Whole-time Directors, including their tenure and remuneration are also approved by the Board.

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

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under the Listing Regulations. In the opinion of Board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

### CHART OR A MATRIX SETTING OUT THE LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES

The skills and attributes of the Board can be broadly categorised as follows:

- Governance skills (skills directly relevant to performing the Board's key functions);
- Industry skills (skills relevant to the industry);
- Personal attributes or qualities that are considered desirable to be an effective Director.

Skill sets and description	Anil Agarwal	Pravin Agarwal	Ankit Agarwal	Kumud Srinivasan	Sandip Das	S. Madhavan	B. J. Arun
<b>Financial Skills</b> Experience in handling financial management along with an understanding of accounting and financial statements.	✓	✓	✓	✓	✓	✓	✓
<b>Risk Management and Internal Control</b> Understanding various risks and risk management capabilities within the organisation, including crisis preparedness and recovery plans	✓	✓	✓	✓	✓	✓	✓
<b>Experience and knowledge of the industry</b> Domain Knowledge in Business and understanding of business environment, optimising the development in the industry for improving Company's business.	✓	✓	✓	✓	✓		
<b>Geographic, gender and cultural diversity</b> Representation of gender, geographic, cultural and other perspective				✓			✓
<b>Technology skills</b> Knowledge and understanding of how technology can be leveraged to produce competitively superior results and stay ahead	✓		✓	✓	✓		✓
<b>Stakeholder engagement</b> Experience of dealing with government officials, regulators, customers, boards, partners and suppliers, employees; and broader community for corporate social responsibility agenda	✓	✓	✓	✓	✓	✓	✓

### Board Meetings

During FY23, seven meetings of the Board of Directors were held on April 28, 2022; July 25, 2022; October 13, 2022; November 4, 2022; December 6, 2022; January 27, 2023 and February 23, 2023. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities were made available to facilitate Directors to participate in the meetings. As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time. The Board also reviewed the declaration made by the Managing Director regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliances, if any.

As per the relaxation given by MCA, all the Board and committees meetings of the Company during the year under review were held in hybrid mode (Physical meeting plus meeting held through video conferencing).

The composition of the Board, their attendance in meetings, other Directorships and Committee Chairpersonships and memberships and their shareholding in the Company as on March 31, 2023 are as follows:

Director (Category)	Relationship with other directors	Board Meetings attended in FY23 (out of the 7 held)	Attendance at the Last AGM held on August 26, 2022	Directorships in other Companies <sup>1</sup>	Committee Positions	Directorship in other listed entities (Category of Directorship) <sup>2</sup>	Number of shares held in the Company as on March 31, 2023
<b>Membership Chairpersonship</b>							
<b>Anil Agarwal, Chairman</b> (Promoter Non-Executive)	Brother of Pravin Agarwal	01	No	01	Nil	• Vedanta Limited (Non-Executive Chairman)	Nil
<b>Sandip Das</b> (Independent Non-Executive)	-	07	Yes	01	01	• Greenlam Industries Limited (Non-Executive Independent Director)	8,290
<b>Kumud Srinivasan</b> (Independent Non-Executive)	-	07	Yes	Nil	Nil	Nil	Nil

Director (Category)	Relationship with other directors	Board Meetings attended in FY23 (out of the 7 held)	Attendance at the Last AGM held on August 26, 2022	Directorships in other Companies <sup>1</sup>	Committee Positions	Directorship in other listed entities (Category of Directorship) <sup>2</sup>	Number of shares held in the Company as on March 31, 2023
					<b>Membership</b>	<b>Chairpersonship</b>	
<b>Pravin Agarwal, Vice Chairman &amp; Whole-time Director</b> (Promoter Group, Executive)	Father of Ankit Agarwal Brother of Anil Agarwal	07	Yes	02	02	Nil	50,000
						<ul style="list-style-type: none"> <li>• Sterlite Power Transmission Limited* (Debt listed) (Non-Executive Chairman)</li> </ul>	
<b>S. Madhavan</b> (Independent Non-Executive)	-	07	Yes	04	05	02	3,000
						<ul style="list-style-type: none"> <li>• ICICI Bank Limited</li> <li>• Transport Corporation of India Limited</li> <li>• HCL Technologies Limited</li> <li>• Procter &amp; Gamble Health Limited (Non-Executive Independent Director in all companies)</li> </ul>	
<b>B. J. Arun</b> (Independent Non-Executive)	-	07	Yes	Nil	Nil	Nil	Nil
<b>Ankit Agarwal</b> <b>Managing Director</b> (Promoter Group, Executive)	Son of Pravin Agarwal	07	Yes	05	Nil	Nil	8,38,676

\* Debt listed company.

1. All public limited companies are included and all other companies viz., private, foreign, Section 8 companies are excluded. Directorship in Sterlite Technologies Limited has been excluded.

2. Membership/Chairpersonship in Audit Committee and Stakeholders' Relationship Committee are included. Committee positions held in Sterlite Technologies Limited have been excluded.

### Information provided to the Board

Information is provided to the Board members on regular basis for their review, inputs and approvals. The quarterly Board Meeting presentations (made by the Managing Director to the Board) provide adequate information to Directors on strategy, future roadmap, technology, functional updates, financial results and their analysis, governance matters and legal updates. The Statutory Agenda for Board and Committee meetings is sent well in advance as per the statutory timelines. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting.

Further, Business CEOs, Function Heads and Chief Financial Officer (CFO) have interactions with all Directors at the Board Meeting; Members of Senior Management also attend the Board Meetings periodically to provide detailed insight to the Board Members.

### Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 (the 'Act') and the Listing Regulations, two separate meetings of the Independent Directors of the Company were held on April 27, 2022

and February 22, 2023 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### Induction and Familiarisation of Board Members

Upon appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important functions. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site and more. On matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The

familiarisation programme of directors forms part of Company's Nomination and Remuneration Policy and can be viewed on the Company's website in "Investors" section at the link <https://www.stl.tech/Code-of-Conduct-and-Policies.html>

## ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

Pursuant to regulation 17(4) of the SEBI Listing Regulations, the framework of succession planning for the Board and senior management is placed before the Board for its review. During the year under review, the Board of the Company satisfied itself that plans are in place for orderly succession of such appointments.

## DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O POLICY)

The Company has in place a D&O policy. It covers directors (including independent directors) of the Company. The Board is of the opinion that the quantum and risks presently covered are adequate.

## COMMITTEES OF THE BOARD

### I. Audit Committee

The Audit Committee of the Board is governed by a Charter drawn in accordance with the requirements of the Act and Regulation 18 of the Listing Regulations and Section 177 of the Act, besides other terms as may be referred by the Board of Directors. The primary objective of the Audit Committee of the Board of Directors is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company and its subsidiaries, surveillance of internal financial control systems as well as accounting and audit activities.

The terms of reference of the Audit Committee includes:

1. Reviewing the Company's financial reporting processes and the disclosure of its financial information to ensure the financial statements are correct, sufficient and credible.
2. Reviewing with the management, the quarterly and annual financial statements and the Auditors' report before submission to the Board for approval, focusing primarily on:
  - i. Matters required to be included in the Directors' Responsibility Statement being part of the Annual Board Report;
  - ii. Compliance with accounting standards and changes in accounting policies and practices and the reasons for the same;
  - iii. Major accounting entries involving estimates based on exercise of judgment by Management;
  - iv. Audit qualifications and significant adjustments in the financial statements, arising out of the audit;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified Opinion(s) in the Statutory Auditors Report, if any; as well as reviewing

the Auditors Report for the Key Audit Matters, if any;

- viii. Contingent liabilities;
  - ix. Status of litigations by or against the Company; and
  - x. Claims against the Company and their effect on the accounts;
3. Reviewing the Management Discussion and Analysis part of the Directors' Report.
  4. Reviewing financial statements and investments made by subsidiary companies.

### A. Auditors

1. Recommending the appointment, terms of appointment and removal of auditors and the fixation of audit fees, including, payment to Statutory Auditors for any other services rendered and any other related payments.
2. Reviewing the Statutory Auditor's independence and performance and scrutinising the effectiveness of the entire audit process.
3. Discussing with the Statutory Auditors the nature and scope of their audit as well as having post-audit discussions.
4. Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors.
5. Recommending the appointment of secretarial and cost auditors along with their fees and reviewing their periodic audit reports.

### B. Internal Audit & Internal Controls

1. Reviewing with the management the performance and adequacy of the Internal Audit function, the structure of the Internal Audit department, the adequacy of the staffing of the department, the reporting structure, coverage and frequency of the Internal Audit and the significant findings and follow up there on.
2. Reviewing with the Internal Auditors, the plans for and the scope of their ongoing audit activities and also review and approve the periodicity and programme for conducting the internal audit.
3. Reviewing the Internal Auditor's independence and performance and scrutinising the effectiveness of the entire Audit process.
4. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
5. Reviewing the internal financial control framework and Risk Management systems.
6. Reviewing internal audit reports relating to internal control weaknesses.
7. Approving appointment, removal and terms of remuneration of the Chief Internal Auditor.

**C. Governance**

1. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
2. Reviewing statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
3. Reviewing the Whistle Blower Mechanism (Vigil mechanism as per Section 177 of the Companies Act, 2013) and in particular the provision of having the direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
4. Approving any transactions or subsequent modifications of transactions with related parties. Reviewing statement of significant related party transactions, submitted by management.
5. Reviewing inter-corporate loans and investments.
6. Reviewing valuation of undertakings or assets of the Company, if necessary.
7. Evaluating reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
8. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
9. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.
10. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing amounts.
11. Reviewing the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and the shareholders.
12. Reviewing compliance with the provisions of the Code of Conduct to Regulate, Monitor and Report Trading in the Securities of the Company and applicable SEBI Regulations and to verify that the systems for internal controls are adequate and are operating effectively and to amend, modify, interpret the Code.
13. Investigating any matter within its term of reference and for this purpose to have full access to the information contained in the records of the Company.
14. To seek information from any employee and obtain from external independent sources any legal or other professional advice in the performance of its duties.
15. To secure attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.
16. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
17. Confirm to the Board on an annual basis the compliance by the Audit Committee with its Charter.

**Composition and Meetings**

The Audit Committee comprises of three Independent Directors and one Executive Director. The Chairman of the Committee (Independent Director) is a Chartered Accountant and has accounting and financial expertise. The other Committee members also are financially literate. The quorum of the Committee is two members or one-third of its members, whichever is higher with at least two Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting ('AGM') of the Company. The Audit Committee met eight times during FY23 on April 27, 2022, July 25, 2022; July 29, 2022; November 3, 2022; December 6, 2022; January 25, 2023; January 31, 2023 and February 23, 2023 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Audit Committee as on March 31, 2023 and attendance at committee meetings is as follows:

Name	Category	Number of Meetings attended
S. Madhavan, Chairman	Non-Executive & Independent Director	08
Kumud Srinivasan	Non-Executive & Independent Director	08
Sandip Das	Non-Executive & Independent Director	08
Pravin Agarwal	Vice Chairman & Whole-time Director	08

Audit Committee meetings are usually attended by the Executive Directors, the CFO and representatives of Statutory Auditors and Internal Auditors. Business CEOs and Functional Heads are also invited to the meetings, as and

when needed. The Company Secretary acts as the Secretary to Audit Committee. The Internal Audit function reports to the Audit Committee to ensure its independence.

## II. Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as provided under Regulation 19 of the Listing Regulations and Section 178 of the Act, besides other terms as referred by the Board.

The terms of reference of the Nomination and Remuneration Committee includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
2. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
3. Formulation of criteria for the annual evaluation of individual Directors, the Board and its Committees as also the Chairperson.
4. Reviewing whether to extend or continue the term of appointment of the Independent Director, on the basis of the annual performance evaluation.
5. Devising a policy on Board diversity.
6. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. Also annually review comparator companies for benchmarking purposes.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management, i.e. all members of management one level below the chief executive officer and including the company secretary and the chief financial officer.
8. Approval and oversight of the Employee Stock Option Scheme(s).
9. Oversee Leadership Development, Rewards and Recognition, Talent Management and Succession Planning for the CXO level.
10. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
11. Confirm to the Board on an annual basis the compliance by the Nomination and Remuneration Committee with its Charter

### Composition and Meetings

The Committee comprises of five members out of which four are Non-Executive Independent Directors and one is Non Independent Director.

Mr. Sandip Das is the Chairman of the Committee. The Committee met six times during the FY23 on April 27, 2022; July 19, 2022; November 3, 2022; December 6, 2022; January 25, 2023; and March 15, 2023. The Company Secretary acts as the Secretary to Nomination and Remuneration Committee. The Composition of the Committee as on March 31, 2023 and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Sandip Das, Chairman	Non-Executive & Independent Director	06
S. Madhavan	Non-Executive & Independent Director	06
B. J. Arun	Non-Executive & Independent Director	06
Kumud Srinivasan	Non-Executive & Independent Director	06
Anil Agarwal	Non-Executive Director	00

## III. Stakeholders' Relationship Committee

The powers, role and terms of reference of the Stakeholders' Relationship Committee covers the areas as provided under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, besides other terms as referred by the Board.

The terms of reference of the Stakeholders' Relationship Committee includes:

1. Resolve the grievances of the security holders including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/Annual Reports/statutory notices by the shareholders of the company.
5. Review the measures taken by Management on dematerialisation of shares.
6. Oversee statutory compliances relating to all securities including dividend payments and transfers of unclaimed amounts to the Investor Education and Protection Fund.
7. Review movements in shareholding and ownership structures of the Company.
8. Oversee the Investor Relations function.
9. Suggest and monitor implementation of various investor friendly initiatives.
10. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
11. Confirm to the Board on an annual basis the compliance by the Stakeholders' Relationship Committee with its Charter



### Composition and Meetings

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances.

The Committee met four times during the FY23 on April 27, 2022, July 19, 2022, November 3, 2022 and January 25, 2023. Further during the year, the Company received 596 complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, rejection of demat requests, non-receipt of Annual Reports, etc. All

the complaints were resolved to the satisfaction of the investors. Mr. Amit Deshpande, Company Secretary acts as the Compliance Officer of the Company. The composition of the Committee as on March 31, 2023 and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Kumud Srinivasan, Chairperson	Non-Executive & Independent Director	04
S. Madhavan	Non-Executive & Independent Director	04
B. J. Arun	Non-Executive & Independent Director	04
Ankit Agarwal	Managing Director	04

### IV. Risk Management Committee

The powers, role and terms of reference of the Risk Management Committee covers the areas as provided under Regulation 21 of the Listing Regulations besides other terms as referred by the Board.

The terms of reference of the Risk Management Committee includes:

1. Formulating a detailed Risk Management Policy ("RM Policy") of the Company, which shall include-
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sustainability (particularly ESG related risks), information and cyber security risks or any other risks as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity planning.
2. Overseeing the implementation of the RM Policy and evaluating the adequacy of risk management systems and capabilities within the Company, including processes relating to escalating risks, crisis preparedness and recovery plans.
3. Reviewing the RM Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
4. Ensuring that appropriate methodologies, processes and systems are in place to monitor and evaluate the risks associated with the business of the Company.
5. Evaluating the significant risk exposures of the Company and assessing management's actions to mitigate the exposures in a timely manner.
6. Advising the Board on acceptable levels of risk, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.
7. Periodic reporting on its discussions, recommendations and actions to be taken.
8. Review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.
9. Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if necessary.
10. Coordinating its activities with the Audit Committee so as to harmonize the working of the two Committees.
11. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
12. Confirm to the Board on an annual basis the compliance by the Risk Management Committee with its Charter.

### Composition and Meetings

The Committee met three times during the FY23 on July 19, 2022; November 04, 2022; and February 23, 2023. The composition of the Committee and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Kumud Srinivasan, Chairperson	Non-Executive & Independent Director	03
Sandip Das	Non-Executive & Independent Director	03
Mihir Modi*	Chief Financial Officer	01
Ankit Agarwal	Managing Director	03
Tushar Shroff**	Chief Financial Officer	01

\*Mr. Mihir Modi ceased to be a Chief Financial Officer and also as a member of the Committee w.e.f. October 14, 2022.

\*\*Mr. Tushar Shroff was appointed as a Chief Financial Officer and member of the committee w.e.f. December 06, 2022.

## V. Sustainability and Corporate Social Responsibility Committee

The Committee's primary role is to assist the Company in discharging its social responsibilities. The Committee monitors the implementation of the Corporate Social Responsibility Policy and oversees Company's sustainability initiatives. The Committee's constitution and terms of reference meet with the requirements of the Act and Rules made thereunder. Its terms of reference includes:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. To recommend the amount of expenditure to be incurred on the activities as prescribed under CSR Policy;
3. To monitor the CSR Policy of the company from time to time.

4. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.
5. To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the company and to respond to evolving public sentiment and government regulations.
6. To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the company.
7. To review and advise the Board on company's sustainability reporting and sustainability targets.
8. To review management's risk assessment and risk management policies and procedures with respect to sustainability impacts and considerations.
9. To review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
10. To confirm to the Board on an annual basis the compliance by the Sustainability and Corporate Social Responsibility Committee with its Charter.

The Committee met two times during FY23 on April 27, 2022 and November 03, 2022. The composition of the Committee and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
B. J. Arun, Chairman	Non-Executive & Independent Director	02
Pravin Agarwal	Vice Chairman & Whole-time Director	02
Ankit Agarwal	Managing Director	02
Sandip Das	Non-Executive & Independent Director	02

## VI. Other committees

The Board has also constituted the Authorisation and Allotment Committee, to assist in discharging its functions. This Committee operates within the limit of authorities, as delegated by the Board of Directors.

### BOARD EVALUATION

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually. A structured evaluation was carried out based on various parameters such as skills and experience to perform the role, level of participation, contribution to strategy, degree of oversight, professional conduct and independence.

### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee (NRC) has adopted a Charter which, *inter alia*, deals with the manner of selection of the Directors, Key Managerial Personnel ("KMP") and Senior Management and their remuneration. This Policy is accordingly derived from the said Charter.

#### a. Appointment Criteria and Qualification:

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his/her appointment.

For the appointment of KMP (other than Managing/ Whole-time Director or Manager) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment.

#### b. Term:

The Term of the Directors including Managing Director/ Whole time Director/Manager/Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and Listing Regulations, as amended from time to time.

Whereas the term of the KMP (other than the Managing Director/Whole-time Director/Manager) and Senior Management shall be governed by the prevailing HR policies of the Company.

#### c. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and/or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Nomination and Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

**d. Remuneration of Managing Director/Whole-time Director, KMP and Senior Management**

The remuneration/compensation/commission, etc., as the case may be, to the Managing Director/ Whole-time Director will be determined by the NRC Committee and recommended to the Board for approval. The remuneration/compensation/commission, etc., as the case may be, shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Whole-time Director of the Company is authorised to decide the remuneration of KMP (other than Managing Director/Whole-time Director) and Senior Management, and which shall be decided by the Whole-time Director based on the standard market practices and prevailing HR policies of the Company.

**e. Remuneration to Non-Executive Director:**

The remuneration/commission/sitting fees, as the case may be, to the Non-Executive/Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee/Board/shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and Listing Regulations, as amended from time to time.

The Nomination and Remuneration Policy can be accessed on Company's website at the link:

<https://www.stl.tech/Code-of-Conduct-and-Policies.html>

**DETAILS OF REMUNERATION PAID TO THE DIRECTORS**

As on March 31, 2023, Mr. Pravin Agarwal, and Mr. Ankit Agarwal are the Executive Directors of the Company.

Mr. Pravin Agarwal was appointed as Whole-time Director of the Company for a period of five years effective October 30, 2020 and Mr. Ankit Agarwal was appointed as a Managing Director for a period of five years effective October 08, 2021. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides.

In FY23, sitting fee of ₹75,000/- for attendance at each meeting of the Board and ₹40,000/- for each meeting of the Committees of the Board was paid to its Members (excluding Executive Directors). Remuneration by way of commission to Non-Executive directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at meetings.

On August 4, 2015, Members had approved the payment of remuneration by way of commission to the Non- Executive directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company. The break-up of remuneration actually paid to directors (excluding provisions, if any) in FY23 is as follows:

(₹ In Crores)

Director	Salary/Perquisites	Incentive/Commission	Sitting Fee	Total
Anil Agarwal	-	-	-	-
Kumud Srinivasan	-	0.33	0.14	0.47
Pravin Agarwal	8.11	0.06	-	8.17
Sandip Das	-	0.33	0.13	0.46
S. Madhavan	-	0.33	0.13	0.46
B. J. Arun	-	0.33	0.10	0.43
Ankit Agarwal	2.56	1.38	-	3.94

Note: As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the said amounts are not included above.

**GENERAL BODY MEETINGS****Particulars of last three Annual General Meetings**

Date	Venue	Time	Special Resolutions that were passed with requisite majority
August 31, 2020	Video Conference/Other audio-visual means Deemed Venue:- E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	03.00 pm	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Pravin Agarwal as a Whole-Time Director of the Company</li> <li>Re-appointment of Dr. Anand Agarwal as a Whole-Time Director of the Company</li> <li>Shifting of Registered Office of the Company</li> </ul>

Date	Venue	Time	Special Resolutions that were passed with requisite majority
August 26, 2021	Video Conference/Other audio-visual means Deemed Venue:- 4 <sup>th</sup> Floor Godrej Millennium, Koregaon Road 9, STS 12/1 Pune, Maharashtra 411 001, India	09.00 am	<ul style="list-style-type: none"> <li>Appointment of Mr. Ankit Agarwal as a Whole-Time Director of the Company.</li> <li>Approval of Divestment/dilution/disposal of investment in subsidiaries</li> <li>Raising of the funds through Qualified Institutional Placement (QIP)/External Commercial Borrowings (ECBs) with rights of conversion into Shares/Foreign Currency Convertible Bonds (FCCBs)/American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/ Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013</li> </ul>
August 26, 2022	Video Conference/Other audio-visual means Deemed Venue:- 4 <sup>th</sup> Floor Godrej Millennium, Koregaon Road 9, STS 12/1 Pune, Maharashtra 411 001, India	09.00 am	<ul style="list-style-type: none"> <li>Appointment of Mr. Ankit Agarwal as Managing Director</li> <li>Re-appointment of Mr. Sandip Das as an Independent Director</li> <li>Raising of the funds through Qualified Institutional Placement (QIP)/External Commercial Borrowings (ECBs) with rights of conversion into Shares/Foreign Currency Convertible Bonds (FCCBs)/American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/ Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013</li> </ul>

The Company had provided facility of e-voting pursuant to provisions of the Act and the Listing Regulations, to its Members. A scrutinizer was appointed by the Company to monitor and review the e-voting process. On completion of e-voting process, the Scrutinizer presented a report to the Chairman. All the resolutions were passed with requisite majority.

During FY23, no special resolutions were passed through postal ballot. There is no special resolution proposed to be conducted through postal ballot.

### SUBSIDIARY COMPANIES

The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations and the same is displayed on its website at link <https://www.stl.tech/Code-of-Conduct-and-Policies.html>

The applicable requirements of Regulation 24 of Listing Regulations with respect to material subsidiary are complied with. Minutes of subsidiary companies are placed before the Board and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.

### RELATED PARTY TRANSACTIONS

All Related Party Transactions are approved by the Audit Committee. Approval of the Board is taken, as needed, in accordance with the Act and the Listing Regulations. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. No transaction with the Promoters, Directors or their relatives has a potential

conflict with the Company's interest. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialisation and the Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the FY23 were on an arm's length basis. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Board has approved the policy on Related Party Transactions, which has been uploaded on the Company's website in "Investors" section at link <https://www.stl.tech/Code-of-Conduct-and-Policies.html>

### CODE OF CONDUCT

The Company has adopted a 'Code of Business Conduct & Ethics' to meet the changing internal and external environment for its employees at all levels including Senior Management and Directors. The Code has also been posted on the Company's website at link <https://www.stl.tech/Code-of-Conduct-and-Policies.html>. The Code serves as a guide to the employees of the Company to make informed and prudent decisions. As required under the Listing Regulations, the affirmation of compliance with the Code has been obtained from Directors and Senior Management Personnel for FY23.

### DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The status of complaints is as follows:

No. of Complaints pending as on April 1, 2022	0
No. of Complaints filed during financial year	1
No. of Complaints disposed off during financial year	1
No. of Complaints pending as on March 31, 2023	0

Note: The complaint was closed in April 2023.

### WHISTLEBLOWER MECHANISM

The Company has adopted a 'Whistleblower Mechanism, which has been communicated to all employees along with Code of Business Conduct & Ethics. The Whistleblower policy is the mechanism to help the Company's directors, employees, its subsidiaries and all external stakeholders to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy encourages raising concerns within the Company rather than overlooking a problem. All Complaints under this policy are reported to the Director - Management Assurance, who is independent of operating management and businesses. 'Complaints' can also be reported on a web-based portal, designated email id or toll-free number as below:

Web based Portal	<a href="http://www.vedanta.ethicspoint.com">www.vedanta.ethicspoint.com</a>
Toll Free number	000 800 100 1681
Email	<a href="mailto:stl.whistleblower@stl.tech">stl.whistleblower@stl.tech</a>
Mailing address	Group Head – Management Assurance, Vedanta, 75 Nehru Road, Vile Parle (E), Mumbai 400 099 Tel No. +91- 22 – 6646 1000, Fax No. +91- 22 – 6646 1450

No person has been denied access to the Audit Committee. The Whistleblower mechanism has also been extended to external stakeholders like vendors, customers, etc. The details of the Whistleblower Policy are available at the link <https://www.stl.tech/Code-of-Conduct-and-Policies.html>

### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading in the securities of the Company ('the Code') as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. Under the Code, the Company has constituted Insider Trading Monitoring Committee for overall administration of the Code. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's securities by the Directors and the designated employees while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the Trading Window is closed.

### MD AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of the Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations. The annual certificate for FY23 given by the Managing Director and the Chief Financial Officer is published in this Report.

### RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practising Company Secretary carries out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The Audit report is submitted to the stock exchanges and is also placed before the Board. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

### DISCLOSURES

- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter relating to the above.
- The Company has not received any complaints relating to child labour, forced labour, involuntary labour during FY23.
- As a result of its businesses and the global nature of its operations, the Company is exposed in particular to market risks from changes in foreign currency exchange rates and interest rates, while commodity price risks arise from procurement. The Company has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines upon which the Company's risk management processes for financial risks are based, are designed to identify and analyse these risks throughout the company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.
- This Corporate Governance Report of the Company for the Financial Year ended March 31, 2023 is in compliance with the requirements of Corporate Governance under the Listing Regulations.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.
- Total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to M/s Price

Waterhouse Chartered Accountants LLP (“PWC”), the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

(₹ in lakh)

Entity	Fees paid in FY23
Sterlite Technologies Limited (STL)	409.58
Subsidiaries of STL	36.57
<b>Total</b>	<b>446.15</b>

- g. The Company has obtained a certificate from M/s. J. B. Bhave & Co., company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached to this Report.
- h. The Board had accepted all recommendation of its committees during FY23, which were mandatorily required.
- i. The Company has complied with all the mandatory requirements as stipulated under the Listing Regulations, as applicable. Comments on adoption of non-mandatory requirements are given at the end of this report.

## MEANS OF COMMUNICATION

- a. Quarterly Financial Results are published in all-India Editions of *Financial Express*, and Pune edition of *Loksatta*.
- b. Results are also posted on the Company's website: [www.stl.tech](http://www.stl.tech) and the websites of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).
- c. The Company displays official news releases and the presentations made to institutional investors or to analysts on the website.
- d. **NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**: NEAPS and BSE Listing Centre are web-based applications designed by NSE & BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on these applications.

## GENERAL SHAREHOLDER INFORMATION

<b>CIN</b>	L31300PN2000PLC202408
	Day, Date – Friday, August 11, 2023
<b>Annual General Meeting</b>	Time – 9.00 A.M. IST 4 <sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1 pune Pune MH 411001 IN
<b>Book Closure Dates</b>	Wednesday, August 9, 2023 to Friday August 11, 2023 (both days inclusive)
<b>Dividend Payment Date</b>	Dividend, if declared in the AGM will be paid within the statutory time limits.

## Financial Calendar for FY24 (Financial Year April 1 to March 31) (tentative)

First Quarter Results	End of July 2023
Half Yearly Results	End of October 2023
Third Quarter Results	End of January 2024
Fourth Quarter/Annual Results	End of April 2024

## Listing of shares on Stock Exchanges

The equity shares of the Company are listed on BSE and NSE. Annual listing fees for the financial year ended March 31, 2023 have been paid to BSE and NSE. The Stock Codes of the Exchanges are as under:

Exchange	Code	Address
BSE	532374	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001
NSE	STLTECH	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

## Debt Securities

The Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 540 crores. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

## Stock Price Data

Stock Price data for the period April 1, 2022 to March 31, 2023 is as detailed below:

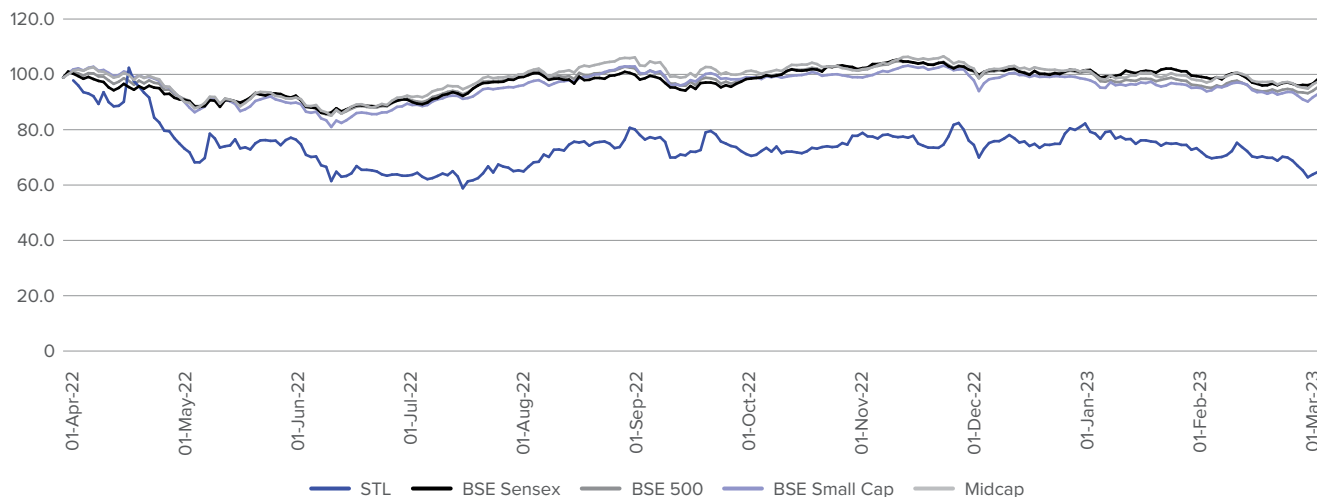
Month	BSE Monthly High (₹)	BSE Monthly Low (₹)	NSE Monthly High (₹)	NSE Monthly Low (₹)
Apr-22	242.90	189.30	242.80	189.35
May-22	194.50	153.85	194.75	153.50
Jun-22	182.20	136.25	182.40	135.50
Jul-22	152.55	128.60	152.55	128.60
Aug-22	176.35	142.00	176.45	142.20
Sep-22	192.75	154.30	192.70	154.40
Oct-22	187.35	159.30	187.45	159.20
Nov-22	184.95	160.45	184.90	160.30
Dec-22	192.95	157.95	193.00	158.00
Jan-23	192.85	167.25	192.90	167.00
Feb-23	185.75	153.00	185.80	152.75
Mar-23	175.95	142.00	175.95	142.00

Sources: Data compiled from BSE & NSE official websites.

### Stock Performance

The performance of the Company's stock prices is given in the chart below:

#### Stock Performance FY'23



### Distribution of Shareholding as on March 31, 2023

Sr. no	Category	Cases	% of Cases	No. of shares	% of shareholding
1	1-5000	2,05,476	97.13	4,93,28,529	12.38
2	5001- 10000	3,269	1.55	1,18,46,096	2.97
3	10001- 20000	1,488	0.70	1,07,31,498	2.69
4	20001- 30000	453	0.21	56,42,511	1.42
5	30001- 40000	234	0.12	42,12,448	1.06
6	40001- 50000	149	0.07	34,00,039	0.85
7	50001- 100000	257	0.12	90,81,954	2.28
8	100001 & Above	214	0.10	30,43,37,358	76.35
	<b>Total:</b>	<b>2,11,540</b>	<b>100.00</b>	<b>39,85,80,433</b>	<b>100.00</b>

### Equity holding pattern as on March 31, 2023

Category	Number of Shares	% of Equity
Promoter Group	21,54,43,766	54.05
Banks, Mutual Funds, Trusts, Govt & Insurance Companies, Indian Financial Institutions, etc.	69,57,934	1.75
FII, Foreign National, Foreign Portfolio Investors and NRIs	3,57,91,835	8.97
Bodies Corporates & NBFCs Registered with RBI	1,95,05,106	4.90
Individuals (Public) & HUFs	11,45,78,487	28.75
Clearing Members	68,123	0.02
Others (including IEPF)	62,35,182	1.56
<b>Total</b>	<b>39,85,80,433</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2023 39,63,76,150 shares representing 99.45% of total equity capital were held in electronic form. The Shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN allotted to the Company is INE089C01029.

**Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date & likely impact on equity – Nil**

### Details of outstanding shares in the Unclaimed Suspense Account

In terms of Schedule V of Listing Regulations, the Company reports the following details in respect of equity shares lying in the unclaimed suspense account –

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on April 1, 2022	35	14,545
Shareholders approached for transfer/delivery during FY23	Nil	Nil
Shares transferred/delivered during FY23	Nil	Nil
Shares transferred to IEPF	Nil	Nil
Balance as on March 31, 2023	35	14,545

The voting rights on the shares in the suspense account as on March 31, 2023 shall remain frozen till the rightful owners of such shares claim the shares.

### Sterlite Technologies Limited Suspense Escrow Demat Account

In accordance with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022 the Company has opened a Suspense Escrow Demat Account with the Depository Participant for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificate(s) to enable them to make a request to DP for dematerialising their shares.

During the year under review, 1,900 shares pertaining to 2 shareholders were transferred to the Company's Suspense Escrow Demat Account. Further, no request was received from shareholder for release of shares from the said suspense escrow demat account of the Company. All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to Suspense Escrow Demat Account of the Company. While the dividend for the shares which are lying in Suspense Escrow Demat Account would be credited back to the relevant dividend accounts of the Company. The voting rights on shares lying in Suspense Escrow Demat Account shall remain frozen till the rightful owner claims the shares.

### Share Transfer System

Requests for Transfer/Transmission of shares held in physical form can be lodged with the Company's Registrar and Transfer Agent, KFin Technologies Limited ("Kfin"), Hyderabad. The requests are generally processed within 10-15 days of receipt of documents, if documents are complete and valid in all respects. Shares under objection are returned within 7-10 days.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company submits to Stock Exchanges, a certificate, on yearly basis, issued by a Practising Company Secretary for due compliance of share transfer formalities by the Company.

### Registrar & Transfer Agent

Kfin is the Registrar and Transfer Agent of the Company. Shareholders, beneficial owners and Depository Participants, (DPs) can send/deliver the documents/correspondence relating to the Company's share transfer activity, etc. to Kfin at the following address:

### Kfin Technologies Limited

(Unit – Sterlite Technologies Limited)  
Selenium Tower-B, Plot No. 31 & 32,  
Financial District, Gachibowli, Nanakramguda,  
Serilingampally  
Hyderabad 500 008 India  
Phone No.: 040 67161524 E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Shareholders' correspondence should be addressed to the Company's Registrar and Transfer Agents at the above-mentioned address. In case of unresolved complaints, the members may also write to the Company Secretary & Compliance Officer at the office of the Company as detailed below:

### Registered Office:

### Sterlite Technologies Limited

4<sup>th</sup> Floor, Godrej Millennium  
9 Koregaon Road, STS 12/1, Pune – 411 001  
Maharashtra, India  
Phone: +91-20-30514000 Fax: +91-20-30514113  
E-mail: [secretarial@stl.tech](mailto:secretarial@stl.tech)

### Debenture Trustee

### Axis Trustee Services Limited

The Ruby, 2<sup>nd</sup> Floor, SW  
29 Senapati Bapat Marg, Dadar West  
Mumbai- 400 028  
Contact No.: +91- 022-6230 0438

### Investor Services provided by Kfin



As an ongoing endeavour to enhance Investor experience and leverage new technology, Kfin have been continuously developing new applications. Accordingly, members are requested to take note of below applications to avail services on Kfin website:

1. Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms, etc. This application can be accessed at <https://ris.kfintech.com/clientservices/isc/default.aspx>
2. eSign Facility: Pursuant to the SEBI circular relating to common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC details and Nomination eSign option is required to be provided to Investors for raising service requests. KFIN is the only RTA which has enabled this option and same can be accessed at <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>
3. KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created on Kfin website to ensure that shareholders have the requisite information regarding their folios. The same can be accessed at <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>
4. KPRISM: RTA has launched a mobile application as well as a webpage KPRISM, which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services. The same can be accessed at <https://kprism.kfintech.com/signin.aspx>

#### Plant Locations

Optical Fiber	- E1, E2, E3, MIDC, Waluj, Aurangabad – 431136, India - AL-23, A-1/7, Shendra Five Star Industrial Area, Aurangabad 431 201, Maharashtra, India - 777 Beihai Beihai Rd, Haimen Town, Hai Men City, Jiangsu, China
Fiber Optic Cables & OPGW Cables	- Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa – 396230, Union Territory of Dadra & Nagar Haveli, India - Dello (Brescia -Italy) Via Marconi 31, Italy - Sao Jose dos Pinhais, State of Parana, at Rua Dr. Muricy, 4000, Barracoa Fundos, Bairro Coesteria, CEP 83015 – 290, Brazil - Via Zenale 44 - 20024, Garbagnate Milanese, Milano, Italy - 2 Business Parkway, Lugoff, South Carolina 29078 Usa
Copper Telecom Cables & Structured Data Cables	- Survey No. 33/1/1, Waghdara Road, Dadra – 396191, Union Territory of Dadra & Nagar Haveli, India

#### CREDIT RATING

The Company's credit rating ascribed by ICRA/CRISIL as on date:

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

#### COMPLIANCE CERTIFICATE OF PRACTISING

#### COMPANY SECRETARY

Certificate from M/s J B Bhavé & Co., Practising Company Secretary, confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, is attached to this Report.

#### Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

NIL

#### Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Sr. No.	Name of the material subsidiary	Name of statutory auditors of material subsidiary	Date of appointment of statutory auditors.
1	Metallurgica Bresciana S.p.A	PwC Italy	28-03-2023
2	Sterlite Global Ventures (Mauritius) Limited	ASVR & associates	25-09-2022
3	Sterlite Tech Cables Solutions Limited	PwC India	30-09-2022
4	Sterlite Technologies Inc. USA	Audit is not mandatory	NA

#### COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

##### 1. The Board

Mr. Anil Agarwal is the Non-Executive Chairman of the Board. As the Chairman has a separate office, the Company does not reimburse expenses incurred by him for maintenance of a separate Chairman's office.

##### 2. Shareholder Rights

The Company publishes its results in the newspapers having nationwide circulation. Results are also uploaded on the Company's website. A copy of results is furnished to all the shareholders upon request. Therefore, the Company does not circulate the half-yearly results to its shareholders.

##### 3. Unqualified audit report

The Auditors' opinion on the Financial Statements is unmodified.

##### 4. Separate Posts of Chairman and MD

The Company has separate posts of Chairman and MD

##### 5. Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to Audit Committee.

**MD AND CFO CERTIFICATE****(As per Schedule II of the Listing Regulations)**

To,

The Board of Directors

Sterlite Technologies Limited

- a) We have reviewed financial statements and the cash flow statement of Sterlite Technologies Limited for the year ended March 31, 2023 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control during the year.
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For **Sterlite Technologies Limited****Mr. Ankit Agarwal**  
**Managing Director****Mr. Tushar Shroff**  
**Chief Financial Officer**

Place: Pune

Date: May 17, 2023

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the Financial Year ended March 31, 2023.

For **Sterlite Technologies Limited****Ankit Agarwal**  
**Managing Director**

Place: Pune

Date: May 17, 2023

**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**(As per Provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended from time to time)**

To,

The Members of  
STERLITE TECHNOLOGIES LIMITED  
4<sup>th</sup> Floor, Godrej Millennium,  
Koregaon Road 9, STS 12/1 Pune,  
Maharashtra - 411001

I have examined all relevant records of Sterlite Technologies Limited (CIN: L31300PN2000PLC202408) for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the above certification.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was carried out in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. My examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, I certify that the Company has complied with the mandatory conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time for the financial year ended March 31, 2023.

**For J. B. Bhavé and Co.**

Company Secretaries

**Jayavant B. Bhavé**

FCS No. 4266. Certificate of Practice No. 3068

UDIN:F004266E000295744

Place: Pune

Date: May 17, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS*****(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To,

The Members of  
**STERLITE TECHNOLOGIES LIMITED**  
 4<sup>th</sup> Floor, Godrej Millennium,  
 Koregaon Road 9, STS 12/1 Pune,  
 Maharashtra - 411001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **STERLITE TECHNOLOGIES LIMITED** having CIN: L31300PN2000PLC202408 and having registered office at 4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1 Pune Maharashtra 411001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Anil Kumar Agarwal	Non-Executive Non-Independent Director	00010883	30/10/2006
2	Pravin Agarwal	Whole-time Director	00022096	30/10/2006
3	Sandip Das	Non-Executive and Independent Director	00116303	16/10/2017
4	Kumud Madhok Srinivasan	Non-Executive and Independent Director	06487248	22/05/2018
5	Subramanian Madhavan	Non-Executive and Independent Director	06451889	20/01/2021
6	Bangalore Jayaram Arun	Non-Executive and Independent Director	02497125	20/01/2021
7	Ankit Agarwal	Managing Director	03344202	20/01/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the same based on my verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR J. B. BHAVE & CO.**

COMPANY SECRETARIES

**JAYAVANT BHAVE**

PROPRIETOR

FCS: 4266 CP: 3068

PR No. 1238/2021

UDIN: F004266E000295777

Place: Pune

Date: May 17, 2023

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L31300PN2000PLC202408
2	Name of the Company	STERLITE TECHNOLOGIES LTD.
3	Year of Incorporation	March 24, 2000
4	Registered office address	4 <sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune-411001, Maharashtra
5	Corporate office address	Godrej Millenium 9, Koregaon Road, Pune - 411 001 Maharashtra, India
6	E-mail id	<a href="mailto:stl.communications@sterlite.com">stl.communications@sterlite.com</a> <a href="mailto:stl.communications@stl.tech">stl.communications@stl.tech</a>
7	Telephone	+91 20 30514000
8	Website	<a href="https://www.stl.tech/">https://www.stl.tech/</a>
9	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023 (FY 2022-23)
10	Name of the Stock Exchange(s) where shares are listed	1) National Stock Exchange of India Limited (NSE) 2) BSE Limited (BSE)
11	Paid-up capital	79.72 crores
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Anjali Byce, Chief Human Resources Officer +91-20-30514000; <a href="mailto:anjali.byce@sterlite.com">anjali.byce@sterlite.com</a> <a href="mailto:anjali.byce@stl.tech">anjali.byce@stl.tech</a>
13	Reporting Boundary	Standalone

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of main activity	Description of business activity	% Of turnover
1	STL is a leading global optical company. Telecom operators, cloud companies, citizen networks, and large enterprises recognize and rely on STL for advanced capabilities in optical connectivity	Optical Networking Business	70.05%
2	Global services offers system integration services in ICT space by integrating different technological products, networks, data centre and applications.	Global Service Business	25.22%
3	The Optical Connectivity Solution, has been created to help telecom operators, ISPs, citizen networks, and major corporations build out networks more quickly, more effectively, and more affordably. We are offering end-to-end functionality, including optical fibre components, pre-connectorized kits, and post-sales support.	Optical Interconnect	4.73%

#### 15. Products/services sold by the entity (accounting for 90% of the entity's turnover)

S. No.	Product/Service	NIC Code	% Of total turnover contributed
1	Optical fibre cable	2731	44.83%
2	Optical fibre	2310	16.24%
3	Copper telecom cables	2732	8.99%
4	Optical fibre cable laying services	4321	25.22%
5	Optical interconnect	2620	4.73%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	6	3	9
International	0	0	0

**17. Markets served by the entity****a. Number of locations**

Locations	Number
National (No. of states)	28
International (No. of countries)	100

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

45%

**c. A brief on types of customers**

STL manufacturing facilities serve diverse customers across the entire value chain-

- Telecom companies
- Cloud companies
- Internet Service Providers
- Large enterprises

**IV. Employees****18. Details as on March 31, 2023****a. Employees and workers (including differently abled)**

S. No. Particulars	Total (A)	Male		Female		Other	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	%(D/A)
<b>EMPLOYEES</b>							
1 Permanent (D)	1,591	1,408	88.50%	183	11.50%	0	0%
2 Other than permanent (E)	923	878	95.12%	44	4.77%	1	0.11%
3 Total employees (D+E)	<b>2,514</b>	<b>2,286</b>	<b>90.93%</b>	<b>227</b>	<b>9.03%</b>	<b>1</b>	<b>0.04%</b>
<b>WORKERS</b>							
1 Permanent (F)	32	26	81.25%	6	18.75%	0	0%
2 Other than permanent (G)	3,126	2,665	85.25%	461	14.75%	0	0%
3 Total workers (F+G)	<b>3,158</b>	<b>2,691</b>	<b>85.21%</b>	<b>467</b>	<b>14.79%</b>	<b>0</b>	<b>0%</b>

**b. Differently abled employees and workers**

S. No. Particulars	Total (A)	Male		Female		Other	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	%(D/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>							
1 Permanent (D)	4	3	75.00%	1	25.00%	0	0.00%
2 Other than permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3 Total differently abled employees (D+E)	<b>4</b>	<b>3</b>	<b>75.00%</b>	<b>1</b>	<b>25.00%</b>	<b>0</b>	<b>0.00%</b>
<b>DIFFERENTLY ABLED WORKERS</b>							
1 Permanent (F)	0	0	0.00%	0	0.00%	0	0.00%
2 Other than permanent (G)	5	5	100%	0	0.00%	0	0.00%
3 Total differently abled workers (F+G)	<b>5</b>	<b>5</b>	<b>100%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

**19. Participation/inclusion/representation of women**

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.28%
Key Management Personnel	3	0	0.00%

**20. Turnover rate for permanent employees and workers**

	FY 2022-23				FY 2021-22				FY 2020-21			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	20%	32%	0	21%	23%	35%	0	25%	-	-	-	-
Permanent Workers	19%	17%	0	19%	0	0	0	0	-	-	-	-

**V. Holding, subsidiary and associate companies (including joint ventures)****21.****a. Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of Holding/Subsidiary/ Associate Companies/Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% Of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of listed entity? (Yes/No)
1	Twin Star Overseas Limited, Mauritius (Immediate holding company)	Holding	52.54%	No
2	Jiangsu Sterlite Fiber Technology Co. Ltd.	Subsidiary	100%	Yes
3	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	100%	No
4	Sterlite Technologies UK Ventures Limited	Subsidiary	100%	No
5	Speedon Network Limited	Subsidiary	100%	No
6	Sterlite Telesystems Limited	Subsidiary	100%	No
7	Elitecore Technologies (Mauritius) Limited	Subsidiary	100%	No
8	Elitecore Technologies SDN BHD. (Malaysia)	Subsidiary	100%	No
9	Sterlite (Shanghai) Trading Company Limited	Subsidiary	100%	No
10	Sterlite Tech Holding Inc.	Subsidiary	100%	No
11	Sterlite Technologies Inc.	Subsidiary	100%	Yes
12	Metallurgica Bresciana S.p.A	Subsidiary	100%	Yes
13	Sterlite Innovative Solutions Limited	Subsidiary	100%	No
14	STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")	Subsidiary	100%	Yes
15	Sterlite Tech Cables Solutions Limited	Subsidiary	100%	Yes
16	Vulcan Data Centre Solutions Limited	Subsidiary	100%	Yes
17	PT Sterlite Technologies Indonesia	Subsidiary	100%	No
18	Sterlite Technologies Pty. Ltd	Subsidiary	100%	No
19	Sterlite Technologies DMCC	Subsidiary	100%	No
20	STL Optical Interconnect S.p.A.	Subsidiary	100%	Yes
21	Optotec S.p.A.	Subsidiary	100%	Yes
22	Optotec International S.A.	Subsidiary	100%	No
23	STL Edge Networks Inc.	Subsidiary	100%	No
24	STL Networks Limited	Subsidiary	100%	No
25	STL Tech Solutions Limited, UK	Subsidiary	100%	Yes
26	STL UK Holdco Limited, UK	Subsidiary	100%	No
27	STL Digital Inc. (USA)	Subsidiary	100%	No
28	Clearcomm Group Limited, UK	Subsidiary	80%	Yes
29	STL Optical Tech Limited	Subsidiary	100%	No
30	STL Network Services Inc., US	Subsidiary	100%	No
31	STL Solutions Germany GmbH	Subsidiary	100%	No
32	Sterlite Condu spar Industrial Ltda	Joint venture	50%	No
33	STL Digital UK Limited	Subsidiary	100%	No

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) - 5349.68 crores

(iii) Net worth (in ₹) - 1883.08 crores

## VII. Transparency and Disclosures Compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct								
Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	(if Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	0	0	-	0	0	-
Investors (other than shareholders)	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	0	0	-	0	0	-
Shareholders	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	596	0	-	442	0	-
Customers	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	0	0	-	0	0	-
Value Chain Partners	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	0	0	-	0	0	-
Employees and workers	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	0	0	-	0	0	-
Other (Quality Complaint)	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	58	7	-	72	9	-
Other (Delivery)	Yes	<a href="https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf">https://www.stl.tech/pdf/coc/Whistle%20Blower%20Policy.pdf</a>	10	0	-	0	0	-



#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Carbon pricing	R	Carbon pricing mechanisms are being implemented to encourage companies to reduce their carbon footprint	STL has taken a goal to be Net zero and is working towards reducing its carbon footprint	Negative Implications
2	Sustainable supply chain	O	Customers and investors are increasingly demanding that companies adopt sustainable practices throughout their supply chains	STL is identifying and assessing the sustainability of its suppliers and taking steps to ensure that they meet our sustainability standards	Positive Implications
3	Climate-related regulations	R	Worldwide regulations are being implemented to promote energy efficiency and reduce greenhouse gas emissions	STL is investing energy efficiency measures and exploring possibilities of renewable energy	Positive Implications
4	Raw material availability	R	Disruptions in supply chain are being observed leading to uncertain raw material availability and volatility in prices.	STL is working towards increasing its local procurement to minimise these disruptions	Negative Implications
5	Health and safety risks	R	Companies must ensure the health and safety of their employees, particularly those working in hazardous or high-risk environments.	STL is consistently assessing the health and safety risks associated with its operations and implement appropriate measures to protect its employees	Negative Implications
6	Innovation	O	Companies that fail to innovate and adopt new technologies and business models risk falling behind and losing market share	STL is investing in research and development to develop new sustainable technologies and business models	Positive Implications
7	Resource efficiency	O	With global increase in prices of raw materials, there is an increased focus on achieving the resource efficiency.	STL is taking active measures to achieve the resource efficiency for raw materials, energy, water and materials management	Positive Implications
8	Cyber security	R	As companies become more reliant on technology, they face increasing cybersecurity risks	STL strives to implement robust cybersecurity measures to protect its data, systems, and operations from cyber-attacks and data breaches	Negative Implications

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Data privacy	R	Companies must also comply with data privacy regulations to protect the personal data of their customers and employees	STL ensures that it complies with data privacy regulations in India and take steps to protect personal data from unauthorised access	Negative Implications
10	Labour and human rights	R	Companies face risks associated with labour and human rights violations in their supply chains, such as forced labour, child labour, and unsafe working conditions.	STL assesses its suppliers' labour and human rights practices and works with them to improve conditions and eliminate any violations	Negative Implications
11	Diversity and inclusion	R	Companies that lack diversity and inclusivity risk reputational damage and loss of talent	STL continually assesses its diversity and inclusion policies and practices and work to promote diversity and inclusivity within our workforce	Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>POLICY AND MANAGEMENT PROCESSES</b>									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	N	Y	N	Y	Y	Y	Y
c. Web link of the policies, if available	Code of Conduct <a href="https://www.stl.tech/pdf/coc/Sterilite_Conduct_Final.pdf">https://www.stl.tech/pdf/coc/Sterilite_Conduct_Final.pdf</a>	Sustainable sourcing policy <a href="https://www.stl.tech/pdf/coc/Sustainable%20policy.pdf">https://www.stl.tech/pdf/coc/Sustainable%20policy.pdf</a> Conflict free sourcing policy <a href="https://www.stl.tech/pdf/coc/Conflict%20Free%20Sourcing%20Policy.pdf">https://www.stl.tech/pdf/coc/Conflict%20Free%20Sourcing%20Policy.pdf</a>	Employee well-being policy <a href="https://www.stl.tech/pdf/coc/Employee-well-being-policy.pdf">https://www.stl.tech/pdf/coc/Employee-well-being-policy.pdf</a>	Sterilite Business partner code of conduct <a href="https://www.stl.tech/pdf/coc/Sterilite%20Business%20Partner%20Code%20of%20Conduct.pdf">https://www.stl.tech/pdf/coc/Sterilite%20Business%20Partner%20Code%20of%20Conduct.pdf</a>	Human Rights Policy <a href="https://www.stl.tech/pdf/coc/Human-Rights-Policy-V_2_0.pdf">https://www.stl.tech/pdf/coc/Human-Rights-Policy-V_2_0.pdf</a>	Waste Management Policy <a href="https://www.stl.tech/pdf/coc/Waste-Management-Policy.pdf">https://www.stl.tech/pdf/coc/Waste-Management-Policy.pdf</a> Water Management Policy <a href="https://www.stl.tech/pdf/coc/Water-Management-Policy.pdf">https://www.stl.tech/pdf/coc/Water-Management-Policy.pdf</a>	Code of Conduct <a href="https://www.stl.tech/pdf/coc/Sterilite_Conduct_Final.pdf">https://www.stl.tech/pdf/coc/Sterilite_Conduct_Final.pdf</a>	CSR Policy <a href="https://www.stl.tech/pdf/coc/corporate-social-responsibility-policy-2021.pdf">https://www.stl.tech/pdf/coc/corporate-social-responsibility-policy-2021.pdf</a>	Privacy Policy <a href="https://stl.tech/privacy-policy/">https://stl.tech/privacy-policy/</a>
2. Whether the entity has translated the policy into procedures (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name the national and international codes/ certifications/ labels/ standards	-	ISO 14001 certified all Indian plants ISO 45001 certified all Indian plants	-	-	SA8000 Certified OFC-Rakholi and SCB-Dadra plants	ISO 14001 Certified all Indian plants ISO 14021 (Zero Liquid Discharge) Certified all Indian plants	-	-	ISO 27001 Certified all Indian plants
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Principle 6 1. Net-zero emissions by 2030 2. Ensuring water positivity across STL locations globally by 2030 3. Zero waste to landfill at manufacturing plants by 2030 4. 100% of Lifecycle assessment of products by 2030 Principle 8 1. Transforming 5 million lives by 2025 2. Replenishing 5 million cubic meters of water in communities by 2025 3. Undertaking 5 million plantations by 2025								
6. Performance of the entity against specific commitments, goals and targets	Principle 6 1. Goal: Net-zero emissions by 2030. Performance: we have committed to Science Based Target Initiatives in FY23 2. Goal: Ensuring water positivity across STL locations globally by 2030. Performance: All plants are Zero liquid discharge certified 3. Goal: Zero waste to landfill at manufacturing plants by 2030. Performance: All plants are Zero waste to landfill certified 4. Goal:100% of Lifecycle assessment of products by 2030. Performance: LCA model and reports have been prepared for 11 products Principle 8 1. Goal: Transforming 5 million lives by 2025. Performance: Transforming 3 million lives 2. Goal: Replenishing 5 million cubic meters of water in communities by 2025. Performance:1.69 million cubic meters of water replenished 3. Goal: Undertaking 5 million plantations by 2025. Performance: 2.8 L plantation done and being maintained								

## GOVERNANCE, LEADERSHIP AND OVERSIGHT

### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Owing to massive paradigm shift over the last couple of years due to the pandemic and economic downturn, the way societies and businesses strategise and operate has changed. As these changes in socioeconomic archetypes continue to get stronger across the globe, the role of Environmental, Social and Governance (ESG) adherence in amplifying the interests of the Triple Bottom Line is intensifying. Climate change concerns, sustainable development and other environmental, social and governance (ESG) concerns have become a key agenda of every discussion across government and corporate boardrooms, globally.

Our ESG goals include sustainable sourcing and manufacturing practices, net-zero emissions, ensuring water positivity across STL locations globally, zero waste to landfill at manufacturing plants, lifecycle assessment of products and green product development. To ensure transformation that is sustainable, action on ESG must be taken across the value chain as well as in communities. We are doing so by working with partners - up and down stream to minimise packaging, waste and furthermore, mitigating global issues like gender inequality, lack of quality healthcare and digital education for marginalised communities and conserving the environment. Above all, we are focused on bridging the digital divide in communities we serve and operate, worldwide.

We have made steady progress in our net zero emissions goal by 2030. Likewise, our other ESG goals such as Zero Waste to Landfill (ZWL), Zero Liquid Discharge (ZLD) and becoming water positive

by 2030, 100% sustainable sourcing by 2030 are well on track. Further, we have designed and implemented digital-driven social impact programmes, strengthened through partnerships across education, healthcare and the environment. Through products like STL Garv and projects like Bharatnet, Mahanet and others, we have facilitated universal and affordable internet access across rural regions. Moreover, we have made significant progress on the ambitious 5-5-5 million goals we set out to accomplish by the year 2025. These involve transforming five million lives from marginalised communities, undertaking five million plantations, and replenishing a similar amount of water in water stressed communities.

All of the above-mentioned initiatives and actions are founded on the belief that ESG is imperative in today's dynamic world. We have the expertise to make a lasting difference and stay committed to leveraging it to create a greener, safer and more inclusive world beyond tomorrow.

### 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility & Sustainability (BRSR) Policy

Name - Ankit Agarwal

Designation-Managing Director

### 9. Does the entity have a specified committee of the board/ director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details

Yes, our company has a Sustainability and Corporate Social Responsibility committee. It is accountable to the Board of Directors. The committee's primary role is to assist the company in meeting its environmental, social and governance obligations and monitor the implementation of the CSR and ESG policies.

### 10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC) by the company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee																		Frequency: Annually (A) / Half yearly (H) / Quarterly (Q) / Any other – please specify		
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9			
<b>Performance against above policies &amp; follow up action</b>	Director									Annually											
<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	Committee of the Board									Quarterly											

### 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
Y	Y	Y	Y	Y	Y	Y	N	Y

Yes, the working of the above policies except CSR policy was verified by Intertek during SA 8000 audit for STL's Dadra and Rakholi plant.

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Not applicable. All principles are covered by policies.

**SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1- BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held*	Topics/ principles covered under the training audits impact	% of persons in respective category covered by the awareness programmes*
Board of Directors	0	0	0
Key Managerial Personnel (KMP)	6	1. Senior Leadership Development 2. Competency Capability building 3. Compliance (POSH, CoC+ BCP & IP +Infosec)	100%
Employees other than BoD and KMPs	486	1. Capability Building 2. Hi-Po development programmes 3. Sales development programmes	97%
Workers	63	Discrimination, Remuneration, Health & Safety, Working Hours, Disciplinary practices etc (covering 9 elements of SA8000)	100%

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	0	0	0	0	-
Settlement	0	0	0	0	-
Compounding fee	0	0	0	0	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	0	0	0	0	-
Punishment	0	0	0	0	-

**3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA
NA	NA
NA	NA

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

STL's Code of Conduct and Ethics cover its anti-corruption or anti-bribery policy. STL prohibits indulging into illicit practices like, offer to pay, make payments, promise to pay, or issue authorisation to pay any money, gift, or anything of value to a government officer, customers, vendors, consultants, and other stakeholders. that is perceived as intended, directly or indirectly, to improperly influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud.

[https://www.stl.tech/pdf/coc/Sterlite\\_Code\\_of\\_Conduct\\_Final.pdf](https://www.stl.tech/pdf/coc/Sterlite_Code_of_Conduct_Final.pdf)

**5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 22-23	FY 21-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints about conflict of interest**

	FY 22-23		FY 21-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

None

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
170	Child Labour, Forced Labour, Health & Safety, Freedom of association & right to collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration & Management Systems	6.41%

**2. Does the entity have processes in place to avoid / manage conflicts of interest involving members of the Board? (Yes / No) If Yes, provide details of the same.**

Yes, the Board members disclose their interest in other entities (directorship/ownership, etc.) at the beginning of the year. Further, Board members also inform the company about any change in interests during the year. In case there is any proposal in which any of the Board member is interested, he/she did not participate in voting on the same.

**PRINCIPLE 2 -BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE****Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impact
<b>R&amp;D</b>	54.69%	0	1. Process improvement and scrap reduction for optical fibre and optical fibre cable manufacturing 2. Development of 'green' cabling solutions that have less embedded carbon and reduce operational carbon for our customers. 3. Development of multi-core fibre technology that is novel and 4x less material intensive than traditional fibre
<b>Capex</b>	1.94%	0.01%	1. ESG data management software 2. Installation of latest IGBT technology Riello UPS 3. Kaeser air compressor units

## 2.

- a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes.

- b. **If yes, what percentage of inputs were sourced sustainably?**

6.41%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

Type of Waste	Name of Policy/ Process	Policy/ Process Description
Plastics (including packaging)	Waste Management Policy	Fibre spools containing fresh fibre manufactured at the optical fibre (OF) plants are dispatched to captive plants for consumption. These new spools are received at the optical fibre cable plants. Post consumption of fibre, the spools are cleaned and sent back to OF plants for re-use.
E-waste	Waste Management Policy	-
Hazardous waste	Waste Management Policy	-
Other waste	Waste Management Policy	-

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same**

Yes, EPR is applicable. No, the Extended Producer Responsibility (EPR) certification is in progress.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/Service	% of total Turnover contributed (FY 22-23)	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
27310	Yogalite 144F Optical Fiber Cable	0.11%	Cradle to gate	Yes	No
27310	Celesta 432F	0.89%	Cradle to gate	Yes	No
27310	48F NLD	0.00%	Cradle to gate	Yes	No
27310	36F COF215	0.44%	Cradle to gate	Yes	No
27310	48F Micro Cable	0.24%	Cradle to gate	Yes	No
27310	24F ADSS	0.04%	Cradle to gate	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
None	-	-

3. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Type of Waste	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed (Metric Tonnes)	Re-Used	Recycled	Safely Disposed (Metric Tonnes)
Plastics (including packaging)	700	-	-	662	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

### PRINCIPLE 3- BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	1408	1408	100.00%	1408	100.00%	-	-	1408	100.00%	791	56.17%
Female	183	183	100.00%	183	100.00%	183	100.00%	-	-	92	50.27%
Other	0	0	0.00%	0	0.00%	-	-	-	-	0	0.00%
<b>Total</b>	<b>1591</b>	<b>1591</b>	<b>100%</b>	<b>1591</b>	<b>100%</b>	<b>183</b>	<b>11.50%</b>	<b>1408</b>	<b>88.50%</b>	<b>883</b>	<b>55.49%</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	878	878	100.00%	878	100.00%	-	-	721	82.00%	120	14.00%
Female	44	44	100.00%	44	100.00%	44	100.00%	-	-	4	9.00%
Other	1	1	100.00%	1	100.00%	-	-	-	-	-	-
<b>Total</b>	<b>923</b>	<b>923</b>	<b>100.00%</b>	<b>923</b>	<b>100.00%</b>	<b>44</b>	<b>4.78%</b>	<b>721</b>	<b>78.12%</b>	<b>124</b>	<b>13.43%</b>

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT WORKERS</b>											
Male	26	26	100.00%	26	100.00%	-	-	26	100.00%	0	0.00%
Female	6	6	100.00%	6	100.00%	6	100.00%	-	-	0	0.00%
Other	0	0	0.00%	0	0.00%	-	-	-	-	0	0.00%
<b>Total</b>	<b>32</b>	<b>32</b>	<b>100.00%</b>	<b>32</b>	<b>100.00%</b>	<b>6</b>	<b>18.75%</b>	<b>26</b>	<b>81.25%</b>	<b>0</b>	<b>0.00%</b>
<b>OTHER THAN PERMANENT WORKERS</b>											
Male	2665	2665	100.00%	2665	100.00%	-	-	32	1.20%	2622	98.39%
Female	461	461	100.00%	461	100.00%	461	100.00%	-	-	449	97.40%
Other	0	0	0.00%	0	0.00%	-	-	-	-	0	0.00%
<b>Total</b>	<b>3126</b>	<b>3126</b>	<b>100.00%</b>	<b>3126</b>	<b>100.00%</b>	<b>461</b>	<b>14.75%</b>	<b>32</b>	<b>1.02%</b>	<b>3071</b>	<b>98.24%</b>



## 2. Details of retirement benefits for the current and previous financial year

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered (as a % of total employee)	No. of workers covered (as a % of total workers)	Deducted & deposited with the authority (Yes/No/N.A)	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted and deposited with the authority (Yes/No/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	1.5%	100%	Yes	2.7%	100%	Yes
Others- Please Specify	-	-	-	-	-	-

## 3. Accessibility of workplaces

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices are accessible to differently abled employees

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes; [https://www.stl.tech/pdf/coc/Human-Rights-Policy-V\\_2\\_0.pdf](https://www.stl.tech/pdf/coc/Human-Rights-Policy-V_2_0.pdf)

## 5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees		Permanent Workers*	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	94%	-	-
Female	100%	95%	-	-
Other	0%	0%	-	-
Total	100%	94%	-	-

\* There are none in permanent workers who have availed parental leave, hence not applicable.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent employees</b>	Yes, we are committed to implement and adhere to the best ethical and business practices across our operations globally. This, however, is not achievable without the assistance of their stakeholders and employees.
<b>Other than permanent employees</b>	
<b>Permanent workers</b>	All the employees are expected to uphold the code of business conduct and ethics. Our company's whistle-blower policy is designed to allow employees, off-roll employees and workers as well as business partners to voice concerns about any malpractice, impropriety, abuse, or misconduct at an early and appropriate stage, without fear of persecution, discrimination, or disadvantage. The policy has also been extended to external stakeholders such as vendors, customers, and others.
<b>Other than permanent workers</b>	We have a prevention of sexual harassment committee (PSHC) that oversees all complaints. Annual trainings are also provided to employees to ensure they are aware of various aspects that are covered under POSH and can raise concerns through the right channels.  To enable a healthy work environment, our company launched STL Care in February 2021 to cater to wellness, primarily mental, and emotional well-being of our employees.

## 7. Membership of employees in association(s) or unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

## 8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health & safety/wellness measures		On skill upgradation		Total (D)	On health and safety measures/wellness		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
<b>EMPLOYEES</b>										
Male	2286	2148	93.96%	1857	81.23%	3059	2065	67.51%	2899	94.77%
Female	227	172	75.77%	167	73.57%	434	172	39.63%	370	85.25%
Other	1	1	100.00%	0	0.00%	1	1	100.00%	0	0.00%
<b>Total</b>	<b>2514</b>	<b>2321</b>	<b>92.32%</b>	<b>2024</b>	<b>80.51%</b>	<b>3494</b>	<b>2238</b>	<b>64.05%</b>	<b>3269</b>	<b>93.56%</b>
<b>WORKERS</b>										
Male	2691	2689	99.93%	2678	99.52%	2925	2925	100.00%	2916	99.69%
Female	467	467	100.00%	459	98.29%	277	277	100.00%	276	99.64%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
<b>Total</b>	<b>3158</b>	<b>3156</b>	<b>99.94%</b>	<b>3137</b>	<b>99.34%</b>	<b>3202</b>	<b>3202</b>	<b>100.00%</b>	<b>3192</b>	<b>99.69%</b>

## 9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>EMPLOYEES</b>						
Male	2286	2059	90.07%	3059	2477	81.97%
Female	227	213	93.84%	434	309	71.20%
Other	1	1	100.00%	1	1	100.00%
<b>Total</b>	<b>2514</b>	<b>2273</b>	<b>90.41%</b>	<b>3494</b>	<b>2787</b>	<b>79.77%</b>
<b>WORKERS</b>						
Male	2691	64	2.38%	2925	15	0.51%
Female	467	17	3.64%	277	4	1.44%
Other	0	0	0.00%	0	0	0.00%
<b>Total</b>	<b>3158</b>	<b>81</b>	<b>2.56%</b>	<b>3202</b>	<b>19</b>	<b>0.59%</b>

10.

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, our company has well-organised occupational Health & Safety management system implemented and maintained as per the company’s procedures and legal requirements. The roles and responsibilities of the team are defined, and regular monitoring is carried out through management reviews. All the manufacturing facilities are ISO 45001 and 14001 certified.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We are an ISO 45001 certified organisation. We have an internal tool to assess risks associated with the processes and risk assessment is done on a project basis (routine & non-routine basis). All manufacturing processes are governed by a Quality, Environment, Health and Safety policy (QEHS) and each area is also monitored through an ISO 14001 certified Environment Management System and ISO 45001 Occupational Health and Safety management system. This helps the company to maintain a high environmental and safety standard across its facilities as well as identify gaps and proactively mitigate them through appropriate action.

Policies such as Quality, Environment, Health and Safety policy, Hazard Identification and Risk Assessment (HIRA) and standard operating processes are available to workers for awareness concerning hazards, risks and injury or ill health while

working. Work-related incidents are investigated via accident and investigation procedures. It was also noted that the plant implementation committee for each manufacturing units is responsible for implementing initiatives such as Programme Abhay for bringing about cultural transformation in current EHS practices and further optimise it.

Key processes/ Standard Operating Procedures (SOPs) used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity are as follows:

- Occupational safety hazards and risks are identified for all activities and control measures as per procedure. It is mandatory for any process to undergo a risk assessment, and in case of non-routine or dangerous work, a Permit to Work (PTW) is required for initiation.
- Hazard identification and risk assessment are implemented regularly for all routine and non-routine activities.
- Work-related incidents are investigated via accident and investigation procedures.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes

**11. Details of safety related incidents**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.21	0
	Workers	0.10	0.40
Total recordable work-related injuries	Employees	1	0
	Workers	1	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Our company has launched **STL Care** programme, in February 2021 to cater to wellness, primarily mental, and emotional well-being for their employees. The programme comprises policies and efforts that encourage people to adopt healthy lifestyles and achieve professional success. **Our company has an employee-wellbeing policy as well.**

<https://www.stl.tech/pdf/Employee-well-being-policy.pdf>

We have put in place several systems and processes that provide our employees with a safe work environment without any fear of injury or adverse effects on their health. To ensure complete readiness for the unlikely event of an emergency, we work on three fronts:

- First, our technological foundation and compliance guarantee that the systems have a solid base by enforcing strict standards that oversee every procedure.
- Second, leadership and management systems supervise the implementation of these policies.
- Last, but not the least, consistent awareness is ensured through the transmission of information, and behavior.

Policies such as Quality, Environment, Health and Safety policy, HIRA and standard operating processes are available to workers for awareness concerning hazards, risks and injury or ill health while working. Work-related incidents are investigated via accident and investigation procedures.

**13. Number of complaints on working conditions and health and safety made by employees and workers**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year**

% Of your plants and offices that were assessed  
(by entity or statutory authorities or third parties)

<b>Health &amp; Safety practices</b>	100%
<b>Working conditions</b>	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

All manufacturing processes at STL are governed by a QEHS policy and every process is also monitored through an ISO 14001 certified Environment Management System and ISO 45001 Occupational Health and Safety management system. This helps the company maintain high environmental and safety standards across its facilities, proactively identify gaps and mitigate them through appropriate action.

A Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Study (HAZOP) and standard operating processes are available to workers for awareness concerning hazards, risks and injury or ill health while working. Work-related incidents are investigated via accident and investigation procedures.

Further, the plant implementation committee for each manufacturing units is responsible for implementing initiatives such as Programme Abhay for bringing about cultural transformation is current EHS practices and further optimising it.

**Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

<b>Employees</b>	Yes
<b>Workers</b>	Yes

**2. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
<b>Employees</b>	0	0	0	0
<b>Workers</b>	0	0	0	0

**3. Does the entity provide transition assistance Programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
<b>Health &amp; Safety practices</b>	6.41%
<b>Working Conditions</b>	6.41%

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Periodic audits are conducted. Corrective and preventive actions tracked to its closure on regular basis.

We also conduct audits at vendors' premises with regard to environmental, health and safety expectations, and track its compliance.

## PRINCIPLE 4- BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The stakeholder identification and engagement process are well documented and implemented through the STL Sustainability programme. Stakeholder perspectives are essential for the company, and we regularly engage with stakeholders to understand and actively respond to their

#### 2. Each stakeholder groups.

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email	Quarterly	Feedback, grievances, talent management
Customers	No	Email	Quarterly	Feedback, grievances, new product development
Suppliers and vendors	No	Others	Quarterly	Supplier satisfaction, material compliance, joint development, mutual value creation
NGOs	No	Email	Quarterly	Development projects according to the identified needs, support to social causes
Leadership	No	Email	Quarterly	Economic value creation, ESG disclosures, sector and programme related
Investors	No	Others	Quarterly	Economic value creation, ESG disclosures, sector and programme related

### Leadership Indicators

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We respond to issues identified as material and demonstrates these actions through our policies, objectives, indicators and performance targets. The organisation and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making. Our company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations. The responses to material aspects are fairly articulated in the report, i.e. disclosures on STL's policies and management systems including governance. In our view, the level at which the report adheres to this principle is very good.

#### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental, and

concerns. We therefore ensure ongoing and effective communication with our stakeholders. Stakeholders include organisations and individuals impacted by or capable of influencing the operations. Our company has identified - employees, customers, suppliers and vendors, investors, leadership and non-governmental organisations (NGOs) as our stakeholders. The identification of stakeholders helps us in categorising material issues based on our ESG priorities. The company uses well-established direct and indirect mechanisms, to source continuous and unbiased feedback from stakeholders.

social topics. Materiality assessment is done annually to incorporate the inputs from stakeholders.

#### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The following are some of the examples of our engagement and actions:

**The Jeewan Jyoti women empowerment programme-** the Jeewan Jyoti women empowerment programme has grown into a compelling platform for women to achieve their aspirations. This programme has allowed these women, who were once shrouded in patriarchal societies, to lead economic growth in their villages through entrepreneurship, management skills and facilitating micro-financing linkages.

**Digital equalizer and improved learning (DEIL) programme -**We have a long-standing commitment to providing marginalised communities with quality education has helped increase basic digital literacy through continuous skill-building assistance and technical support not just for students, but also their families and school faculty. Our company launched DEIL programme. The programme aims to benefit over 1,00,000 beneficiaries annually across 300 educational institutions in Aurangabad, Nandurbar (Maharashtra, India) and Silvassa (Union Territory of Dadra and Nagar Haveli)

**PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS****Essential Indicator**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: \*

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	1591	1541	96.86%	2627	2340	89.07%
Other than permanent	923	839	90.90%	867	636	73.36%
<b>Total employees</b>	<b>2514</b>	<b>2380</b>	<b>94.67%</b>	<b>3494</b>	<b>2976</b>	<b>85.17%</b>
<b>WORKERS</b>						
Permanent	32	32	100.00%	18	15	83.33%
Other than Permanent	3126	3108	99.42%	3184	2	0.06%
<b>Total workers</b>	<b>3158</b>	<b>3140</b>	<b>99.43%</b>	<b>3202</b>	<b>17</b>	<b>0.53%</b>

2. Details of minimum wages paid to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
Permanent	1591	0	0.00%	1591	100.00%	2627	0	0.00%	2627	100.00%
Male	1408	0	0.00%	1408	100.00%	2256	0	0.00%	2256	100.00%
Female	183	0	0.00%	183	100.00%	371	0	0.00%	371	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
<b>Non-permanent</b>	<b>923</b>	<b>0</b>	<b>0.00%</b>	<b>923</b>	<b>100.00%</b>	<b>867</b>	<b>0</b>	<b>0.00%</b>	<b>867</b>	<b>100.00%</b>
Male	878	0	0.00%	878	100.00%	803	0	0.00%	803	100.00%
Female	44	0	0.00%	44	100.00%	63	0	0.00%	63	100.00%
Other	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
<b>WORKERS</b>										
Permanent	32	0	0.00%	32	100.00%	18	0	0.00%	18	100.00%
Male	26	0	0.00%	26	100.00%	15	0	0.00%	15	100.00%
Female	6	0	0.00%	6	100.00%	3	0	0.00%	3	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
<b>Non-permanent</b>	<b>3126</b>	<b>214</b>	<b>6.86%</b>	<b>2912</b>	<b>93.15%</b>	<b>3184</b>	<b>6</b>	<b>0.19%</b>	<b>3178</b>	<b>99.8%</b>
Male	2665	81	3.04%	2584	96.96%	2910	6	0.21%	2904	99.79%
Female	461	133	28.85%	328	71.14%	274	0	0.00%	274	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female		Other	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
<b>Board of Directors (BoD)</b>	6	₹45.85 Lakh	1	₹46.65 Lakh	0	0
<b>KMP (other than BoD)</b>	3 <sup>^</sup>	₹97.11 Lakh	0	0	0	0
<b>Employees other than BoD &amp; KMP*</b>	1402 <sup>#</sup>	₹8.68 Lakh	182 <sup>#</sup>	₹7.02 Lakh	0	0
<b>Workers</b>	26 <sup>*</sup>	₹2.09 Lakh	6 <sup>*</sup>	₹1.25 Lakh	0	0

\*This number only include salary of permanent workers.

# This number only include salary of permanent employees

<sup>^</sup> 1 of the board member is included in KMP

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, HR department headed by the Chief HR Officer: oversees the policies on human rights and fair labour practices. This ensure implementation of Human Rights or issues caused or contributed to by the business as per applicable guidelines.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues?**

All the employees are expected to uphold the code of business conduct and ethics. Our company’s whistle-

blower policy is designed to allow employees, off-roll employees and workers as well as business partners to voice concerns about any malpractice, impropriety, abuse, or misconduct at an early and appropriate stage, without fear of persecution, discrimination, or disadvantage. The policy has also been extended to external stakeholders such as vendors, customers, and others.

To enable a healthy work environment, our company launched STL Care in February 2021 to cater to wellness, primarily mental, and emotional well-being of our employees.

**6. Number of complaints on the following made by employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	1*	0	-	1	0	The complaint filed has been resolved
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other issues	0	0	-	0	0	-

\* This complaint was closed in April 2023.

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Our company is committed to maintaining a fair and productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. Our policy on Prevention of Sexual Harassment is framed in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act'). We have also set up Prevention of Sexual Harassment Committee, which is in compliance with the requirement of the POSH Act, to redress the complaints received regarding sexual harassment which

has formalised a free and fair enquiry process with clear timeline. During the financial year, the company received one complaint under the POSH Act

If an employee raises a genuine concern under this policy, they will not be at risk of losing their job nor will they suffer from any form of retribution as a result. Further, we also ensure protection of confidentiality and anonymity of the complainant to the fullest extent possible with an objective to conduct an adequate review.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	66.66%
Forced/ involuntary labour	66.66%
Sexual harassment	66.66%
Discrimination at workplace	66.66%
Wages	66.66%
Others – please specify	-

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable.

### Leadership Indicators

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Our company is committed to providing a safe and positive work environment. In keeping with this philosophy, the organisation envisages an open-door policy. Employees also have access to several forums where they can highlight matters or concerns faced at the workplace. This is achieved through a well-established and robust grievance resolution mechanism comprising Stakeholders' Relationship Committee and resolution hubs.

While working with partners, we also ensure that no human rights are violated. We undertake supplier assessments and audits regularly to ensure our suppliers adhere to our values and policies regarding environmental issues including waste disposal, human rights, fair labour and anti-corruption. We also uphold the highest standards when it comes to the sourcing

of raw materials and do supplier due diligence for the same.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Human rights and fair labour practices, do not only feature on our list of top material topics, but are also driven by partners across our value chain. We have policies and ensure adherence to the standards we follow as well as audit our facilities and partners on these parameters periodically.

We ensure a secure working environment at our plants. Our Rakholi and Dadra facilities have been SA8000:2014 certified. Remaining Indian plants have completed phase 1 audit under SA8000.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	6.41%
Discrimination at workplace	6.41%
Child labour	6.41%
Forces labour/ Involuntary labour	6.41%
Wages	6.41%
Others – please specify	-

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessment at Question 4 above.**

No such corrective action has been taken.

## PRINCIPLE 6- BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### Essential Indicators

**1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:**

Parameter	FY2022-23 (in KJ)	FY 2021-22 (in KJ)
Total electricity consumption (A)	9,47,27,60,45,467	9,37,13,54,63,940
Total fuel consumption (B)	1,50,03,50,03,265	1,46,84,44,76,704
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>10,97,31,10,48,732</b>	<b>10,83,97,99,40,644</b>
<b>Energy intensity per rupee of turnover (total energy consumption/ turnover in rupees)</b>	<b>20.51 KJ/INR</b>	<b>21.59 KJ/INR</b>
<b>Energy intensity(Optional) the relevant metric may be selected by the entity</b>	<b>-</b>	<b>-</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No



3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Ground water	1,17,967	1,20,740
(iii) Third party water	5,12,116	5,04,079
(iv) Seawater/Desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	6,30,083	6,24,819
<b>Total volume of water consumption (in kilolitres)</b>	6,29,514	6,17,144
<b>Water intensity per rupee of turnover (water consumed / turnover in rupees)</b>	0.000012 KL/INR	0.000012 KL/INR
<b>Water intensity (optional) the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, 100% of our Indian manufacturing units are zero-liquid discharge certified. Effluent treatment (ETP) and multi-effective evaporator (MEE) plants are installed, in addition to several in-plant modifications to our processes help we ensure this. A detailed study of parameters has been done on the wastewater before its treatment in the ETP which has in turn helped reduce the load on the plant. The process includes wastewater from the scrubber process, silicon tetrachloride (SiCl<sub>4</sub>), and softener plants collected at the ETP. Through chemical treatments, solid particles and chlorine in the water are removed and then fed with steam in the MEE plant through a three-stage centrifuging process to remove salt in the water. This recycled water is again

used in the boiler and scrubber processes. Effluent and sewage treatment plants have helped us ensure zero liquid discharge at all our plants in Aurangabad, which is traditionally a drought-prone region.

Zero liquid discharge (ZLD) Certified plants includes.

Shendra draw plant, Shendra glass plant, Waluj plant, Rakholi plant and Dadra plant.

The Zero Liquid Discharge certification has been done by DQS with reference to Circular Water Management, Compliances, and ISO 14021:2016 Environmental labels and declarations (Type II environmental labelling – verifying implementation and overseeing certification). The certification was preceded by a detailed audit and documentation exercise that found STL's ZLD performance in consonance with globally accepted standards.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2022-23	FY2021-22
<b>NOx</b>	MT	1.29	-
<b>SOx</b>	MT	0.51	-
<b>Particulate matter (PM)</b>	MT	60.33	-
<b>Persistent organic pollutants (POP)</b>	NA	-	-
<b>Volatile organic compounds (VOC)</b>	NA	-	-
<b>Hazardous air pollutants (HAP)</b>	NA	-	-
<b>Others- please specify</b>	NA	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2022-23	FY2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	gCO <sub>2</sub> e	8,91,31,81,510	9,10,61,49,809
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	gCO <sub>2</sub> e	2,13,05,22,99,990	2,05,55,93,78,278
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	gCO <sub>2</sub> /₹	4.15	4.28
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No**

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Initiatives undertaken by our company for optimisation and efficiency are as follows:

- Installation of latest IGBT technology UPS, which provides 95% efficiency compared to old rectifier technology with below 90% efficiency).
- Replacement of overhead pumps of chilled water circulation with submersible single pump, having almost half of the power rating.
- Roof top green solar energy of 625kwp installed.

- Aluminum air pipelines installed have low friction during flow of air thereby resulting in high efficiency of compressor and low air losses.
- Centralised utilities building going live, expected energy saving by 10 to 15%
- Latest technology & highly efficient equipment selection with 100% redundancy (Dry transformer/ UPS/RMU/Type Tested panels/HVAC/Cooling Towers/Pumps)
- New PEB shed with roof sky light design to reduce daytime plant lighting load
- Revamp the chilled water circulation pumping system with submersible improving reliability of system.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY2022-23	FY2021-22
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	4,412	4,840
E-waste (B)	9	11
Bio-medical waste (C)	0.03	0.034
Construction and demolition waste (D)	0	0
Battery for (E)	65	8
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)	8,934	7,532
Other non-hazardous waste generated (H). Please specify, if any.	32,803	28,835
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>46,223</b>	<b>41,226</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste		
(i) Recycled	40,478	38,347
(ii) Re-used	4,663	1,831
(iii) Other recovery operations (safely disposed)	-	-
<b>Total</b>	<b>45,141</b>	<b>40,177</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration	85	97
(ii) Landfilling	997	952
(iii) Other disposal operations	-	-
<b>Total</b>	<b>1,082</b>	<b>1,049</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Zero waste to landfill certificate was issued by TUV SUD to all plants.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Waste management is one of the most fundamental ways we drive our sustainability agenda. Our approach to waste management is to eliminate waste and optimally use available resources. We ensure that the vendors we choose to do business with are also environmentally conscious and are approved by the Pollution Control Board. We ensure all our employees and workers are well-informed about the importance of recycling and waste segregation at the corporate office and the manufacturing facility. We aim to have all our plants across the globe certified with Zero Waste to Landfills (ZWL) over the next few years.

We also monitor our hazardous and non-hazardous waste, monthly. While we ensure our processes comply with stringent waste management rules in the countries we operate, we also verify the approaches our recyclers adopt. This assures us that they are operating according to the prescribed laws and our byproducts or waste are further reused, promoting a circular economy, especially for optic fibre, cables and LSZH.

Our company has started using co-processing in partnership with cement companies as one of the

disposal and management solutions, which helps convert waste to energy. Further, we have prioritised opportunities for reusing waste by enhancing the usage of what was generated from our operations as a resource for our industry or others. Reusing waste helps save natural resources while manufacturing new products, as well as generating revenue in due course of operations. This entire initiative also involves monitoring each type of waste generated, its source, and so on. This is essential to increase process efficiency and identify preventive mechanisms to reduce generation. This entire effort has helped our company become the world's first integrated optic fibre and cables manufacturer to be Zero Waste to Landfill (ZWL) certified for 100% of its manufacturing units that are operational for over a year. It has helped us optimize resource utilisation and operate in a more efficient and eco-friendly manner by treating waste as a resource; which is at the crux of our waste management approach.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.**

Not applicable.

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in FY 2022**

Name and brief details of project	EIA Notification Number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web Links
NA	NA	NA	NA	NA	NA

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**

Yes, STL is compliant with the applicable environmental law/ regulations/ guidelines in India.

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources (KJ)</b>		
Total electricity consumption (A)	1,0,207,22,400	40,91,91,840
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1,02,07,22,400</b>	<b>40,91,91,840</b>
<b>From non-renewable sources (KJ)</b>		
Total electricity consumption (D)	9,47,27,60,45,467	9,37,13,54,63,940
Total fuel consumption (E)	1,50,03,50,03,265	1,46,844,476,704
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>10,97,31,10,48,732</b>	<b>10,83,97,99,40,644</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.**

No

2. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Solar panel installation at Rakholi plant	The company has installed a 625 KWP capacity rooftop solar power system at Rakholi	It will generate roughly 7,76,000 units of electricity annually
2	Ensuring zero liquid/effluent discharge into communities	Water audits were conducted for all Indian plants. Water conservation and harvesting measure were identified for each plant as part of the audit.  To ensure zero discharge, a detailed study of parameters has been done on the wastewater before its treatment in the ETP which has in turn helped reduce the load on the plant.  <a href="https://www.stl.tech/esg/">https://www.stl.tech/esg/</a>	Each of our manufacturing units in Aurangabad and Silvassa are all zero-liquid discharge certified. Effluent treatment (ETP) and multi-effective evaporator (MEE) plants installed, in addition to several in-plant modifications to our processes help us ensure this.
3	Ensuring 100% manufacturing facilities to be Zero Waste to Landfill certified	We ensure our processes comply with stringent waste management rules in the countries we operate. We also verify the approaches our recyclers adopt. This assures us that they are operating according to the prescribed laws and our by-products or waste are further reused, promoting a circular economy.  <a href="https://www.stl.tech/esg/">https://www.stl.tech/esg/</a>	100% of STL manufacturing units, which are operational for over a year, are Zero Waste to Landfill certified for diverting between 97% to 100% of waste from landfills.

4. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Acute and chronic climate-related risk to our company's assets is evaluated as part of our business continuity and disaster management plan. Types of climate-related risks include local incidents like water shortage, temperature rise, building fires, natural calamities, catastrophic events, or national incidents like pandemic illnesses, in addition to others. We have a robust business continuity programme to monitor those risks and have in place measures to help ensure continued reliability.

5. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As we aim to evolve and advance in our ESG journey, we continuously strive to build partnerships across our value chain with vendors who we identify and are aware of their environmental, social and regulatory risks. Currently, there is no significant adverse impact to the environment arising from the value chain. Further, we aim to have 100% sustainable sourcing by 2030.

## PRINCIPLE 7- BUSINESS, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

### Essential Indicator

#### 1. a. Number of affiliations with trade and industry chambers/ associations.

Thirteen

#### b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	CII	National
2	FICCI	National
3	ASSOCHAM	National
4	TEPC	National
5	TEMA	National
6	BIF	National
7	DIPA	National
8	ITU-APT	National
9	SIDM	National
10	PAFI	National

#### 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

None

### Leadership Indicators

#### 1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Advocacy on BharatNet for more government investment, Robust Standards, Make in India and EoDB	Engagement with government stakeholders and media advocacy through independent credible platform and independently.	Yes	Quarterly*	-
2	Amendment to ROW policy	Engagement with government stakeholders through independent credible platform and independently	Yes	Quarterly*	-
3	Enterprise Network	Engagement with government stakeholders through independent credible platform and independently	Yes	Quarterly*	-
4	GST reform to avail cross utilisation of GST input Tax Credit	Engagement with government stakeholders through independent credible platform and independently	Yes	Quarterly*	-
5	Extension of end-use benefits of raw material of OF	Engagement with government stakeholders through independent credible platform and independently	Yes	Quarterly*	-

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
6	Mandatory testing for OF and OFC	Engagement with government stakeholders through independent credible platform and independently	Yes	Quarterly*	-
7	Anti Dumping Duty on SMOF	Engagement with government stakeholders through independent credible platform and independently	No	Quarterly*	-
8	Availing SPECS incentives on CAPEX of SiCl4 manufacturing	Direct engagement with government stakeholders	No	Quarterly*	-
9	Extension of Fail-safe and High-speed Fixed Optical and 4/ 5G Mobile Defence Networks Connectivity to forward areas	Engagement with government stakeholders and advocacy through independent credible platform & independently	Yes	Quarterly*	-
10	Development of Dual Use Digital ICT infrastructure along land and sea frontiers	Engagement with government stakeholders and advocacy through independent credible platform & independently	Yes	Quarterly*	-
11	Security, surveillance and management of defence stations through smart systems	Engagement with government stakeholders and advocacy through independent credible platform & independently	Yes	Quarterly*	-

\* Reviewed quarterly by MD and senior management.

## PRINCIPLE 8-BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NA	NA	NA	NA	NA	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

#### GRIEVANCE REDRESSAL SYSTEM

- We have a dedicated email toll-free number to receive community complaints and maintain a copy of the physical register at the programme site where possible.
- Once the complaint is received from the community members, within 24 hours it is directed to the respective programme manager. These complaints shall be resolved within 5 working days and the team should report back on the central team along with a detailed report on the complaint resolution.
- Central team shall prepare a monthly report on the complaints received during the month by 10<sup>th</sup> of following month.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	43.14%	-
Sourced directly from within the district and neighbouring districts	8.33%	-

#### Leadership Indicators

##### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above)

NA

##### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S No.	State	Aspirational district	Amount spent (in ₹)
1	Maharashtra	Gadchiroli	69,93,357
2	Maharashtra	Nadurbar	1,28,46,730

##### 3. Details of beneficiaries of CSR projects

S. No.	CSR Projects (in FY 2022-23)	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalised groups
1	Jeewan Jyoti Women Empowerment Programme	1,735	100%
2	Digital Equalizer and Inclusive Learning Programme	1,10,996	100%
3	Mobile Medical Unit	9,06,797	100%
4	Holistic Water Programme	80,000	100%
5	Liver Transplant	32	100%
6	Employee Volunteering	4,191	100%

## PRINCIPLE 9- BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

#### Essential Indicators

##### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The mechanism to receive and respond to consumer complaints has been provided below.

- ▶ Customer raises concern on mail/ phone to account manager.
- ▶ Account manager raises case in salesforce. The case comes to QA team.
- ▶ QA Team give acknowledgement of receipt of complaint within 24 working hrs.
- ▶ QA teams ask for details like batch ID, images, video of the problem for analysis.
- ▶ Account manager shares the details, QA team shares the containment action within 48Hrs.
- ▶ Account Manager plans the sample/ site visit if required.
- ▶ QA Team analyzes the case with CFT team (based on images, videos, samples, site visit)
- ▶ QA Team validates the complaint as valid and invalid.
- ▶ QA team shares the analysis report with the account manager.
- ▶ For invalid cases, if the customer is convinced, the case is closed in system. If the customer is not convinced, then respond to the queries till they are convinced and then the case is closed.
- ▶ For valid cases, share the CAPA and have agreement on the RCA
- ▶ Raise request for claim settlement.
- ▶ Once approved, send the credit note/ replacement.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other (Quality Complaints)	58	7	-	72	9	-
Other (Delivery)	10	0	-	0	0	-

4. Details of instances of product recalls on accounts of safety issues

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, STL has a documented Information Security and Cyber Security policy which has cyber security framework as well. Risk Assessment is carried out periodic basis - at least annually and with major changes. Privacy policy is available on corporate website [URL:https://www.stl.tech/privacy.php](https://www.stl.tech/privacy.php)

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

All the complaints were satisfactorily addressed, and no corrective actions were undertaken.

#### Leadership Indicators

1. Channels / platforms where information on products and services of the company can be accessed

STL Corporate Website: [www.stl.tech](http://www.stl.tech)

2. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact: ZERO

b. Percentage of data breaches involving personally identifiable information of customer: ZERO



# INDEPENDENT AUDITORS' REPORT

To the Members of Sterlite Technologies Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying standalone financial statements of Sterlite Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and cash flows for the year then ended.

### Basis for Opinion

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

### Key audit matters

- Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>a. Recognition of revenue:</b> (Refer note 2.1(b) note 3 and note 25 to the Standalone Financial Statements)</p> <p>The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by the Management with respect to:</p> <ul style="list-style-type: none"> <li>Combination of contracts entered into with the same customer;</li> <li>Identification of distinct performance obligations;</li> <li>Total consideration when the contract involves variable consideration;</li> <li>Allocation of consideration to identified performance obligations; and</li> <li>Recognition of revenue over a period of time or at a point in time, based on timing when control is transferred to customer.</li> </ul> <p>Further, for contracts where revenue is recognised over a period of time, the company makes estimates which impact the revenue recognition. Such estimates include, but are not limited to:</p> <ul style="list-style-type: none"> <li>costs to complete,</li> <li>contract risks, and</li> <li>liquidated damages</li> </ul> <p>Further for ongoing contracts, management re-assesses the above estimates at each reporting date taking into account expected delays in completion of the performance obligations, cost escalations and available contract remedies.</p> <p>We focused on this area because a significant portion of the revenue generated requires management to exercise judgement and therefore could be subject to material misstatement due to fraud or error.</p>	<p><b>Our audit procedures included:</b></p> <p>Understood and evaluated the design and tested the operating effectiveness of key controls relating to revenue recognition.</p> <p>In respect of a sample of contracts, our procedures included, among other things:</p> <ul style="list-style-type: none"> <li>Reading of selected contracts to identify significant terms of the contracts;</li> <li>Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation;</li> <li>Evaluation of the contract terms with respect to assessment of the date of transfer of control;</li> <li>Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts;</li> <li>Testing the appropriateness of key assumptions used by the Management in making estimates for contracts where revenue is recognised over time including the appropriateness and reasonability of Management's conclusion regarding the expected delays in estimated completion of the performance obligations and possible impact on key estimates;</li> <li>Reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies.</li> <li>Testing of journal entries for unusual/ irregular revenue transactions, if any; and</li> <li>Assessing adequacy of presentation and disclosures in the consolidated financial statements.</li> </ul> <p>Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by Ind AS 115.</p>

Key audit matter	How our audit addressed the key audit matter
<p><b>b. Valuation of contract assets and trade receivables - risk of credit losses</b></p> <p>(Refer note 2.1 (n)(iii), note 3, note 7 and note 10 to the Standalone Financial Statements)</p> <p>The Company's trade receivables and contract assets amount to ₹2,154 crores and ₹1,373 crores as at March 31, 2023.</p> <p>A significant portion of contract assets and trade receivables are related to the Global Services Business (GSB). GSB is into the business of fibre roll out and end to end system integration wherein revenue is recognised over time.</p> <p>Such contracts are long term in nature and have inherent operational and contractual risks, like difference in billing and payment milestones, customer site acceptance, retention clauses, availability of funds with customers, potential disputes, etc., resulting in delays in billing and collection and risk of recoverability.</p> <p>The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts.</p> <p>The expected credit loss provision is measured by the management using the simplified approach as prescribed by Ind AS 109: Financial Instruments.</p> <p>While the Company assesses the recoverability of receivable from each contract of GSB separately based on credit risk, project status, past history, latest discussion/ correspondence with the customers and legal opinions wherever applicable, the provision is estimated on an aggregate basis.</p> <p>For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109.</p> <p>The trade receivables and contract assets are material to the standalone financial statements and as the assessment of their recoverability requires considerable management judgement, we determined this to be a key audit matter.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the accounting policy of the Company;</li> <li>• Evaluating the design and testing the operating effectiveness of the key controls on measurement of expected credit loss;</li> <li>• Understanding the reasons for aged / overdue balances including factors like project status and contractual terms through discussions with the management, corroborating by review of correspondences with the customers and site visits as necessary and obtaining management representations where necessary;</li> <li>• Assessing and challenging the appropriateness and completeness of the assumptions used by the Management in determining the expected credit loss by considering credit risk of the customer, cash collection, correspondences with the customers, etc.;</li> <li>• Inquiring with the inhouse legal counsel regarding status of the disputed dues and reviewing and discussing the legal opinions obtained by the management with the external legal counsels wherever necessary;</li> <li>• Assessing and testing the appropriateness of inputs and assumptions used in the provision matrix; and</li> <li>• Assessing adequacy of the disclosures in the financial statements required to be made by the Management as per the applicable Ind AS requirements;</li> </ul> <p>Based on the above procedures performed, no significant observations were noted in management's assessment of valuation of trade receivables and contract assets.</p>
<p><b>c. Carrying value of investments in subsidiaries</b></p> <p>(Refer note 2.1 (j), note 3, note 6 and note 8 to the Standalone Financial Statements)</p> <p>The carrying amount of loans to and investments in subsidiaries as of March 31, 2023 was ₹437 crores and ₹387 crores respectively.</p> <p>The Company accounts for investments in subsidiaries at cost (less accumulated impairment if any).</p> <p>The management reviews the carrying value of these investments at each reporting date and assesses if there are any indicators that the investment in subsidiaries are impaired and, performs an impairment analysis on these investments by making an estimate of recoverable amount, being the higher of fair value less costs to sell and value in use.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing of operating effectiveness of key controls around management's assessment of impairment and estimation of recoverable amount of value of investments;</li> <li>• Evaluating the information based on which the impairment indicators are identified such as financial conditions, order in hands, market condition in which these entities operate;</li> <li>• Involving our valuation experts to assist in assessing the appropriateness of valuation model, discount rate and terminal growth rate;</li> <li>• Evaluating the cash flow forecasts by comparing them to budgets, actual past results and our understanding of internal and external factors;</li> <li>• Testing the mathematical accuracy of the underlying calculations;</li> <li>• Testing the completeness and accuracy of the underlying data used in the assessment;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>The Management has estimated the recoverable value based on the value in use approach determined using discounted forecast cash flow model requiring judgements with certain key inputs like:</p> <ul style="list-style-type: none"> <li>• Future cashflows,</li> <li>• Discount rates,</li> <li>• Terminal growth rate,</li> <li>• Economic and entity specific factors incorporated in the valuation.</li> </ul> <p>The Company recognised a total impairment of ₹4 crores for the year ended March 31, 2023 (for the year ended March 31, 2022 - ₹22 crores) against these investments.</p> <p>We focused on this area due to significant carrying amount of the net investments in subsidiaries and the significant management judgement and estimates involved in making an estimate of the recoverable amount.</p>	<ul style="list-style-type: none"> <li>• Performing sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions could lead to impairment; and</li> <li>• Assessing the adequacy of disclosures in the financial statements.</li> </ul> <p>Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in impairment assessment of investments in subsidiaries including those relating to presentation and disclosures as required by Ind AS 36.</p>

#### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the standalone financial statements and our auditors' report thereon.

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

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

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on other legal and regulatory requirements**
13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that in respect of certain books and papers backup is not maintained in India
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above.
  - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 21 and 37 to the standalone financial statements;
    - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any long-term derivative contracts as at March 31, 2023.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise,

- that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 8 to the standalone financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 18 to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Neeraj Sharma**

Partner

Membership Number: 108391

UDIN: 23108391BGTBUQ1530

Place: Mumbai

Date: May 17, 2023

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 14(g) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements for the year ended March 31, 2023**

## **Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to standalone financial statements of Sterlite Technologies Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to standalone financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

**Neeraj Sharma**

Partner

Membership Number: 108391

UDIN: 23108391BGTBUQ1530

Place: Mumbai

Date: May 17, 2023

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2023

- |  |   |
|--|---|
| <p>i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.</p> <p>(B) The Company is maintaining proper records showing full particulars of Intangible Assets.</p> <p>(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. Further, the physical verification of the cables is impractical due to the manner in which they have been installed/laid.</p> <p>(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 4 to the standalone financial statements, are held in the name of the Company.</p> <p>(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment</p> | <p>(including Right of Use assets) or intangible assets does not arise.</p> <p>(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise. (Also Refer note 4 to the standalone financial statements).</p>   |
| <p>(a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.</p> <p>(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks and financial institutions, which are not in agreement with the unaudited books of account as set out below (Also refer note 49 to the standalone financial statements).</p>  | <p>ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.</p> <p>(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks and financial institutions, which are not in agreement with the unaudited books of account as set out below (Also refer note 49 to the standalone financial statements).</p> |

(in crores)

Name of the Bank/ Financial Institution	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (in crores)	Amount as per books of account (in crores)	Difference	Reason for difference	
ICICI Bank	767	Inventories, Trade receivables and contract assets	March 31, 2023					
State Bank of India	755		Trade receivables and contract assets	3,532	3,527	5	The difference is on account of period end regroupings.	
Yes Bank Limited	150							
HDFC Bank Limited	300							
Axis Bank Limited	450							
IDFC First Bank Limited	275							
Indusind bank limited	335							
Bank of Baroda	247							
RBL Bank Limited	200							
Deutsche Bank AG	275							
The Federal Bank Limited	250							
IDBI Bank Limited	220							
Union Bank of India	110							
Export-Import Bank of India	80							
Citi Bank	135							

- iii. (a) The Company has made investments in one company and five mutual fund schemes, granted unsecured loans to six companies, 51 other parties and stood guarantee to one company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

	(in crores)		
	Guarantees	Security	Loans
Aggregate amount granted/ provided during the year			
- Subsidiaries	24	Nil	1,295
- Joint Ventures	Nil	Nil	Nil
- Associates	Nil	Nil	Nil
- Others	Nil	Nil	1
Balance outstanding as a balance sheet date in respect of the above case			
- Subsidiaries	24	Nil	182
- Joint Ventures	Nil	Nil	Nil
- Associates	Nil	Nil	Nil
- Others	Nil	Nil	0*

(Also refer Note 8 to the standalone financial statements)

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



- (b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such loans were granted, investments were made and guarantees provided are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated as repayable on demand, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans or advances in the nature of loans and which fell due during the year and were renewed or extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.
- (f) Following loans were granted during the year, to related parties under Section 2(76), which are repayable on demand:

	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand	1,295	Nil	1,295
- Agreement does not specify any terms or period of repayment	Nil	Nil	Nil
Percentage of loans to the total loans outstanding at the year end	295%	Nil	295%

(Also refer note 8 to the standalone financial statements)

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of provident fund, goods and services tax and income tax though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, sales tax and duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax and duty of customs as at March 31, 2023, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In crores)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	67.82	2001-03	CESTAT, Mumbai
	Custom Duty	0.68	2011-16	CESTAT, Ahmedabad
	Custom Duty	1.53	2013-14	CESTAT, Mumbai
	Custom Duty	1.54	2014-19	Commissioner (Appeals), Mumbai
	Custom Duty	15.00	2002-03	Supreme Court of India
Goods and Service Tax, 2017	Goods and Service Tax	2.48	2020-21	Deputy Commissioner
	Goods and Service Tax	0.09	2017-18	Deputy Commissioner
	Goods and Service Tax	0.39	2018-19	Deputy Commissioner
Income Tax Act, 1961	Income Tax	17.46	AY 2018-19	Commissioner (Appeals)
	Income Tax	3.88	AY 2013-14, AY 2015-16	Commissioner (Appeals) – Mumbai
	Income Tax	1.20	AY 2002-03	Mumbai High Court
	Income Tax	0.07	AY 2001-02	Mumbai High Court
	Income Tax	0.43	AY 2014-15, AY 2016-17	Commissioner (Appeals) - Pune
	Income Tax	1.14	AY 2020-21	Commissioner (Appeals)
	Income Tax	0.83	AY 2021-22	Commissioner (Appeals)
	Income Tax	0.19	AY 2018-19	Commissioner (Appeals)
	Income Tax	0.33	AY 2011-12, AY 2013-14	Commissioner (Appeals) - Ahmedabad
	Income Tax	0.53	AY 2012-13	Gujarat High Court
	Income Tax	0.12	AY 2009-10, AY 2010-11	Income Tax Appellate Tribunal - Ahmedabad
Income Tax	5.12	AY 2017-18	Additional Commissioner of Income Tax, Delhi	

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. As stated in note 37 to the standalone financial statements, the Company continues to dispute amounts aggregating ₹19 crores claimed by a bank in the earlier years, towards import consignments under letter of credit not accepted by the Company, owing to discrepancies in documents. Since the matter is in dispute, we are unable to determine whether there is a default in repayment of dues to the said bank.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. (Also refer note 18 to the standalone financial statements).
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer note 18 to the standalone financial statements)
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer note 41 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance

sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**Neeraj Sharma**

Partner

Membership Number: 10839

UDIN: 23108391BGTBUQ1530

Place: Mumbai

Date: May 17, 2023

# BALANCE SHEET

As at March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant & equipment	4	1,944	2,118
Capital work-in-progress	4	55	65
Intangible assets	5	23	31
Financial assets			
(i) Investments	6	387	297
(ii) Loans	8	437	412
(iii) Other financial assets	9	15	19
Other non-current assets	10	44	70
<b>Total Non-current Assets</b>		<b>2,905</b>	<b>3,012</b>
<b>II. Current assets</b>			
Inventories	11	410	445
Financial assets			
(i) Investments	12	40	-
(ii) Trade receivables	7	2,154	1,849
(iii) Cash and cash equivalents	13	138	275
(iv) Other bank balances	14	57	117
(v) Loans	8	0	0
(vi) Other financial assets	9	120	115
Contract assets	10	1,373	1,218
Other current assets	10	403	385
		<b>4,695</b>	<b>4,404</b>
Assets classified as held for sale	15	28	-
<b>Total Current Assets</b>		<b>4,723</b>	<b>4,404</b>
<b>Total Assets</b>		<b>7,628</b>	<b>7,416</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	80	80
Other equity	17	1,804	1,763
<b>Total Equity</b>		<b>1,884</b>	<b>1,843</b>
<b>Liabilities</b>			
<b>I. Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	678	972
(ii) Lease liabilities	4	50	65
(iii) Other financial liabilities	19	10	4
Employee benefit obligations	24	29	40
Provisions	21	0	1
Deferred tax liabilities (net)	23A	44	57
<b>Total Non-current Liabilities</b>		<b>811</b>	<b>1,139</b>
<b>II. Current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	2,291	1,605
(ii) Lease liabilities	4	30	22
(iii) Trade payables	20		
(A) total outstanding dues of micro and small enterprises (refer note 39)		312	173
(B) total outstanding dues of creditors other than micro and small enterprises		1,774	2,130
(iv) Other financial liabilities	19	225	222
Contract liabilities	22	163	177
Employee benefit obligations	24	13	16
Provisions	21	66	24
Other current liabilities	22	59	65
<b>Total Current Liabilities</b>		<b>4,933</b>	<b>4,434</b>
Liabilities directly associated with assets classified as held for sale	15	1	-
<b>Total Liabilities</b>		<b>5,744</b>	<b>5,573</b>
<b>Total Equity &amp; Liabilities</b>		<b>7,628</b>	<b>7,416</b>
Summary of significant accounting policies	2		

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

For Price Waterhouse Chartered Accountants LLP

For and on behalf of the Board of Directors of Sterlite Technologies Limited

Firm Registration No: 012754N/N500016

**Neeraj Sharma**  
Partner  
Membership Number:108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial  
Officer

**Amit Deshpande**  
Company  
Secretary

Place: Mumbai  
Date: May 17, 2023

Place: Mumbai  
Date: May 17, 2023

# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>Continuing Operations</b>			
<b>INCOME</b>			
Revenue from operations	25	5,356	4,856
Other income	26	175	58
<b>Total Income (I)</b>		<b>5,531</b>	<b>4,914</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	27	2,502	2,585
Purchase of traded goods		175	161
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	27	72	(118)
Employee benefit expense	28	477	460
Other expenses (includes net impairment losses of financial assets and contract assets of ₹72 crores (March 31, 2022: ₹112 crores))	29	1,389	1,177
<b>Total Expense (II)</b>		<b>4,615</b>	<b>4,265</b>
<b>Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>916</b>	<b>649</b>
Depreciation and amortisation expense	30	203	198
Finance costs	31	280	216
<b>Profit before exceptional items and tax</b>		<b>433</b>	<b>235</b>
Exceptional items	44	-	53
<b>Profit before tax from continuing operations</b>		<b>433</b>	<b>288</b>
<b>Tax expense:</b>			
Current tax	32	102	111
Deferred tax		(4)	(38)
<b>Total tax expense</b>		<b>98</b>	<b>73</b>
<b>Profit for the year from continuing operations</b>		<b>336</b>	<b>215</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations after tax	15	(260)	(132)
<b>Profit for the year (A)</b>		<b>75</b>	<b>83</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>			
Net movement on cash flow hedges	17	(37)	0
Income tax effect on the above	17	9	(0)
<b>Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>		<b>(28)</b>	<b>0</b>
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
Remeasurements of defined employee benefits plans		4	4
Income tax effect on the above		(1)	(1)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>3</b>	<b>3</b>
<b>Other comprehensive income/(loss) for the year, net of tax (B)</b>		<b>(25)</b>	<b>3</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>51</b>	<b>86</b>
<b>Total comprehensive income arises from:</b>			
Continuing operations		311	218
Discontinued operations		(260)	(132)
<b>Earnings/(loss) per equity share (Amounts in ₹) (Face value ₹2 per share)</b>	34		
<b>Basic</b>			
From continuing operations		8.42	5.39
From discontinued operation		(6.53)	(3.32)
From continuing and discontinued operations		1.89	2.07
<b>Diluted</b>			
From continuing operations		8.41	5.37
From discontinued operation		(6.53)	(3.32)
From continuing and discontinued operations		1.88	2.04
Summary of significant accounting policies	2		

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

As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No: 012754N/N500016

**Neeraj Sharma**

Partner

Membership Number:108391

Place: Mumbai

Date: May 17, 2023

**For and on behalf of the Board of Directors of Sterlite Technologies Limited**

**Pravin Agarwal**

Vice Chairman &  
Whole-time Director  
DIN: 00022096

Place: Mumbai

Date: May 17, 2023

**Ankit Agarwal**

Managing Director  
DIN: 03344202

**Tushar Shroff**

Chief Financial  
Officer

**Amit Deshpande**

Company  
Secretary

# STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

Equity shares of ₹2 each (issued, subscribed and fully paid)	Note	No. in crores.	Amount
<b>As at 01 April 2021</b>		<b>39.66</b>	<b>79</b>
Changes in equity share capital	16	0.11	0
<b>As at March 31, 2022</b>		<b>39.77</b>	<b>80</b>
Changes in equity share capital	16	0.08	0
<b>As at March 31, 2023</b>		<b>39.85</b>	<b>80</b>

## B. OTHER EQUITY

	Reserves and surplus							Other Reserves	Total
	Capital Reserve	Securities Premium	Employee Stock Option Outstanding	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	
<b>As at 31 March 2021</b>	(19)	15	23	37	2	102	1,580	6	<b>1,747</b>
Profit for the year	-	-	-	-	-	-	79	-	83
Other comprehensive income for the year	-	-	-	-	-	-	3	0	3
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>86</b>	<b>0</b>	<b>86</b>
Amount transferred to general reserve	-	-	-	(37)	-	37	-	-	-
Transferred to statement of profit and loss (net)	-	-	-	-	-	-	-	(1)	(1)
<b>Transactions with owners in their capacity as owners</b>									
Employee stock option exercised	-	10	(10)	-	-	-	-	-	-
Employee stock option expenses for the year (refer note 33)	-	-	12	-	-	-	-	-	12
Equity dividend (refer note 46)	-	-	-	-	-	-	(79)	-	(79)
<b>As at March 31, 2022</b>	(19)	25	25	-	2	139	1,587	5	<b>1,764</b>
Profit for the year	-	-	-	-	-	-	76	-	76
Other comprehensive income for the year	-	-	-	-	-	-	3	(28)	(25)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>79</b>	<b>(28)</b>	<b>51</b>
<b>Transactions with owners in their capacity as owners</b>									
Employee stock option exercised	-	9	(9)	-	-	-	-	-	-
Employee stock option expenses for the year (refer note 33)	-	-	9	-	-	-	-	-	9
Equity dividend (refer note 46)	-	-	-	-	-	-	(20)	-	(20)
<b>As at March 31, 2023</b>	(19)	34	25	-	2	139	1,646	(23)	<b>1,804</b>

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

**For Price Waterhouse Chartered Accountants LLP** For and on behalf of the Board of Directors of Sterlite Technologies Limited

Firm Registration No: 012754N/N500016

**Neeraj Sharma**

Partner  
Membership Number:108391

**Pravin Agarwal**

Vice Chairman &  
Whole-time Director  
DIN: 00022096

**Ankit Agarwal**

Managing Director  
DIN: 03344202

**Tushar Shroff**

Chief Financial  
Officer

**Amit Deshpande**

Company  
Secretary

Place: Mumbai

Date: May 17, 2023

Place: Mumbai

Date: May 17, 2023

# STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>A. Operating activities</b>		
<b>Profit before tax</b>		
From continuing operations	433	288
From discontinued operation	(350)	(177)
	<b>83</b>	<b>111</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant & equipment	261	199
Amortisation and impairment of intangible assets	10	10
Provision for doubtful debts and advances	54	105
Bad debts / advances written off	56	-
Dividend from subsidiary	(47)	-
Profit on buy-back of shares	(15)	-
Impairment provision for investment in subsidiaries	10	22
(Profit) / Loss on sale of property, plant and equipment, net including gain on termination of lease	(0)	(68)
Profit on sale of investments	-	(20)
Rental income	(1)	(0)
Employee stock option expenses	9	12
Profit from sale of business undertaking	(62)	-
Finance costs (including interest pertaining to Ind AS 116)	280	219
Finance income	(29)	(26)
Unrealised exchange difference	(39)	(3)
	<b>487</b>	<b>450</b>
<b>Operating profit before working capital changes</b>	<b>570</b>	<b>561</b>
Working capital adjustments:		
Increase/(decrease) in trade payables	(210)	433
Increase/(decrease) in long-term provisions	(1)	0
Increase/(decrease) in short-term provisions	41	14
Increase/(decrease) in other current liabilities	(6)	25
Increase/(decrease) in other current financial liabilities	4	(1)
Increase/(decrease) in contract liabilities	17	113
Increase/(decrease) in other non-current financial liabilities	(1)	(5)
Increase/(decrease) in non current employee benefits obligations	(7)	(4)
Increase/(decrease) in current employee benefits obligations	(3)	2
Decrease /(increase) in trade receivables	(426)	(566)
Decrease /(increase) in inventories	34	(81)
Decrease/(increase) in loans given to related parties	-	12
Decrease/(increase) in short-term loans	0	(0)
Decrease/(increase) in other current financial assets	(15)	(55)
Decrease/(increase) in contract assets	(184)	82
Decrease /(increase) in other non-current financial assets	4	8
Decrease /(increase) in other current assets	(19)	(5)
Decrease/(increase) in other non-current assets	(39)	0
Change in working capital	<b>(811)</b>	<b>(28)</b>
<b>Cash generated from operations</b>	<b>(241)</b>	<b>533</b>
Income tax paid (net of refunds)	47	(140)
<b>Net cash inflow from operating activities (A)</b>	<b>(194)</b>	<b>393</b>



# STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>B. Investing activities*</b>		
Payment for property, plant and equipment	(143)	(488)
Receipt of government grant for investment in property, plant & equipment	14	129
Purchase of intangible assets	(2)	(5)
Proceeds from sale of property, plant and equipment	26	95
Investment in subsidiaries	(114)	(30)
Proceeds from sale of non-current investments	-	45
Proceeds/(Investment in) asset held for sale	10	20
Proceeds from buy-back of subsidiaries shares	35	-
Dividend from subsidiary	47	-
Proceeds from sale of current investments	(40)	180
Loans given to related parties	(933)	(385)
Repayment of loans by related parties	926	188
Proceeds from sale of investment in subsidiaries	(0)	0
Net movement in other bank balances	60	(62)
Proceeds from sale of business undertaking	95	-
Rental income	1	1
Interest received	5	16
<b>Net cash outflow from investing activities (B)</b>	<b>(13)</b>	<b>(296)</b>
<b>C. Financing activities*</b>		
Proceeds from long - term borrowings	362	446
Repayment of long - term borrowings	(421)	(229)
Proceeds/(repayment) from/of short - term borrowings (net)	453	195
Proceeds from issue of shares against employee stock options	0	0
Interest paid (including interest pertaining to Ind AS 116)	(282)	(221)
Principal elements of lease payments	(22)	(10)
Dividend paid on equity shares	(20)	(79)
<b>Net cash inflow/(outflow) from financing activities (C)</b>	<b>70</b>	<b>102</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(137)</b>	<b>199</b>
* Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of ₹7 crores (March 31, 2022: ₹18 crores)		
<b>Cash and cash equivalents as at the beginning of the year (Refer note 13)</b>	<b>275</b>	<b>76</b>
<b>Cash and cash equivalents as at the year end (Refer note 13)</b>	<b>138</b>	<b>275</b>

## Components of cash and cash equivalents:

	March 31, 2023	March 31, 2022
<b>Balances with banks:</b>	<b>138</b>	<b>275</b>
<b>Cash on hand</b>	<b>0</b>	<b>0</b>
<b>Total cash and cash equivalents</b>	<b>138</b>	<b>275</b>

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

As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**      **For and on behalf of the Board of Directors of Sterlite Technologies Limited**  
Firm Registration No: 012754N/N500016

**Neeraj Sharma**  
Partner  
Membership Number:108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial  
Officer

**Amit Deshpande**  
Company  
Secretary

Place: Mumbai  
Date: May 17, 2023

Place: Mumbai  
Date: May 17, 2023

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 1. Corporate information

Sterlite Technologies Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001, India. The Company's operations primarily relates to telecom sector including manufacturing of telecom products, telecom services and providing digital and technology solutions.

The Company is a global leader in end-to-end data network solutions. The company designs and deploy high-capacity converged fibre cables and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the company is the industry's leading integrated solutions provider for global data networks. The company partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

## 2. Significant accounting policies

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

### 2.1 Basis of preparation

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

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share based payments
- Defined benefit plans - plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

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

#### Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### a) Foreign currency translation

##### Functional and presentation currency

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

##### Transactions and balances

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

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

## b) Revenue from contracts with customers

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

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

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

### Revenue recognition policy

The Company has following streams of revenue:

- (i) Revenue from sale of goods
- (ii) Revenue from sale of services
- (iii) Revenue from network integration projects
- (iv) Revenue from software products/licenses and implementation activities

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

The Company identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Company may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

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

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

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

The Company uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration project contracts to contain liquidated damages on delay in completion/performance, bonus on

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

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

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes in the timeframe for a performance obligation to be satisfied are disclosed by the Company at every reporting period.

Financing components: The Company does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

## c) Other Income

### 1. Interest income

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

### 2. Dividends

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

### 3. Rental income

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

## d) Government grants

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

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

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

## e) Income Taxes

### Current income tax

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Deferred tax

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

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

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

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

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

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

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

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

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

## f) Property, plant and equipment

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

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

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Asset Category	Useful Life considered	Useful life (Schedule II)
Plant and Machinery	3 - 25 Years*	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	Upto 10 Years*	10 Years
Data processing equipments	Upto 5 Years*	Service and networks -6 years and Desktops and laptop etc - 3 Years
Office equipments	Upto 5 Years*	5 Years
Electric fittings	Upto 10 Years*	10 Years
Vehicles#	Upto 10 Years*	8 Years

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

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

The leasehold improvements and property, plant and equipment acquired under leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, unless the entity expects to use the assets beyond the lease term.

The Company depreciates building using straight line method over 30 to 60 years from the date of original purchase.

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

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

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

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

## g) Intangible Assets

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

of Profit and Loss in the period in which the expenditure is incurred.

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

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

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

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fibre 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.

All intangible assets are amortised on a straight line basis over a period of five to six years.

Research costs are expensed as incurred.

## h) Leases

### As a Lessee:

The company leases various assets which includes land, building & plant and machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

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

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

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

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

Extension and termination options are included in a number of property and equipment leases across the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

#### As a Lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

#### i) Inventories

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on

qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### j) Impairment of assets

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

#### k) Provisions and contingent liabilities

##### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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

##### Contingent Liabilities

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## I) Employee benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans in the nature of gratuity and
- (b) Defined contribution plans such as provident fund.

#### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## m) Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## n) Investments and Other Financial assets

### i) Classification & Recognition:

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

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

The classification depends on the entity's business model for managing the financial



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

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

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

## ii) Measurement:

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

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

### Debt instruments

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

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

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest,

are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

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

### Equity instruments

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

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

Equity investment in subsidiaries, associates and joint venture are carried at historical cost as per the accounting policy choice given by Ind AS 27.

The Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The company has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

## iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

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

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

#### iv) Derecognition of financial assets

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

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## v) Reclassification of financial assets

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

## o) Financial liabilities

### Trade and other payables

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

### Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred

to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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

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

### Borrowing Costs

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

## p) Offsetting of financial instruments

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

## q) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

#### Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the company designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred

costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

#### Derivatives that are not designated as hedges

The company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

#### Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

#### r) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

**s) Cash and cash equivalents**

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

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

**t) Dividends**

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

**u) Earnings per share**

**Basic earnings per share**

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

**Diluted earnings per share**

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

**v) 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 amortisation expense, finance costs and tax expense.

**w) Trade receivable**

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

**x) Segment Reporting**

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 50 for segment information presented.

**y) Non-current assets (or disposal group) held for sale and discontinued operations**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal company) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal company), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal company) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal company) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal company classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal company classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal company classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

## z) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated. Amounts below the rounding off norm followed by the Company is disclosed as '0'.

## aa) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items are disclosed separately as exceptional item by the Company.

## New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## New and amended standards issued but not effective

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

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

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

## 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires the use of accounting estimates. Management exercises judgement in applying the company's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and

other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

## Revenue Recognition on Contracts with Customers

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation."

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The company uses cost incurred related to total estimated

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract .

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Company excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Company recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Company in designing and manufacturing of the good.

## Share-based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model and Monte Carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

## Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 24.

## Impairment investments in subsidiaries

The Company accounts for investments in subsidiaries at cost (less accumulated impairment, if any). The carrying value of investments in subsidiaries at each reporting date are reviewed and assessed

for impairment. The Company performs impairment assessment of investments by making an estimate of the recoverable amount, being the higher of fair value less costs to sell and its value in use which is then compared with the carrying value. An impairment loss is recognised in the statement of profit and loss to the extent the carrying value of an asset exceeds the recoverable amount.

The value in use of these investments is determined using discounted cash flow model (DCF model) requiring various assumptions and judgements. These include future cashflows and growth rate assumptions, discount rate, terminal growth rate and other economic and entity specific factors which are incorporated in the DCF model. The estimated cash flows are developed using internal forecasts. The fair value less cost to sell of one of the investments has been determined using replacement cost method.

## Impairment assessment for trade receivables and contract assets

A significant portion of contract assets and trade receivables of the Company is related to the Global Services business (GSB) wherein revenue is recognised over time. Such contracts are long term in nature and have inherent operational and contractual risks, like difference in billing and payment milestones, customer acceptance, retention clauses, availability of funds with customers, potential disputes and others resulting in delay in billing and collection and the risk of recoverability.

The Company uses the simplified approach as prescribed by Ind AS 109: Financial Instruments to calculate the expected lifetime credit loss for receivable and contract assets from the GSB. Given the differences in size, nature and contractual and operational risks of each contract, in assessing the recoverability of receivable, contract assets and expected lifetime credit loss, the Company considers the credit risk, expected date of billing and collection, interpretation of contractual terms, project status, past history, latest discussion/ correspondence with the customers and legal opinions wherever applicable, of individual contracts. The assessments are then considered in calculating the expected lifetime losses on an overall balance of receivables and contract assets from GSB business.

For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods for which a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 4. Property, Plant & Equipment

	Freehold land	Buildings#	Plant & machinery*	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Right of Use asset	Total
<b>Cost</b>										(₹ in crores)
<b>As at April 01, 2021</b>	74	511	2,718	26	79	19	67	13	99	3,606
Additions	10	25	94	2	9	1	13	4	18	176
Disposals/Adjustments	(5)	(3)	(35)	(1)	(0)	(2)	(0)	(2)	(1)	(49)
<b>As at March 31, 2022</b>	79	533	2,777	27	88	18	80	15	116	3,733
Additions	-	14	77	7	8	3	7	1	7	124
Assets disclosed as asset held for sale (refer note 15)	-	-	(77)	(0)	(3)	(1)	-	-	-	(81)
Disposals/Adjustments	-	(21)	(19)	(1)	(5)	(0)	(0)	(2)	(15)	(63)
<b>As at March 31, 2023</b>	79	526	2,758	33	88	20	87	14	108	3,713
<b>Accumulated Depreciation &amp; Impairment</b>										
<b>As at April 01, 2021</b>	-	112	1,177	15	60	14	36	6	19	1,439
Charge for the year	-	26	141	2	9	2	5	2	12	199
Disposals/Adjustments	-	(2)	(16)	(1)	(0)	(2)	(0)	(1)	(1)	(23)
<b>As at March 31, 2022</b>	-	136	1,302	16	69	14	41	7	30	1,615
Charge for the year (Continued operations)	-	26	134	2	8	2	7	2	13	194
Charge for the year (Discontinued operations) (refer note 15)	-	-	10	1	1	-	-	-	-	12
Assets disclosed as asset held for sale (refer note 15)	-	-	(23)	(0)	(1)	(1)	-	-	-	(25)
Disposals/Adjustments	-	(3)	(6)	(1)	(2)	(1)	(0)	(1)	(14)	(27)
<b>As at March 31, 2023</b>	-	159	1,417	18	75	15	48	8	29	1,769
<b>Net Book Value:</b>										
As at March 31, 2023	79	367	1,341	15	13	5	39	6	79	1,944
As at March 31, 2022	79	397	1,475	11	19	4	39	9	86	2,118

### # Buildings include those constructed on leasehold land:

	March 31, 2023	March 31, 2022
Gross Block	357	356
Depreciation for the year	14	15
Accumulated depreciation	91	76
Net Block	266	280

	March 31, 2023	March 31, 2022
<b>Movement in Capital work in progress</b>		
Opening balance	65	147
Additions during the year	106	67
Borrowing cost capitalised during the year (Refer Note 31)	-	5
Transfers during the year	(116)	(154)
<b>Closing balance</b>	55	65

Capital work in progress mainly comprises amounts pertaining to plant & machinery, building and Data processing equipments.

Refer note 18 for information on property, plant and equipment pledged as security by the Company.

Refer note 36 for disclosure of contractual commitments for the acquisition of property, plant & equipments.

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

\* Rs. 14 crores received in the current year (31 March 2022: 128 crores) under Modified Special Incentive Package Scheme (MSIPS) is netted off against specific items of Property, Plant & Equipment against which the Grant is received.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## CWIP ageing schedule as at March 31, 2023

	Less than 1 year	1-2 years	Total
<b>Projects in progress</b>			
Fiber project	36	0	36
Fiber cable project	9	3	12
Others	7	0	7
	<b>52</b>	<b>3</b>	<b>55</b>

## CWIP ageing schedule as at March 31, 2022

	Less than 1 year	1-2 years	Total
<b>Projects in progress</b>			
Fiber cable project	4	-	4
Fiber project	10	-	10
Wireless solution project	30	2	32
Others	19	0	19
	<b>63</b>	<b>2</b>	<b>65</b>

There are no material overdues compared to original plans as on March 31, 2023 and March 31, 2022.

The Company evaluates completion of the projects based on its original plan which includes certain projects relating to research and development monitored on an ongoing basis.

### Details of Lease:

The note provides information for leases where the company is a lessee. The company has taken land, various offices and plant and machinery on lease. Rental contracts for offices and plant and machinery are typically made for fixed periods of 2 to 15 years, but have extension options.

#### (i) Assets recognised in balance sheet

The balance sheet shows the following amount relating to lease:

Particulars	Gross Book Value		Net Book Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Right of use assets</b>				
Leasehold land	20	20	19	19
Buildings	39	47	27	30
Plant & Machinery	49	49	33	37
<b>Total</b>	<b>108</b>	<b>116</b>	<b>79</b>	<b>86</b>

Additions to the right of use assets during the year is ₹7 crores. (March 31, 2022 - ₹18 crores)

Particulars	March 31, 2023	March 31, 2022
<b>Lease liabilities</b>		
Non-current	50	65
Current	30	22
<b>Total</b>	<b>79</b>	<b>87</b>

#### Movement of lease liability

Particulars	March 31, 2023	March 31, 2022
Opening balance	87	78
Add: Created during the year	7	18
Less: Deleted during the year	(1)	(0)
Add: Interest accrued during the year	8	9
Less: Rent paid during the year	(22)	(18)
<b>Closing balance</b>	<b>80</b>	<b>87</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(ii) Amount recognised in the Statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
<b>Depreciation charge on right of use assets</b>		
Leasehold land	0	0
Buildings	9	8
Plant & Machinery	4	4
<b>Total (Note no. 30)</b>	<b>13</b>	<b>12</b>

Particulars	Note	March 31, 2023	March 31, 2022
Interest expenses (included in finance cost)	31	8	9
Expenses related to short term leases, low value assets (included as rent in other expenses)	29	7	2

The total cash outflow for leases for the year ended March 31, 2023 is ₹28 crores. (March 31, 2022 - ₹20 crores)

**Extension and Termination option:**

Extension and termination options are included in a number of property and equipment leases held by the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

Commitment for leases not yet commenced on March 31, 2023 was ₹Nil (March 31, 2022 - ₹Nil).

## 5. Intangible Assets

(₹ in crores)

	Software/ licenses	Patents	Indefeasible Right of use	Customer acquisition	Goodwill	Total
<b>Cost</b>						
<b>As at April 01, 2021</b>	<b>69</b>	<b>9</b>	<b>1</b>	<b>6</b>	<b>148</b>	<b>233</b>
Additions	5	-	-	-	-	5
Disposals/Adjustments	(0)	-	-	-	-	(0)
<b>As at March 31, 2022</b>	<b>74</b>	<b>9</b>	<b>1</b>	<b>6</b>	<b>148</b>	<b>238</b>
Additions	9	-	-	-	-	9
Assets disclosed as asset held for sale (refer note 15)	(11)	-	-	-	-	(11)
Disposals/Adjustments	(1)	-	-	-	-	(1)
<b>As at March 31, 2023</b>	<b>71</b>	<b>9</b>	<b>1</b>	<b>6</b>	<b>148</b>	<b>235</b>
<b>Accumulated Amortisation &amp; Impairment</b>						
<b>As at April 01, 2021</b>	<b>34</b>	<b>9</b>	<b>1</b>	<b>4</b>	<b>148</b>	<b>196</b>
Charge for the year	10	-	0	1	-	11
Disposals/Adjustments	(0)	-	-	-	-	(0)
<b>As at March 31, 2022</b>	<b>44</b>	<b>9</b>	<b>1</b>	<b>5</b>	<b>148</b>	<b>207</b>
Charge for the year (Continued operations)	8	-	-	1	-	9
Charge for the year (Discontinued operations) (refer note 15)	1	-	-	-	-	1
Assets disclosed as asset held for sale (refer note 15)	(4)	-	-	-	-	(4)
Disposals/Adjustments	(1)	-	-	-	-	(1)
<b>As at March 31, 2023</b>	<b>48</b>	<b>9</b>	<b>1</b>	<b>6</b>	<b>148</b>	<b>212</b>
<b>Net Book Value:</b>						
As at March 31, 2023	23	-	0	0	-	23
As at March 31, 2022	30	-	0	1	-	31

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 6. Non-Current Investments

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current investments (unquoted)</b>		
<b>Investment in Subsidiaries</b>		
<b>Equity component of debt instrument (unquoted)</b>		
44,705,928 (March 31, 2022: 44,705,928) 0.01% compulsory convertible debentures of Speedon Network Limited **	-	4
<b>Equity investments at cost (unquoted)</b>		
30,832,473 (March 31, 2022: 33,246,847) Equity shares of Sterlite Global Ventures (Mauritius) Limited of USD 1 each fully paid up	198	218
7,000,000 (March 31, 2022: 7,000,000) Equity shares of Metallurgica Bresciana S.p.A of Euro 1 each fully paid-up	40	40
50,000 (March 31, 2022: 50,000) Equity shares of Sterlite Innovative Solutions Limited of ₹10 each fully paid-up	0	0
50,000 (March 31, 2022: 50,000) Equity shares of STL Digital Limited of ₹10 each fully paid-up	0	0
50,000 (March 31, 2022: 50,000) Equity shares of Sterlite Tech Cables Solutions Limited of ₹10 each fully paid-up	0	0
1,550,000 (March 31, 2022: 1,550,000) Equity shares of Speedon Network Limited of ₹10 each fully paid-up	-	-
5,000 (March 31, 2022: 5,000) Equity shares of Sterlite Technologies UK Ventures Limited of Euro 1 each fully paid-up	0	0
100% Equity shares of Sterlite (Shanghai) Trading Company Limited fully paid-up	116	2
1,000 (March 31, 2022: 1,000) Equity shares of Sterlite Tech Holding Inc. USA	0	0
100 (March 31, 2022: 100) Equity shares of Elitecore Technologies SDN, BHD	0	0
1,100 (March 31, 2022: 1,100) Equity shares of PT Sterlite Technologies, Indonesia of IDR 10 million each, partly paid up IDR 4.2 million each	2	2
100,000 (March 31, 2022: 100,000) Equity shares of STL Optical Interconnect S.p.A. of EUR 1 each fully paid up	1	1
50 (March 31, 2022: 50) Equity shares of Sterlite Technologies DMCC of AED 1,000 each fully paid up	0	0
100 (March 31, 2022: 100) Equity shares of Sterlite Technologies Pty. Ltd of AUD 1 each fully paid up	0	0
25,00,000 (March 31, 2022: 25,00,000) Equity shares of STL UK Holdco Limited, UK of GBP 1 each fully paid up	26	26
4,00,000 (March 31, 2022: 4,00,000) Equity shares of STL Tech Solutions Limited, UK of GBP 1 each fully paid up	4	4
50,000 (March 31, 2022: 50,000) Equity shares of STL Networks Limited of ₹10 each fully paid up	0	0
<b>Investments - Other (unquoted, at fair value through OCI)</b>		
18,683 (March 31, 2022: 18,683) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹10 each fully paid up	0	0
<b>Total Investments</b>	<b>387</b>	<b>297</b>
<b>Total non-current investments</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	<b>387</b>	<b>297</b>
Amount of impairment in the value of investments	32	28

During the previous year, company had sold the investment in Metis Eduventures Private Limited for ₹45 crores. The gain on sale of ₹10 crores is disclosed in other income as profit on sale of investments.

\*\* During the year, impairment of ₹4 crores (March 31, 2022: ₹22 crores) has been recognised.

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

During the year ended March 31, 2023, the Company considered indicators of impairment such as operational losses in previous years, changes in outlook of future profitability among other potential indicators for investments held in subsidiaries and business operations either directly or indirectly.

Speedon Network Limited (SNL) is a wholly owned subsidiary of the Company. In the current year, the fair value less cost to sell of SNL has been determined using replacement cost method using level III inputs by an independent valuer which is lower than its carrying value. The replacement cost is computed using the factors such as number of home passes, the cost to install each home pass, depreciation adjustment and first mover advantage premium. Accordingly, impairment of ₹4 crores (31 March 2022: ₹22 crores) in the value of investment held has been recognised in the current year.

## 7. Trade Receivables

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current</b>		
Trade receivables	1,147	1,295
Receivables from related parties (Refer Note 48)	1,137	696
Less: Loss allowance	(130)	(143)
	<b>2,154</b>	<b>1,848</b>
<b>Break-up for security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	2,262	1,983
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	22	9
<b>Total</b>	<b>2,284</b>	<b>1,992</b>
Less: Loss allowance	130	143
	<b>2,154</b>	<b>1,849</b>
<b>Total Current trade receivables</b>	<b>2,154</b>	<b>1,849</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly. Also no trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

Refer note 18 for information on trade receivables pledged as security by the Company.

### Trade receivable ageing (Amount in ₹ crores)

March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,047	647	82	140	122	6	2,044
Undisputed Trade receivables – credit impaired	-	-	-	-	3	19	22
Disputed Trade Receivables—considered good	53	4	1	32	52	76	218
<b>Total</b>	<b>1,100</b>	<b>651</b>	<b>83</b>	<b>172</b>	<b>177</b>	<b>101</b>	<b>2,284</b>

March 31, 2022

(Amount in ₹ crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	943	339	236	205	146	114	1,983
Undisputed Trade receivables – credit impaired	-	-	-	3	-	6	9
<b>Total</b>	<b>943</b>	<b>339</b>	<b>236</b>	<b>208</b>	<b>146</b>	<b>120</b>	<b>1,992</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 8. Loans

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current</b>		
Loans to related parties (refer note 48)	458	427
Less: Loss allowance	(21)	(15)
<b>Total non-current loans</b>	<b>437</b>	<b>412</b>
<b>Break-up for security details</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	437	412
Loans which have significant increase in credit risk	21	15
Loans - Credit impaired	-	-
<b>Total</b>	<b>458</b>	<b>427</b>
Less: Loss allowance	(21)	(15)
<b>Total</b>	<b>437</b>	<b>412</b>
<b>Current</b>		
Loans to employees	0	0
<b>Total current loans</b>	<b>0</b>	<b>0</b>

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties:

Type of Borrower	Amount outstanding as at March 31, 2023	Percentage to the total Loans and Advances in the nature of loans
<b>Amounts repayable on demand:</b>		
Other Related Parties		
Speedon Network Limited	32	7%
Sterlite Tech Cables Solutions Limited	39	9%
Sterlite Technologies UK Ventures Limited	194	42%
Sterlite Technologies Holding Inc USA	42	9%
STL Digital Limited	63	14%
Sterlite Technologies Pty. Ltd	3	1%
STL Optical Interconnect S.p.A.	70	15%
STL UK HoldCo Limited, UK	15	3%
<b>Total</b>	<b>458</b>	<b>100%</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Type of Borrower	Amount outstanding as at March 31, 2022	Percentage to the total Loans and Advances in the nature of loans
<b>Amounts repayable on demand:</b>		
Other Related Parties		
Twin Star Technologies Limited	1	0%
Twinstar Display Technologies Limited	0	0%
Maharashtra Transmission Communication Infrastructure Limited	0	0%
Sterlite Global Ventures (Mauritius) Limited	0	0%
Speedon Network Limited	29	7%
Sterlite Tech Cables Solutions Limited	162	38%
Sterlite Technologies UK Ventures Limited	108	25%
Sterlite Technologies Holding Inc USA	38	9%
STL Digital Limited	0	0%
Sterlite Technologies Pty. Ltd	3	1%
Sterlite Technologies DMCC	10	2%
STL Optical Interconnect S.p.A.	62	15%
STL UK HoldCo Limited, UK	14	3%
<b>Total</b>	<b>427</b>	<b>100%</b>

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/entities identified in any manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than loans aggregating ₹79 crores given during the year to STL UK Holdco Limited and Sterlite Technologies UK Ventures Limited, subsidiaries of the Company in the ordinary course of business and in keeping with the applicable regulatory requirements. for onward funding to one of the overseas subsidiary of the Company towards meeting its business requirements. Accordingly, no further disclosures, in this regard, are required.

## 9. Other Financial Assets

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current (Unsecured, considered good)</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	6	1
<b>Other financial assets</b>		
Security deposits	8	4
Financial guarantee receivable	1	2
Others*	0	12
<b>Total other non-current financial assets</b>	<b>15</b>	<b>19</b>

\*This amount includes ₹ Nil (31 March 2022: ₹12 crores) receivable from Sterlite Power Transmission Limited with respect to sale of investment in Maharashtra Transmission Communication Infrastructure Limited. (Refer note 15 for further details)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current (Unsecured, considered good)</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	-	25
Currency/ Interest rate swaps	-	4
<b>Other financial assets</b>		
Advances recoverable in cash (Unsecured, considered good)		
Interest accrued on investments/deposits	0	0
Financial guarantee receivable	2	1
Security deposits	5	7
Government grants receivable	25	33
Receivable on sale of Investment in MTCIL (refer Note 15)	13	10
Discounted bills receivables re-purchased	30	-
Others*	45	35
<b>Total other current financial assets</b>	<b>120</b>	<b>115</b>

\*This includes expenses incurred on behalf of customer and receivables from sale and lease back of buildings amounting to ₹6 crores (31 March 2022: ₹5 crores) and ₹19 crores (31 March 2022: Nil) respectively.

Refer note 18 for information on financial assets pledged as security by the Company.

## 10. Other Assets and Contract Assets

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current (unsecured, considered good)</b>		
Capital advances	6	12
Advance income tax, including TDS (net of provision) (refer note 23B)	-	58
Prepaid expenses	38	-
<b>Total other non-current assets</b>	<b>44</b>	<b>70</b>

### Current (unsecured, considered good)

Prepaid expenses*	46	40
Balances with Government authorities	264	289
Advance to suppliers	90	50
Other advances	3	6
<b>Total other current assets</b>	<b>403</b>	<b>385</b>

\* Includes cost to obtain a contract of ₹4 crores (31 March 2022: ₹5 crores) which is being amortised to Statement of Profit and Loss on a systematic basis which is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current year is ₹1 crores (31 March 2022: ₹3 crores).

### Contract assets (unsecured, considered good)

- Undisputed	1,234	1,126
- Disputed	200	103
Less: Loss allowance	(61)	(11)
<b>Total Contract assets</b>	<b>1,373</b>	<b>1,218</b>

### Significant changes in Contract assets

Contract assets have increased from previous year as entity has entered into new contracts during the year and has provided more services ahead of the agreed billing and payment schedules for fixed price contracts.

During the year ended 31 March 2023, ₹626 crores (31 March 2022: ₹1,146 crores) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Refer note 18 for information on other assets pledged as security by the Company.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 11. Inventories

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Raw materials [Includes stock in transit ₹7 crores (March 31, 2022: ₹8 crores)]	124	122
Work-in-progress	30	51
Finished goods	141	214
[Includes stock in transit ₹48 crores (March 31, 2022: ₹54 crores)]		
Traded goods [Includes stock in transit ₹28 crores (March 31, 2022: ₹5 crores)]	30	8
Stores, spares, packing materials and others	85	50
<b>Total</b>	<b>410</b>	<b>445</b>

### Amounts recognised in profit or loss:

Write-downs of inventories to net realisable value amounted to ₹20 crores (March 31, 2022: ₹55 crores). These were recognised as an expense and included in '(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods' in statement of profit and loss of respective year.

Refer note 18 for information on inventories pledged as security by the Company.

## 12. Current Investments

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>In mutual funds (At fair value through profit or loss) (unquoted)</b>		
3,29,964 (March 31, 2022: Nil) units of ICICI Prudential Liquid Fund- Direct Plan-Growth Option	40	-
Aggregate amount of unquoted investments [Market Value: ₹40 crores (March 31, 2022: ₹ Nil)]	40	-
Aggregate amount of impairment in the value of investments	-	-

Refer note 18 for information on investments pledged as security by the Company.

## 13. Cash and Cash Equivalents

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Balances with banks:</b>		
In current accounts (in INR)	132	129
In current accounts (in foreign currency)	6	46
Deposits with maturity of less than 3 months	-	100
Cash on hand	0	0
	<b>138</b>	<b>275</b>

There are no repatriation restrictions with regards to cash and cash equivalents.

Refer note 18 for information on investments pledged as security by the Company.

## 14. Other Bank Balances

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Deposits with original maturity of more than 12 months*	2	1
Deposits with original maturity of more than 3 months but less than 12 months**	50	111
In unpaid dividend account	5	5
<b>Total other bank balances</b>	<b>57</b>	<b>117</b>

\* Includes ₹1 crores (March 31, 2022: ₹1 crores) held as lien by banks against bank guarantees.

\*\* Includes ₹ Nil (March 31, 2022: ₹1 crores) held as lien by banks against bank guarantees.

Refer note 18 for information on investments pledged as security by the Company.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 15. Assets Classified as Held for Sale

Year ended March 31, 2023:

The Company has reported following businesses as discontinued operations. The comparative figures of the statement of profit and loss have been restated accordingly.

### A. Wireless Solution Business

During the current year, the Company recognised its Wireless Business as discontinued operation and classified certain non-current assets of ₹62 crores as assets held for sale. As of March 31, 2023, the Company has recognised an impairment provision of ₹52 crores as the difference between the estimated fair value and carrying amount of the assets held for sale.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Assets classified as held for sale</b>		
Property, plant and equipment	10	-
<b>Total assets of disposal group held for sale</b>	<b>10</b>	-

### Financial performance and cash flow information

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	6	15
Expenses	145	162
<b>Profit / (loss) before income tax</b>	<b>(139)</b>	<b>(147)</b>
Income tax	36	37
<b>Profit / (loss) for the year</b>	<b>(103)</b>	<b>(110)</b>
Loss on measurement of fair value less cost to sale of assets held for sale	(52)	-
Income tax on above	14	-
<b>Profit / (loss) from discontinued operations</b>	<b>(141)</b>	<b>(110)</b>
Other comprehensive income	-	-
<b>Total comprehensive income/(loss)</b>	<b>(65)</b>	<b>(110)</b>
<b>Net cash inflow / (outflow) from operating activities</b>		
Net cash inflow / (outflow) from operating activities	(74)	(84)
Net cash inflow / (outflow) from investing activities	2	(53)
Net cash inflow / (outflow) from financing activities	(2)	(3)
<b>Net (decrease) / increase in cash generated from discontinued operation</b>	<b>(74)</b>	<b>(140)</b>

### B. Telecom Software Business

During the current year, the Company sold the said business and recognised a net gain of ₹14 crores in accordance with the business transfer agreement after considering charge of certain net assets not transferred.

### Financial performance and cash flow information

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	110	150
Expenses	183	170
<b>Profit / (loss) before income tax</b>	<b>(73)</b>	<b>(21)</b>
Income tax credit	17	5
<b>Profit / (loss) for the year</b>	<b>(56)</b>	<b>(15)</b>
Gain (Net off ₹45 crores provided for certain net assets not transferred) on sale of business (see note a below)	14	-
Income tax on above	(3)	-
<b>Profit / (loss) from discontinued operations</b>	<b>(45)</b>	<b>(15)</b>
Other comprehensive income	-	-
Net cash inflow / (outflow) from operating activities	19	3
Net cash inflow / (outflow) from investing activities	18	(12)
Net cash inflow / (outflow) from financing activities	(1)	(1)
<b>Net (decrease) / increase in cash generated from discontinued operation</b>	<b>36</b>	<b>(10)</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## a. Details of the sale of the business

	March 31, 2023 (₹ in crores)
Consideration received:	
Cash	95
Carrying amount of net assets sold	(33)
Expenses pertaining to above sale	(3)
Provision for certain assets not transferred	(45)
Gain on sale of business	14
Income tax expense on gain	(5)
Gain on sale of business after tax	9

The carrying amounts of assets and liabilities as at the date of sale (27 March 2023) were as follows:

	27 March 2023 (₹ in crores)
Property, Plant and Equipment	0
Capital work-in-progress	6
Other Intangible assets	0
Inventories	1
Trade receivables	35
Contract Assets	24
Other current assets	1
<b>Total assets</b>	<b>67</b>
Trade payables	2
Contract Liabilities	31
<b>Total liabilities</b>	<b>34</b>
<b>Net assets</b>	<b>33</b>

## C. Digital Business

During the current year, the Management entered into a business transfer agreement with its wholly-owned subsidiary to transfer the Digital business on a going concern basis (as a slump sale) with effect from April 1, 2023. Accordingly, the Company has recognised Digital business as a discontinued operation and classified the related assets of ₹18 crores and liabilities of ₹1 crores as held for sale.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Assets classified as held for sale</b>		
Property, plant and equipment	1	-
Trade receivables	12	-
Contract assets	4	-
Other current assets	1	-
<b>Total assets of disposal group held for sale</b>	<b>18</b>	-
<b>Liabilities directly associated with assets classified as held for sale</b>		
Trade payables	1	-
<b>Total liabilities directly associated with assets classified as held for sale</b>	<b>1</b>	-
<b>Net assets of disposal group held for sale</b>	<b>18</b>	-

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Financial performance and cash flow information

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	31	-
Expenses	130	8
<b>Profit / (loss) before income tax</b>	<b>(99)</b>	<b>(8)</b>
Income tax	26	(2)
<b>Profit / (loss) for the year</b>	<b>(74)</b>	<b>(6)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(74)</b>	<b>(6)</b>
<b>Total comprehensive income/(loss)</b>		
Net cash inflow / (outflow) from operating activities	(91)	(6)
Net cash inflow / (outflow) from investing activities	(1)	0
Net cash inflow / (outflow) from financing activities	(0)	-
<b>Net (decrease) / increase in cash generated from discontinued operation</b>	<b>(92)</b>	<b>(6)</b>

### Year ending March 31, 2022:

During the year ended March 31, 2022, company has sold the investment in MTCIL. The gain on sale of investment in Maharashtra Transmission Communication Infrastructure Limited of ₹26 crores is disclosed in other income as Profit on sale of subsidiaries and investment in joint venture.

Further, the Company had decided to sell land and building at Hyderabad during the year ended 31 March 2021. Hence it was classified as held for sale during the year ended 31 March 2021 and measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the building was determined using the sales comparison approach. No write down was recognised as fair value of the assets is higher than cost. During the year ended March 31, 2022, company has sold the Land and building at Hyderabad. The gain of ₹67 crores is recognised as an exceptional item in the statement of profit and loss.

## 16. Share Capital

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Authorised equity share capital (no. crores):		
75.00 (March 31, 2022: 75.00) equity shares of ₹2 each	150	150
Issued, subscribed and fully paid-up shares (no. crores):		
39.85 (March 31, 2022: 39.77) equity shares of ₹2 each fully paid - up.	80	80
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>80</b>	<b>80</b>

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

	March 31, 2023		March 31, 2022	
	Nos in crore	₹ in crore	Nos in crore	₹ in crore
At the beginning of the year	39.77	80	39.66	79
Issued during the year against employee stock options	0.08	0	0.11	0
<b>Outstanding at the end of the year</b>	<b>39.85</b>	<b>80</b>	<b>39.77</b>	<b>80</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

**b. Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share.

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 its subsidiaries/associates:**

	March 31, 2023		March 31, 2022	
	No. in crore	% holding	No. in crore	% holding
<b>Immediate Holding Company</b>				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas) (refer note 48)	21	52.55%	21	52.65%
Vedanta Limited	0	1.20%	0	1.20%

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

	March 31, 2023		March 31, 2022	
	No. in crore	% holding	No. in crore	% holding
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas) (refer note 48)	21	52.55%	21	52.65%

**e. Shares reserved for issue under options**

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 33.

**f. Details of shareholding of promoters:**

Name of the promoter	Number of shares (No. in crores) as at March 31, 2023	Number of shares (No. in crores) as at March 31, 2022	Percentage of total number of shares as at March 31, 2023	Percentage of total number of shares as at March 31, 2022	Percentage of change during the year ended March 31, 2023	Percentage of change during the year ended March 31, 2022
Twin Star Overseas Limited, Mauritius	21	21	52.55%	52.65%	-0.09%	-0.15%

'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.

**g. Details of shares bought back during the 5 years preceding 31 March 2023:**

On March 24, 2020, the Board of Directors had approved the buyback of Equity Shares for a total amount not exceeding ₹145 crores, being 9.95% and 9.32% of the aggregate of the total paid-up equity capital and free reserves (including securities premium) of the Company based on the audited standalone and consolidated financial statements, respectively, of the Company for the financial year ended March 31, 2019. The Company closed the buy back on August 27, 2020. The Company has bought back 88,67,000 shares for ₹100 crores (excluding taxes).

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 17. Other Equity

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>A. Securities Premium</b>		
Opening balance	25	15
Add: Addition on Employees stock options exercised	9	10
<b>Closing balance (A)</b>	<b>34</b>	<b>25</b>
<b>B. Other reserves</b>		
<b>Capital Reserve</b>	<b>(19)</b>	<b>(19)</b>
<b>Employee Stock Option Outstanding</b>		
Opening balance	25	23
Add: Employee stock option expense for the year (refer note 33)	9	12
Less: Transferred to securities premium	(9)	(10)
<b>Closing balance</b>	<b>25</b>	<b>25</b>
<b>Debenture Redemption Reserve</b>		
Opening balance	-	38
Less: Amount transferred to general reserve	-	(38)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Capital Redemption Reserve</b>		
Opening balance	2	2
Add: Capital redemption reserve created during the year	-	-
<b>Closing balance</b>	<b>2</b>	<b>2</b>
<b>General Reserve</b>		
Opening balance	139	101
Add: Amount transferred from debenture redemption reserve	-	38
<b>Closing balance</b>	<b>139</b>	<b>139</b>
<b>Cash Flow Hedge Reserve</b>		
Opening balance	5	6
Add: Cash flow hedge reserve on currency forward contracts	(28)	16
Add: Cash flow hedge reserve on swap contracts	(4)	(1)
Less: Amount reclassified to statement of profit and loss	(6)	(14)
Add/(less): Amount transferred to statement of profit and loss	-	(1)
Add/(less): Deferred tax	9	(0)
<b>Closing balance</b>	<b>(24)</b>	<b>5</b>
<b>Total other reserves (B)</b>	<b>123</b>	<b>152</b>
<b>C. Retained Earnings</b>		
Opening balance	1,587	1,581
Add: Profit for the year	76	82
Add: Remeasurement of defined employee benefit obligation (net of tax)	3	3
Less: Equity dividend (refer note 46)	(20)	(79)
<b>Total retained earnings (C)</b>	<b>1,646</b>	<b>1,587</b>
<b>Total other equity (A+B+C)</b>	<b>1,804</b>	<b>1,763</b>

### Nature and Purpose of reserves other than retained earnings

#### Securities Premium

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Capital Reserve

Capital reserve was created on account of merger of passive infrastructure business of wholly owned subsidiary, Speedon Network Limited, in the year ended March 31, 2017.

## General Reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

## Cash Flow Hedge Reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted sales and purchases and interest rate risk associated with variable interest rate borrowings as described in note 45. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss. When the forecasted transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

## Employee Stock Option Outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plan (ESOP Scheme) approved by shareholders of the Company.

## Debenture Redemption Reserve

The Company had created a debenture redemption reserve (DRR) of 25% of the total outstanding debentures out of the profits which are available for the purpose of redemption of debentures as per provisions of the Companies Act, 2013. The outstanding amounts were repaid in the previous year.

## Capital Redemption Reserve

As per provisions of the Companies Act, 2013, the Company has created a capital redemption reserve (CRR) of 2 Crores against face value of equity shares bought back by the Company during the year ended 31 March 2021.

## 18. Borrowings

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current borrowings</b>		
<b>Debentures (Secured)</b>		
10,000 (March 31, 2022: NIL) 9.10% Non convertible debentures of ₹1 lakh each	100	-
2,900 (March 31, 2022: 2,900) 8.25% Non convertible debentures of ₹10 lakh each	290	290
1,500 (March 31, 2022: 1,500) 7.30% Non convertible debentures of ₹10 lakh each	150	150
<b>Term loans</b>		
Indian rupee loans from banks (secured)	366	249
Foreign currency loan from banks (secured)	-	100
Indian rupee loans from NBFC (unsecured)	249	26
Indian rupee loans from banks (unsecured)	-	400
	<b>1,155</b>	<b>1,215</b>
<b>The above amount includes</b>		
Secured borrowings	906	789
Unsecured borrowings	249	426
<b>Total Non-current borrowings</b>	<b>1,155</b>	<b>1,215</b>
Less: Current maturities of long term borrowings disclosed under the head "Current Borrowings"	477	243
<b>Net Amount</b>	<b>678</b>	<b>972</b>

### Notes:

- a) 8.25% Non convertible debentures carry 8.25% p.a rate of interest. Total amount of non-convertible debentures is due in 4 equal annual installments starting from FY 2027-28 till FY 2030-31. These non-convertible debentures are secured by way of first pari pasu charge on specified movable fixed assets at Shendra plant (project Gaurav) (both present and future).

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

- b) 7.30% Non convertible debentures carry 7.30% p.a rate of interest. Total amount of non-convertible debentures is due in the FY2023-24. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.
- c) 9.10% Non convertible debentures carry 9.10% p.a rate of interest. Total amount of non-convertible debentures is due in the FY2025-26. These non-convertible debentures are secured by way of a first pari-passu charge over movable fixed assets of the Company, other than assets located at Shendra Aurangabad.
- d) Foreign Currency term loan from bank amounting to ₹ Nil (March 31, 2022: ₹38 crores) carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari-passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune. The loan has been repaid during FY2022-23.
- e) Foreign Currency term loan from bank amounting to ₹ Nil (March 31, 2022: ₹62 crores) crores carries interest @ GBP Libor+2.60 % p.a. Loan amount is repayable in 6 half yearly equated instalments of GBP 0.13 crores starting from Feb 2022. The term loan is secured by way of first pari-passu charge on entire movable fixed assets (both present and future) of the Company. The loan has been repaid during FY2022-23.
- f) Indian rupee term loan from bank amounting to ₹166 crores (31 March 2022: ₹249 crores) carries interest @ One Year MCLR +0.15% p.a. Loan amount is repayable in 12 quarterly instalments from June 2022 of ₹20.75 crores per Quarter (excluding interest). The term loan is secured by way of first pari pasu charge on entire movable fixed assets at Shendra plant (project Gaurav) (both present and future).
- g) Secured Indian rupee term loan from bank amounting to ₹200 crores (31 March 2022 Unsecured indian rupee term loan: ₹200 crores) carries interest @ overnight MCLR. Loan amount is repayable as a bullet repayment in the month of October 2023. The term loan is secured by way of first pari pasu charge on entire movable fixed assets at Shendra plant (project Gaurav) (both present and future).
- h) Unsecured Indian rupee term loan from bank amounting to ₹ Nil (March 31, 2022: ₹200 crores) carries interest 6.6% p.a. Loan amount has been repaid during FY2022-23.
- i) Unsecured Indian rupee term loan from NBFC amounting to ₹175 crores (March 31, 2022: Nil) carries interest @ 9.15% p.a. Loan amount is repayable in FY2024-25.
- j) Unsecured Indian rupee term loan from NBFC amounting to ₹74 crores (March 31, 2022: ₹25 crores) carries interest @ 5.5% p.a. Loan amount is repayable in FY2023-24 & 2024-25.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current borrowings</b>		
Working capital demand loans from banks (secured)	734	325
Current Maturities of Long term borrowings (secured)	434	219
Current Maturities of Long term borrowings (unsecured)	43	24
Commercial paper from bank (unsecured)	200	500
Other loans from banks (secured)	714	423
Other loans from banks (unsecured)	166	114
	<b>2,291</b>	<b>1,605</b>
<b>The above amount includes</b>		
Secured borrowings	1,882	967
Unsecured borrowings	409	638
<b>Net Amount</b>	<b>2,291</b>	<b>1,605</b>

**Note:**

- (i) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Company. Working Capital Demand Loans have been taken for a period of 7 days to 180 days and carry interest @ 6.85 % to 8.60% p.a (March 31, 2022: 4.50 % to 7.00% p.a).
- (ii) Commercial Papers are unsecured and are generally taken for a period from 60 Days to 180 days and carry interest @ 7.55% to 8.40% p.a (March 31, 2022: 4.50% to 6.00% p.a ).
- (iii) Other loans include buyer's credit arrangements (secured) and export packing credit (secured and unsecured). These secured loans are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products range from 6.85% - 8.05% p.a (March 31, 2022: 4.00% - 6.50% p.a).

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Borrowing secured against current assets:

The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts except as disclosed in Note no.49.

## Utilisation of borrowed funds

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ;
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The borrowings obtained by the company during the year from banks and financial institutions have been applied for the purposes for which such loans were taken.

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

## Net debt reconciliation

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Cash and cash equivalents	138	275
Current investments*	90	110
Current borrowings (including interest accrued but not due)	(2,291)	(1,606)
Non-current borrowings	(678)	(972)
<b>Net Debt</b>	<b>(2,741)</b>	<b>(2,193)</b>

The amount of net debt considering the amount of lease liability of ₹80 crores (March 31, 2022: ₹87 crores.) is ₹2,821 crores (March 31, 2022: ₹2,280 crores). For movement of lease liability refer note 4.

\*includes other bank balance of ₹50 crores (March 31, 2022: ₹110 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Company at any time without any major penalties.

## Movement of Borrowings (current and non current)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Opening balance</b>	<b>2,579</b>	<b>2,166</b>
Cashflows	394	412
Interest expense	254	190
Interest paid	(254)	(190)
Forex adjustment	(4)	1
<b>Closing balance</b>	<b>2,969</b>	<b>2,579</b>

## Cash and cash equivalent

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Opening balance</b>	<b>275</b>	<b>76</b>
Cashflows	(137)	199
<b>Closing balance</b>	<b>138</b>	<b>275</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Current Investments

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Opening balance</b>	<b>110</b>	<b>230</b>
Cashflows	(22)	(125)
Fair value adjustments	2	5
<b>Closing balance</b>	<b>90</b>	<b>110</b>

## Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current</b>		
<b>Financial Assets</b>		
<b>Pari Passu Charge</b>		
Current Investments	40	-
Trade Receivables	2,154	1,849
Cash and Cash Equivalents	138	275
Other Bank Balances	57	117
Other Current Financial Assets	120	115
<b>Non Financial Assets</b>		
<b>Pari Passu Charge</b>		
Inventories	410	445
Contract Assets	1,373	1,218
Other Current Assets	402	385
<b>Total Current Assets pledged as security</b>	<b>4,694</b>	<b>4,404</b>
<b>Non Current Assets</b>		
<b>Exclusive Charge</b>		
Right of Use asset	8	8
Buildings	158	164
<b>Pari Passu Charge</b>		
Freehold Land	28	79
Buildings	125	233
Plant & Machinery	1,341	1,475
Furnitures & Fixtures	12	11
Data Processing Equipments	13	19
Office Equipments	5	4
Electrical Fittings	39	39
Vehicles	6	8
Capital Work in Progress	55	65
<b>Total Non Current Assets pledged as security</b>	<b>1,790</b>	<b>2,105</b>
<b>Total Assets pledged as security</b>	<b>6,484</b>	<b>6,509</b>

## 19. Other Financial Liabilities

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	-	0
<b>Other financial liabilities</b>		
Payables for purchase of property, plant and equipment	7	-
Deposits from vendors	3	2
Financial guarantee payable	0	2
<b>Total non-current financial liabilities</b>	<b>10</b>	<b>4</b>
<b>Current</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	21	3
Currency / Interest Rate Swaps	-	0
	<b>21</b>	<b>3</b>

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Other financial liabilities</b>		
Interest accrued but not due on borrowings	0	2
Unclaimed dividend*	5	5
Deposits from customers	0	0
Deposits from vendors	-	0
Payables for purchase of property, plant and equipment	113	150
Employee benefits payable	84	52
Financial guarantee payable	2	1
Others	0	9
	<b>204</b>	<b>219</b>
<b>Total current financial liabilities</b>	<b>225</b>	<b>222</b>

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

## 20. Trade Payables

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Total outstanding dues of micro &amp; small enterprises (refer note 39)</b>	<b>312</b>	<b>173</b>
<b>Total outstanding dues of creditors other than micro &amp; small enterprises</b>		
Trade payables to related parties (refer note 48)	289	162
Acceptances	236	307
Others	1,249	1,661
	<b>1,774</b>	<b>2,130</b>
<b>Total Trade Payables</b>	<b>2,086</b>	<b>2,303</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Trade payable ageing (Amount in ₹ crores)

March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	200	111	1	0	0	312
(ii) Others-undisputed	672	834	239	11	12	6	1,774
<b>Total</b>	<b>672</b>	<b>1,034</b>	<b>350</b>	<b>12</b>	<b>12</b>	<b>6</b>	<b>2,086</b>

March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	59	114	-	-	-	173
(ii) Others-undisputed	619	1,156	322	9	9	15	2,130
<b>Total</b>	<b>619</b>	<b>1,216</b>	<b>436</b>	<b>9</b>	<b>9</b>	<b>15</b>	<b>2,303</b>

## 21. Provisions

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current</b>		
Provision for warranty	0	1
<b>Total non-current provision</b>	<b>0</b>	<b>1</b>
<b>Current</b>		
Provision for litigations / contingencies (refer note 37)	66	23
Provision for warranty	-	1
<b>Total current provision</b>	<b>66</b>	<b>24</b>

### Provision for litigations / contingencies:

The provision of ₹66 crores as at March 31, 2023 (March 31, 2022: ₹24 crores) is towards contingencies in respect of disputed claims against the Company as described in note 37, quantum of outflow and timing of which is presently unascertainable.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
At the beginning of the year	24	10
Addition during the year	42	14
Utilised during the year	-	-
<b>At the end of the year</b>	<b>66</b>	<b>24</b>
Current portion	66	23
Non-current portion	0	1

### Provision for warranty

The Company has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
At the beginning of the year	2	1
Arising during the year	0	0
Utilised during the year	(2)	-
<b>At the end of the year</b>	<b>0</b>	<b>2</b>
Current portion	-	1
Non-current portion	0	1

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 22. Other Current Liabilities and Contract Liabilities

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Contract liabilities</b>		
Unearned revenue	8	20
Advance from customers	155	157
<b>Total</b>	<b>163</b>	<b>177</b>

### Significant changes in Contract liabilities

Contract liabilities have decreased in current year as entity has recognised revenue from opening unearned revenue. The movement in advance from customer is on account of advances received and utilised during the year.

During the year the Company has recognized revenue of ₹20 crores (March 31, 2022: ₹22 crores) arising from opening unearned revenue.

### Current

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Indirect taxes payable	35	38
Withholding taxes (TDS) payable	8	14
Others	16	13
<b>Total other current liabilities</b>	<b>59</b>	<b>65</b>

## 23A Deferred Tax Liabilities (Net)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Deferred tax liability</b>		
Property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	127	133
Impact of fair valuation of Land as at Ind AS transition date	11	11
Right of Use assets	20	22
Net movement on cash flow hedges	-	7
Impact of difference in revenue recognition under income tax and Ind AS	25	15
Others	2	2
<b>Total deferred tax liability (A)</b>	<b>185</b>	<b>190</b>
<b>Deferred tax assets</b>		
Provision for doubtful debtors and other assets, allowed for tax purpose on payment basis	62	60
Expenditure allowed for tax purposes on payment basis	16	27
Provision for inventory	17	14
Provision for litigations / contingencies	17	7
Lease Liability	20	22
Ind AS 116 transition impact	-	1
Net movement of cash flow hedges	1	-
Others	8	2
<b>Total deferred tax asset (B)</b>	<b>141</b>	<b>133</b>
<b>Net deferred tax liability (A-B)</b>	<b>44</b>	<b>57</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Reconciliation of deferred tax liability

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Opening deferred tax liability, net	56	93
Deferred tax (credit) / charge recorded in statement of profit and loss	(4)	(38)
Deferred tax (credit) / charge recorded in OCI	(8)	1
Closing deferred tax liability, net	<b>44</b>	<b>56</b>

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Profit or loss section</b>		
Current tax related to continuing operation	102	111
Current tax related to discontinuing operation	(91)	(44)
Deferred tax	(4)	(38)
	<b>7</b>	<b>29</b>

## OCI section

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Deferred tax related to items recognised in OCI during in the year</b>		
Net (gain)/loss on movement in cash flow hedges	(9)	0
Re-measurement loss of defined employee benefit plans	1	1
	<b>(8)</b>	<b>1</b>

## Reconciliation of tax expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Accounting profit before income tax from continuing and discontinued operations</b>	83	111
Tax at India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	21	28
Adjustments in respect of income tax of previous years	0	3
Tax benefits under various sections of Income tax Act, 1961	(12)	(5)
Other adjustments	(2)	3
Income tax expense	<b>7</b>	<b>29</b>
Income tax expense reported in the statement of profit and loss	<b>7</b>	<b>29</b>

## 23B Current Tax Liabilities (Net)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Opening Current tax liabilities/(assets)	(58)	15
Add/(Less): Current tax payable for the year- Continued operations	102	111
Add/(Less): Current tax payable for the year- Discontinued operations	(91)	(44)
Add/(Less): Tax paid (Net of refunds)	47	(140)
Add/(less): Other adjustments	0	0
<b>Total current tax liabilities/(assets)</b>	<b>0</b>	<b>(58)</b>

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 24. Employee Benefit Obligations

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non Current</b>		
Provision for gratuity	14	21
Provision for compensated absences	15	19
<b>Total non-current employee benefit obligations</b>	<b>29</b>	<b>40</b>
<b>Current</b>		
Provision for gratuity	10	12
Provision for compensated absences	3	4
<b>Total current employee benefit obligations</b>	<b>13</b>	<b>16</b>

### i) Compensated Absences

The compensated absences cover the Company's liability for sick and privilege leave. The Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

### ii) Post employment benefit obligation - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to fund managed by Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Defined benefit obligation at the beginning of the year	37	44
Current service cost	6	6
Interest cost	3	3
Liability Transferred Out/ Divestments	(1)	
Actuarial (gain)/loss		
- Due to change in Demographic Assumptions	-	0
- Due to change in Financial Assumptions	(1)	(6)
- Due to Experience	(4)	1
Benefits paid	(6)	(11)
<b>Defined benefit obligations at the end of the year</b>	<b>34</b>	<b>37</b>

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Fair value of plan assets at the beginning of the year	4	5
Interest Income	0	0
Contribution by employer	11	2
Benefits paid	(4)	(3)
Return on Plan Assets, Excluding Interest Income	(0)	(0)
<b>Fair value of plan assets at the end of the year</b>	<b>11</b>	<b>4</b>

The company expects to contribute ₹10 crores (Actual contribution for the year ended March 31, 2022: ₹11 crores) to its gratuity plan in FY2023-24.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

Particulars	March 31, 2023 %	March 31, 2022 %
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

## Details of defined benefit obligation

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Present value of defined benefit obligation	34	37
Fair value of plan assets	(11)	(4)
<b>Net defined benefit liability</b>	<b>23</b>	<b>33</b>

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Present value of funded obligations	34	37
Fair value of plan assets	(11)	(4)
<b>Deficit of funded plan (A)</b>	<b>23</b>	<b>33</b>
Unfunded plans (B)	0	0
<b>Total net obligation (A+B)</b>	<b>23</b>	<b>33</b>

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Current service cost	6	6
Interest cost	3	3
Expected return on plan assets	0	0
Net benefit expense*	<b>9</b>	<b>9</b>

\* The above includes employee benefit expenses of ₹3 crores (March 31, 2022 ₹5 crores) with respect to discontinued operations.

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Actuarial (gains)/losses	(5)	(4)
Return on Plan Assets (Excluding Interest Income)	0	0
Net (income)/expense for the year recognized in OCI	(4)	(4)

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.41%	6.90%
Expected rate of return on plan asset	7.41%	6.90%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	8.00%	8.00%

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Sensitivity Analysis

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
+1% Change in discount rate	(2)	(2)
-1% Change in discount rate	2	2
+1% Change in rate of salary increase	2	2
-1% Change in rate of salary increase	(2)	(2)
+1% Change in rate of employee turnover	(0)	(0)
-1% Change in rate of employee turnover	0	0

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

### Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager, LIC of India.

The Company's assets are maintained in a trust fund managed by public sector insurance company (LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

### Changes in bond yields:

A decrease in bond yields will increase plan liabilities.

### Future salary escalation and inflation risk:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this risk.

### Life expectancy

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2022 - 8 years). The expected maturity analysis of gratuity is as follows:

### Maturity Analysis of defined benefit obligation:

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in crores)	
	March 31, 2023 (Funded)	March 31, 2022 (Funded)
Projected Benefits Payable in Future Years From the Date of Reporting:		
Less than 1 year	6	7
Between 1 to 2 years	3	3
Between 3 to 5 years	9	10
Over 5 years	41	44



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 25. Revenue From Operations

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
- Finished goods	3,551	2,895
- Traded goods	163	162
<b>Revenue from sale of products</b>	<b>3,714</b>	<b>3,057</b>
Revenue from sale of services	180	2
Revenue from network integration projects	1,349	1,710
Revenue from software products/licenses and implementation activities	3	3
	<b>5,246</b>	<b>4,772</b>
<b>Other operating revenue</b>		
- Scrap sales	42	34
- Other operating income*	19	10
- Export incentives*	49	40
<b>Revenue from operations</b>	<b>5,356</b>	<b>4,856</b>

Revenue disaggregation in terms of nature of goods and services has been included above.

The total contract price of ₹5,259 crores (31 March 2022: ₹4,798 crores) is reduced by the consideration of ₹13 crores (31 March 2022: ₹26 crores) towards variable components.

Refer note 2 and 3 for accounting policy and significant judgements, respectively.

The Company's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹3,950 crores (31 March 2022: ₹4,124 crores) which is expected to be recognised over a period of one to nine years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Company has applied the practical expedient in Ind AS 115.

The Company has recorded provision of ₹Nil (31 March 2022: ₹64 crores) based on final settlement with the customer for supplies made in the previous years by an adjustment to revenue from a period.

\*This relates to government grants pertaining to indirect tax benefits availed under Industrial Promotion Scheme, Remission of Duties or Taxes on Export Products Scheme and Duty Drawback Scheme.

## 26. Other Income

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Royalty Income (refer note 48)	38	-
Profit on buyback of shares by subsidiary	15	-
Management Fees (refer note 48)	34	11
Rental Income (refer note 48)	1	0
Profit on sale of assets, net	-	1
Dividend income (refer note 48)	47	-
Profit on sale of investment	-	20
Miscellaneous Income	11	1
	<b>146</b>	<b>33</b>
<b>Interest income on:</b>		
- Bank deposits	5	4
- Loans to related parties (refer note 48)	22	19
Gain/(loss) on investment measured at FVTPL, net	2	1
	<b>29</b>	<b>25</b>
<b>Total other income</b>	<b>175</b>	<b>58</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 27. Cost of Raw Materials and Components Consumed

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Inventory at the beginning of the year (refer note 11)	122	154
Add: Purchases	2,504	2,555
Less: Inventory at the end of the year (refer note 11)	(124)	(122)
<b>Cost of raw material &amp; components consumed</b>	<b>2,502</b>	<b>2,585</b>
<b>(Increase)/ decrease in inventories</b>		
<b>Opening inventories</b>		
Traded goods	8	4
Work-in-progress	51	47
Finished goods	214	105
	<b>273</b>	<b>155</b>
<b>Closing inventories</b>		
Traded goods	30	8
Work-in-progress	30	51
Finished goods	141	214
	<b>201</b>	<b>273</b>
<b>(Increase)/Decrease in inventories</b>	<b>71</b>	<b>(118)</b>

## 28. Employee Benefits Expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Salaries, wages and bonus	431	416
Contribution to provident fund (refer note a and b below)	11	9
Gratuity expenses (refer note 24)	5	4
Employees stock option expense (refer note 33)	7	11
Staff welfare expenses	23	20
<b>Total Employee benefit expense</b>	<b>477</b>	<b>460</b>

### a. Defined Contribution Plans:

The Company has a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government in India for employees at the rate of 12% of basic salary as per local regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company has recognised the following expenses in the Statement of Profit and Loss for the year:

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Contribution to Employees' Provident Fund	11	9
<b>Total</b>	<b>11</b>	<b>9</b>

b. Net of government grant of ₹0 crores (31 March 2022: ₹1 crores) pertaining to refund of the employers contribution towards provident fund under Industrial Promotion Scheme.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 29. Other Expenses

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Consumption of stores and spares	149	117
Consumption of packing materials	96	107
Power, fuel and water*	176	128
Labour Charges	78	73
Repairs and maintenance		
Buildings	3	2
Plant & Machinery	16	9
Others	25	14
Corporate Social Responsibility (CSR) expenses (refer note 43)	8	12
Sales commission	13	30
Sales promotion	103	70
Carriage outwards	264	259
Rent	7	2
Insurance	22	22
Legal and professional fees	106	59
Rates and taxes	12	8
Travelling and conveyance	37	22
Network maintainance charges	98	43
Provision for doubtful debts and advances	1	90
Provision for contract assets	61	-
Impairment provision for loans and investment in subsidiaries	10	22
Directors sitting fee and commission	0	2
Payment to auditor (refer note below)	2	1
Exchange difference, (net)	-	0
Research and development expenses (refer note 40)		
- Salaries, wages and bonus	17	12
- Raw materials consumed	5	0
- General expenses	17	10
Total Research and development expenses	<b>39</b>	<b>22</b>
Less: Amount transferred to individual expense line item	(39)	(22)
	-	-
Miscellaneous expenses	102	86
<b>Total other expenses</b>	<b>1,389</b>	<b>1,177</b>

\*Net of government grant of ₹10 crores (March 31, 2022: ₹21 crores) pertaining to refund of electricity expenses under Industrial Promotion Scheme.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Payment to auditor</b>		
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	1.93	0.90
Reimbursement of expenses	0.08	0.08
Tax audit fee	0.08	0.04
Other services	1.53	-
In other capacity:		
Other services (including certification fees)	0.44	0.24
	<b>4.06</b>	<b>1.26</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 30. Depreciation and Amortisation Expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Depreciation of property, plant and equipment	181	179
Depreciation of right of use assets	13	11
Amortisation of intangible assets	9	8
<b>Total depreciation and amortisation expense</b>	<b>203</b>	<b>198</b>

## 31. Finance Cost

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	254	188
Interest on lease liabilities	8	9
Bank charges	11	11
Others	7	9
<b>Total finance cost</b>	<b>280</b>	<b>216</b>

\* During the year, the Company has capitalised borrowing costs of ₹ Nil (March 31, 2022: ₹5 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's general borrowings, in this case Nil (March 31, 2022: 7.25% p.a.).

## 32. Tax Expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Current tax relating to continuing operations*	102	111
Deferred tax#	(4)	(38)
<b>Total tax expense</b>	<b>98</b>	<b>73</b>

Refer note 15 and 23 for details on income tax with respect to discontinued operation.

\*For current year, the current tax expense includes credit of ₹24 crores (March 31, 2022: charge of ₹8 crores) pertaining to current tax of earlier years.

#For current year, the deferred tax includes charge of ₹24 crores (March 31, 2022: credit of ₹5 crores) for adjustment pertaining to deferred tax of earlier years.

## 33. Employee Share Based Payments

The Company has established employees stock options plan, 2010 ("ESOP Scheme") for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the Company to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration Committee. Participation in the plan is at the Nomination and Remuneration Committee's discretion and no individual has a contractual right to participate in the ESOP Scheme or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and Remuneration Committee of the Company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Company and hence, the options would vest with passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of maximum five years. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹2 per option.

The Company has charged ₹9 crores (March 31, 2022: ₹12 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

	March 31, 2023		March 31, 2022	
	Average Exercise price per share option	Number of Options	Average Exercise price per share option	Number of Options
Opening Balance	2	30,02,165	2	35,68,463
Granted during the year	2	16,03,514	2	17,37,354
Exercised during the year	2	(8,23,648)	2	(11,28,407)
Expired/cancelled during the year	2	(7,38,200)	2	(11,75,245)
<b>Closing Balance</b>		<b>30,43,831</b>		<b>30,02,165</b>
Vested and Exercisable		6,10,633		7,24,205

Weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 is Rs. 164 (31 March 2022: Rs. 269).

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (₹)	Share options outstanding on March 31, 2023	Share options outstanding on March 31, 2022
30 April 2014	01 June 2024	2	750	5,750
30 March 2015	01 June 2025	2	16,000	45,750
13 July 2016	01 June 2025	2	2,984	9,302
25 July 2016	01 August 2026	2	10,970	37,160
19 July 2017	01 August 2027	2	34,396	1,07,950
16 October 2017	16 October 2027	2	7,180	7,180
17 January 2018	17 January 2028	2	1,220	2,280
19 July 2018	01 August 2028	2	1,37,691	2,66,355
24 January 2019	25 January 2027	2	25,425	29,325
24 October 2019	24 October 2029	2	3,33,922	5,19,062
22 July 2020	31 July 2030	2	4,03,403	7,56,692
19 January 2021	19 January 2031	2	18,603	38,345
21 July 2021	31 July 2030	2	45,450	2,27,251
21 July 2021	31 July 2031	2	4,52,578	9,13,662
18 January 2022	18 January 2032	2	30,393	36,101
19 July 2022	31 July 2031	2	72,280	-
19 July 2022	31 July 2032	2	13,60,356	-
25 January 2023	26 January 2033	2	90,230	-
<b>Total</b>			<b>30,43,831</b>	<b>30,02,165</b>
Weighted Average remaining contractual life of the options outstanding at the end of the period			3.23	3.09

b) **Fair Value of the options granted during the year-**

During the current year remuneration committee has approved three grants. Following are the details of assumptions under the grant, related vesting conditions and fair valuation model used based on the nature of vesting.

**Date of Grant- July 19, 2022**

The company has granted 72,280 options under ESOP scheme based on following criteria and related assumptions

Vesting criteria - Continuous employment with the company.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4
	01-Aug-23	01-Aug-24	01-Aug-25	01-Aug-26
Share price at Grant Date	143.85	143.85	143.85	143.85
Volatility	49.10%	49.10%	49.10%	49.10%
Risk Free rate	7.09%	7.09%	7.09%	7.09%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00
Life of the Option	2.54	2.54	2.54	2.54
Dividend Yield	0.78%	0.78%	0.78%	0.78%
<b>Outputs</b>				
Option Fair value	139.40	139.40	139.40	139.40
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
<b>Fair Value of the option (Black Scholes Model)</b>				<b>139.4</b>

## Date of Grant- July 19, 2022

The company has granted 14,41,004 options under ESOP scheme based on following criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company.

Fair Valuation Method-Black scholes options pricing model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	01-Aug-23	01-Aug-24	01-Aug-25	01-Aug-26	01-Aug-27
Share price at Grant Date	143.85	143.85	143.85	143.85	143.85
Volatility	43.10%	43.10%	43.10%	43.10%	43.10%
Risk Free rate	7.09%	7.09%	7.09%	7.09%	7.09%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.14	2.14	2.14	2.14	2.14
Dividend Yield	0.78%	0.78%	0.78%	0.78%	0.78%
<b>Outputs</b>					
Option Fair value	139.80	139.80	139.80	139.80	139.80
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
<b>Fair Value of the option (Black-Scholes model)</b>					<b>139.80</b>

The expected price volatility is based on historical volatility (based on remaining life of the options) adjusted for any expected change to future volatility due to publicly available information.

2. Vesting criteria - 30% Vesting based on total Shareholders return based on market performance

Fair Valuation Method - Monte Carlo simulation model

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Assumptions used are as follows:

<b>Variables</b>	
Share price at Grant Date	143.85
Volatility	52.52%
Risk Free rate	6.42%
Exercise Price (₹ per Option)	2.00
Life of the Option	0.82
Dividend Yield	0.78%
<b>Fair Value of the option</b>	<b>36.93</b>

3. Vesting- 40% Vesting based on achievement of target EBITDA

Fair Valuation Method - Monte Carlo simulation model

Vesting of these options is dependent on the achievement of target EBITDA during the performance of FY2023-24 as per the criteria determined by Nomination and Remuneration Committee. The Monte Carlo model requires the following information of the company:

- The historical share price and expected volatility during the performance period
- Risk free interest rate of the company
- Dividend yield based on historical dividend payments
- Estimate of EBITDA as per approved business plan

Assumptions used are as follows:

<b>Variables</b>	
Share price at Grant Date	143.85
Volatility	52.52%
Risk Free rate	6.42%
Exercise Price (₹ per Option)	2.00
Life of the Option	0.82
Dividend Yield	0.78%
<b>Fair Value of the option</b>	<b>133.40</b>

**Date of Grant- January 25, 2023**

The company has granted 90,230 options under ESOP scheme based on following criteria and related assumptions

Vesting criteria - Continuous employment with the Company.

Fair Valuation Method- Black Scholes options Pricing Model

<b>Variables</b>	<b>Vest 1</b>	<b>Vest 2</b>	<b>Vest 3</b>	<b>Vest 4</b>	<b>Vest 5</b>
	<b>26-Jan-24</b>	<b>26-Jan-25</b>	<b>26-Jan-26</b>	<b>26-Jan-27</b>	<b>26-Jan-28</b>
Share price at Grant Date	179.60	179.60	179.60	179.60	179.60
Volatility	44.70%	44.70%	44.70%	44.70%	44.70%
Risk Free rate	7.00%	7.00%	7.00%	7.00%	7.00%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Outputs</b>					
Option Fair value	175.00	175.00	175.00	175.00	175.00
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
<b>Fair Value of the option (Black Scholes Model)</b>	<b>175.00</b>				

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 34. Earnings per Share (EPS)

The following table shows the computation of basic and diluted EPS.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Profit for the year from continuing operations	336	215
Profit/(loss) for the year from discontinued operations	(260)	(132)
<b>Weighted average number of equity shares in calculating basic EPS</b>	39.81	39.71
<b>Adjustments for calculation of diluted EPS:</b>		
Employee stock option outstanding during the year	0.35	0.39
<b>Weighted average number of equity shares in calculating diluted EPS</b>	40.16	40.10
<b>Earnings per share</b>		
<b>Basic</b>		
From continuing operations	8.42	5.39
From discontinued operations	(6.53)	(3.32)
From continuing and discontinued operations	1.89	2.07
<b>Diluted</b>		
From continuing operations	8.41	5.37
From discontinued operations*	(6.53)	(3.32)
From continuing and discontinued operations	1.88	2.04

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are given in note 33.

## 35. Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules that are notified become effective.

## 36. Capital and Other Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹43 crores (March 31, 2022: ₹67 crores)
- b) The company has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below:

Year of Issue	Year upto which export obligation to be fulfilled	March 31, 2023	March 31, 2022
2020-21	2026-27	-	5
2021-22	2027-28	-	2
2022-23	2028-29	45	-

In this respect, the Company has given bonds of ₹665 crores (March 31, 2022: ₹883 crores) to the Commissioner of Customs. The company expects to fulfil the export obligation within prescribed time.

- c) For commitments relating to lease arrangements please refer note 4.

## 37. Contingent Liabilities

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
1. Disputed liabilities		
a) Excise and Customs duty	90	90
b) Goods and Services tax	3	1
c) Income tax	14	12
d) Claims lodged by a bank against the company*	19	19
	<b>126</b>	<b>122</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

2. The Company had issued Corporate guarantees amounting to ₹114 crores to the Income tax Authorities in FY2003-04 on behalf of the Group companies. The matter against which corporate guarantee was paid by STL was decided in favour of the Group companies by both ITAT and HC orders against which the Department has filed an appeal with the Supreme Court. The above corporate guarantee is backed by the corporate guarantee issued by Volcan Investments Limited (refer note 48) in the favour of the Company.

\* In an earlier year, one of the Bankers of the Company had wrongly paid an amount of ₹19 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the Company, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Company in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the Company and has dismissed the appeal filed by the bank. The bank has challenged the said order in Writ petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

In the FY21-22, the Company had received show cause notices with respect to 4 Service tax registrations of ₹57 crores each demanding service tax on difference between value of services appearing in 26AS (at legal entity level) vis-à-vis respective service tax registrations for the period 2016-17. Management has assessed that the show-cause notice is not required to be disclosed as contingent liability as it is erroneous in nature and the probability of an unfavourable outcome is remote.

Further, Income tax orders for AY 2013-14, 2014-15 and 2017-18 were received with respect to Elitecore Technologies Private Limited (which is now a non-existent entity in these years since it had merged with the company with effect from 29 September 2016) with a demand of ₹55.67 crores mainly relating to addition on certain aspects like treatment of purchase of software/hardware. Management has assessed that based on principles arising from judicial precedents, including those passed by the Hon'ble Supreme Court and Jurisdictional Bombay High Court, the notices issued in the name of non-existent entity are not merely an irregularity but also suffer from jurisdictional defect which cannot be cured. On this primary ground and certain other strong grounds, including procedural defects, the company (on behalf of Elitecore Technologies private limited) has filed a writ before the Hon'ble High Court. The order of High Court for AY 2013-14 and AY 2014-15 came in favour of Company via order dated March 27, 2023. While the order for AY 2017-18 is awaited. Hence, management believes that the probability of an unfavourable outcome is remote and the demand of ₹5 crores pertaining to the said case (AY 2017-18) is not disclosed as a contingent liability.

3. The Company has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position. In respect of the claims against the company not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

## 38. 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.

Name of Subsidiary	(₹ in crores)			
	March 31, 2023		March 31, 2022	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Global Ventures (Mauritius) Limited	-	39	0	0
Speedon Network Limited (net of loss allowance)	32	17	14	14
Sterlite Tech Cables Solutions Limited	39	267	162	231
Maharashtra Transmission Communication Infrastructure Limited			-	2
Sterlite Technologies UK Ventures Limited	194	194	108	108
Sterlite Telesystems Limited				
Sterlite Technologies Holding Inc USA	42	45	38	74
STL Digital Limited	63	63	0	0
Sterlite Technologies Pty. Ltd	3	3	3	3
Sterlite Technologies DMCC	-	12	10	10
STL Optical Interconnect S.p.A.	70	70	61	61
STL UK HoldCo Limited, UK	15	17	14	14
<b>Total</b>	<b>458</b>		<b>410</b>	

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 39. Details of Dues to Micro and Small Enterprises as Defined Under MSMED Act, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier*	312	173
Interest amount due to supplier	1	1
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	4	2
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

## 40. Research and Development Expenditure

STL through its extensive research capabilities, constant innovation and unique capabilities at following R&D centres is able to provide customers end to end solutions from manufacturing of cable to system integration to providing software products required by telecom players:

- **Aurangabad** – R&D activities to manufacture cable which can cater most bandwidth demand.
- **Gurgaon** - R&D activities to design, build, manage broadband network for global service providers, smart cities, rural broadband etc.
- **Ahmedabad** – R&D activities to develop innovative telecom software products which can cater demand for business support system and operating support system.
- **Pune** - R&D activities for Product Engineering towards Programmable Networking & Intelligence.

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Capital expenditure</b>		
- Plants and machinery - capitalised during the year	2	2
- Software - capitalised during the year	-	0
- IT Equipments - capitalised during the year	0	2
	<b>2</b>	<b>4</b>
<b>Revenue expenditure</b>		
- Salaries, wages and bonus	17	12
- Raw materials consumed	5	0
- General expenses	17	10
<b>Total</b>	<b>39</b>	<b>22</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

The company has four Research and Development Centres. Centre wise breakup of expenditure is as follows:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Sterlite Technologies - Aurangabad</b>		
- Capital Expenditure	2	3
- Revenue Expenditure	21	20
	<b>23</b>	<b>23</b>
<b>Sterlite Technologies - Silvassa</b>		
- Capital Expenditure	-	-
- Revenue Expenditure	13	-
	<b>13</b>	-
<b>Sterlite Technologies - Pune</b>		
- Capital Expenditure	-	1
- Revenue Expenditure	5	2
	<b>5</b>	<b>3</b>

## 41. Financial Performance Ratios

Particulars	March 31, 2023	March 31, 2022	Variance	Note
<b>A. Performance Ratios</b>				
Net profit ratio (Profit after tax and exceptional items from continuing operations) / (Revenue from operations)	6%	4%	42%	(i)
Net capital turnover ratio (Revenue from operations) / (Closing working capital excluding current maturities of long term debt)	20.08	22.701	(12%)	
Return on capital employed (Profit before exceptional items, interest and tax from continuing operations) / (Closing capital employed*)	15%	10%	44%	(i)
Return on equity ratio (Profit after exceptional items and tax from continuing operations) / (Average shareholder's equity)	18%	12%	54%	(i)
Return on investment (Profit before exceptional items, interest and tax from continuing operations) / (Closing total assets)	9%	6%	54%	(i)
Debt service coverage ratio [Profit before interest, depreciation, amortisation and tax after exceptional items from continuing operations/ (finance cost + principal long term loan repaid during the period)]	1.31	1.56	(16%)	
<b>B. Leverage Ratios</b>				
Debt-equity ratio (Total borrowings (-) cash and cash equivalents and current investments) / (Total equity)	1.45	1.19	22%	
<b>C. Liquidity Ratios</b>				
Current ratio (Current assets) / (Current liabilities excluding current maturities of long term debt)	1.06	1.05	1%	
<b>D. Activity Ratio</b>				
Inventory turnover ratio (Cost of goods sold) / (Closing inventory)	6.71	5.91	14%	
Trade receivables turnover ratio (Revenue from operations) / (Closing current trade receivables)	2.49	2.63	(5%)	
Trade payables turnover ratio (Cost of goods sold) / (Closing trade payable)	1.32	1.14	15%	

\*Closing capital employed = Tangible net worth + Gross debt + Deferred tax liability

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

**Note: Explanation for change in ratio by more than 25%**

(i) The variation in above ratios is on account of improved profitability on account of higher volumes and realisation.

## 42. Relationship With Struck Off Companies

The Company does not have any transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except as reported below.

(₹ in crores)				
Name of the struck off company	Nature of transaction	Balance as on March 31, 2023	Balance as on March 31, 2022	Relationship with the struck off compay
Igus India Private Limited	Payable for services	0	-	Not a related party
Arun Timbers Private Limited	Payable for services	0	-	Not a related party
Tarun Info Solutions Private Limited	Payable for services	1	-	Not a related party
Curinnov Services Private Limited	Payable for services	0	0	Not a related party
Shubhankit Infra Private Limited	Payable for services	0	-	Not a related party
Precision Electronics Limited	Payable for services	0	-	Not a related party
Overarching Solutions Private Limited	Payable for services	0	-	Not a related party
Yash Medical Sciences Private Limited	Payable for services	-	0	Not a related party
Thermadyne Private Limited	Payable for services	-	-	Not a related party

## 43. Corporate Social Responsibility

The Company has spent an amount of ₹8 crores (March 31, 2022: ₹12 crores) during the year as required under section 135 of the Companies Act, 2013 for the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹8 crores (refer note 48).

**Details of CSR expenditure:**

Particulars	March 31, 2023	March 31, 2022
Amount required to be spent during the year	8	12
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Brought forward from last year	-	-
Short fall for pervious year spent now	-	-
Spent during the year for current year	8	12
Carried forward to next year (short)/excess	-	-
Amount of cumulative shortfall at the end of the year	-	-

**(b) Details of ongoing CSR projects under Section 135(6) of the Act:**

Balance as at April 01, 2022	Amount spent during the year			Balance as at March, 31 2023		
	In separate CSR Account	Account required to be spent during the year	From the company's bank amount	From Separate CSR Unspent account	With the company*	In Separate CSR Unspent Account
With the company						
N.A.						

**(c) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:**

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Account required to be spent during the year	Amount spent during the year	Balance unspent as March 31, 2023
-	-	8	8	0

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

**(d) Details of excess CSR expenditure under Section 135(5) of the Act**

Balance excess spent as at April 01, 2022	Account required to be spent during the year	Amount spent during the year	Balance short)/excess spent as at March 31, 2023
-	8	8	-

**(e) There is no provision made with respect to a liability incurred by entering into a contractual obligation during the current year.**

#### 44. Exceptional Items

During the year ended March 31, 2022, the amount of ₹53 crores reported under exceptional items in the financial statements includes profit of ₹67 crores recognised on account of transfer of land situated at Hyderabad and a provision of ₹14 crores with respect to an order against the Company for a claim filed by a vendor for non-fulfilment of certain contractually agreed off take obligations.

#### 45. Financial Risk Management

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Company also enters into derivative transactions.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes should be undertaken.

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

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The risks to which Company is exposed and related risk management policies are summarised below -

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk mainly includes loans given and borrowings, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2023 and March 31, 2022.

**Interest rate risk**

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

The Company is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. There are no interest rate swaps outstanding as at March 31, 2023. At March 31, 2023, after taking into account the effect of interest rate swaps, approximately 88% of the Company's borrowings are at a fixed rate of interest (March 31, 2022: 83%).

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Variable rate borrowings	366	549
Fixed rate borrowings	2,603	2,028
<b>Total borrowings</b>	<b>2,969</b>	<b>2,577</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

As at the end of the year, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	March 31, 2023		March 31, 2022	
	Balance	% of total loans	Balance	% of total loans
Variable rate borrowings	366	12%	549	21%
Interest rate swaps (notional principal amount)	-		100	
Net exposure to cash flow interest rate risk	366		449	

## Interest rate sensitivity

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

Particulars	Increase/Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/(increase)
<b>March 31, 2023</b>		
Base Rate	+50	1.83
Base Rate	-50	(1.83)
<b>March 31, 2022</b>		
Base Rate	+50	2.25
Base Rate	-50	(2.25)

## Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company has a policy to keep minimum forex exposure on the books that are likely to occur within a 15-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. During the year ended March 31, 2023 and 2022, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Company has hedged the significant exposure as at March 31, 2023 and as at March 31, 2022.

The Company exposure to foreign currency risk at the end of the year expressed in INR are as follows

### March 31, 2023

Financial Assets	₹ in crores			
	USD	EUR	GBP	AED
Trade receivable	758	150	120	6
Bank Balances	-	4	2	-
Loans	42	89	190	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	645	131	277	6
Net Exposure to foreign currency risk (Assets)	155	112	35	-

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

March 31, 2023

(₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan	113	53	-
Payables for purchase of property, plant & equipments	35	23	-
Trade Payables	184	32	29
<b>Derivative Liabilities</b>			
Foreign exchange forward contracts - Buy foreign currency	314	108	6
Principal Swap - Buy foreign currency	-	-	-
Net Exposure to foreign currency risk (Liabilities)	18	(0)	23

March 31, 2022

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	457	126	201	11
Bank Balances	-	34	12	-
Loans	38	81	103	-
<b>Derivative Assets</b>				
Foreign exchange forward contracts - Sell foreign currency	398	121	198	11
Net Exposure to foreign currency risk (Assets)	97	120	118	-

March 31, 2022

(₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan	126	25	62
Payables for purchase of property, plant & equipment's	56	39	-
Trade Payables	119	26	2
<b>Derivative Liabilities</b>			
Foreign exchange forward contracts - Buy foreign currency	216	75	12
Principal Swap - Buy foreign currency	38	-	-
Net Exposure to foreign currency risk (Liabilities)	47	15	52

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows-

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
March 31, 2023	+5%	6.74/15.97	+5%	5.61/15.67	+5%	0.54/29.13
	-5%	(6.74)/(15.97)	-5%	(5.61)/(15.67)	-5%	(0.54)/(29.13)
March 31, 2022	+5%	2.52/14.89	+5%	5.23/16.86	+5%	6.41/24.36
	-5%	(2.52)/(14.89)	-5%	(5.23)/(16.86)	-5%	(6.41)/(24.36)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the company enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company has a risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

## Commodity price sensitivity

As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

## Price risk

The Company's investment in non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

The Company also invests into highly liquid mutual funds which are subject to price risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds are made as a part of treasury management activities.

## (b) Credit risk

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

### Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account its financial position, past experience and other factors, eg. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Company provides for expected credit loss of trade receivables and contract assets based on life-time expected credit losses (simplified approach). The Company assesses the expected credit loss for Global Services Business (GSB) considering the individual nature and risks of the contracts. The expected credit losses for other businesses is assessed using a provision matrix as per the practical expedient prescribed under IND AS 109.

The credit risk of customers of Global Services Business (GSB) is assessed individually considering the nature and risks involved in each contract. Such assessment is considered in determining the adequacy of expected credit loss for trade receivables and contract assets of the business which requires significant management judgement. Refer Note 3 for details of the judgement involved.

A major portion of the GSB trade receivables and contract assets consists of government customers. The credit risk in receivable from government customers is considered to be low. In case of disputes, the Company considers interpretation of contractual terms, project status, probability of settlement, counter-claims, latest discussions / correspondence and legal opinions wherever applicable in assessing the recoverability. The average project execution cycle in GSB ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods.

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 using a provision matrix to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the company made write-offs of Nil (31 March 2022: Nil) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Details of Expected credit loss for Global Services Business (GSB) is as follows:

Particulars	31-Mar-23	31-Mar-22
Gross Carrying Amount - Trade Receivables	1,132	959
Gross Carrying Amount - Contract Assets	1,434	1,170
Expected credit losses - Trade Receivables	100	116
Expected credit losses - Contract Assets	61	-
<b>Carrying amount of trade receivable (net of provision)</b>	<b>1,032</b>	<b>843</b>
<b>Carrying amount of contract assets (net of provision)</b>	<b>1,373</b>	<b>1,170</b>

Details of Expected credit loss for other than GSB Business are as follows:

(₹ in crores)

March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount - Trade Receivables					
Considered good	988	57	70	15	1,130
Credit impaired	-	-	3	19	22
Expected loss rate	0.30%	1.75%	0.17%	26.67%	0.72%
Expected credit losses - Trade Receivables	3	1	3	23	30
Carrying amount of trade receivables (net of impairment)	985	56	70	11	1,122

(₹ in crores)

March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount - Trade Receivables					
Considered good	830	82	60	51	1,023
Credit impaired	-	3	-	6	9
Gross Carrying Amount - Contract Assets	-	59	-	-	59
Expected loss rate	0.24%	7.78%	1.67%	29.55%	2.68%
Expected credit losses - Trade Receivables	2	3	1	21	27
Expected credit losses - Contract Assets	-	11	-	-	11
Carrying amount of trade receivables (net of impairment)	828	82	59	36	1,005
Carrying amount of contract assets (net of impairment)	-	48	-	-	48

Reconciliation of loss allowance provision of trade receivables and contract assets:

Particulars	Contract Assets	Trade Receivables
<b>Loss Allowance as on April 01, 2021</b>	-	<b>49</b>
Increase in loss allowance recognised in profit or loss during the year	11	94
<b>Loss Allowance as on March 31, 2022</b>	<b>11</b>	<b>143</b>
Increase in loss allowance recognised in profit or loss during the year	61	1
Loss Allowance utilised during the year	(11)	(14)
<b>Loss Allowance as on March 31, 2023</b>	<b>61</b>	<b>130</b>

## Financial assets and cash deposits

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

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The company assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The company charges interest on such loans at arms length rate considering counterparty's credit rating.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Based on the assessment performed, the company considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and appropriate provision for impairment is considered in financial statements.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts of each class of financial assets.

## (c) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	(₹ in crores)					
Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
<b>As at March 31, 2022</b>						
Borrowings	-	1,530	833	599	234	3,196
Other financial liabilities	5	-	86	4	-	95
Trade payables	289	1,331	467	-	-	2,087
Payables for purchase of Property, plant and equipments	-	-	112	7	-	119
Derivative instruments	-	11	10	-	-	21
Lease liability	-	4	12	44	40	99
	<b>294</b>	<b>2,876</b>	<b>1,519</b>	<b>654</b>	<b>274</b>	<b>5,617</b>
<b>As at March 31, 2021</b>						
Borrowings	-	1,335	311	886	312	2,843
Other financial liabilities	5	10	53	4	-	73
Trade payables	576	1,282	444	-	-	2,303
Payables for purchase of Property, plant and equipments	-	-	150	-	-	150
Derivative instruments	-	-	4	0	-	4
Lease liability	-	5	16	58	48	128
	<b>581</b>	<b>2,633</b>	<b>978</b>	<b>948</b>	<b>360</b>	<b>5,501</b>

## Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The cash flow hedges for such derivative contracts as at March 31, 2023 were assessed to be highly effective and a net unrealised loss of ₹33 crores, with a deferred tax liability of ₹9 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2022 were assessed to be highly effective and an unrealised gain of ₹1 crores, with a deferred tax liability of ₹0.30 crores was included in OCI in respect of these contracts. The amounts retained in OCI at March 31, 2022 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2024 and 31 March 2025.

At March 31, 2023, the company does not have any currency/interest rate swap agreements in place. As at March 31, 2022, the company had currency/interest rate swap agreements in place with a notional amount of USD 0.5 crores (₹42.45 crores) and GBP 0.63 crores (₹57.60 crores) whereby the company received a variable rate of interest of Libor + 2.70% and paid interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at ₹66.3850 per USD for the USD Interest Swap. For the GBP Interest Swap, the company received a variable rate of interest of Sterling Overnight Index Average and paid interest at a fixed rate equal to 1.74% p.a on the notional amount of GBP Loan. The swaps were being used to hedge the exposure to changes in the foreign exchange rates and interest rates. As at March 31, 2023, the company does not have any outstanding borrowings in foreign currency.

The cash flow hedges for such derivative contracts as at March 31, 2022 were assessed to be highly effective and a net unrealised loss of ₹1.1 crores, with a deferred tax asset of ₹0.28 crores relating to the hedging instruments, is included in OCI.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

March 31, 2023

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	(₹ in crores)
							Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets / (Liabilities)							
<b>Cash flow hedge</b>							
<u>Foreign exchange risk</u>							
(i) Foreign exchange forward contracts- Assets	479	2	April 2022- Jun 2023	1:1	EUR:INR- 87.77, GBP:INR- 102.58, USD:INR- 77.56, AED:INR- 21.66	(16)	16
(ii) Foreign exchange forward contracts- Liabilities	783	(13)	April 2022 - Jun 2023	1:1	EUR:INR- 86.23, GBP:INR- 105.11, USD:INR- 76.74, AED:INR- 20.68, AUD:INR- 56.92	(12)	12
(iii) Foreign Currency Loan	Nil	Nil	NA	NA	NA	(4)	4
<u>Interest rate risk</u>							
Interest rate swap	Nil	Nil	NA	NA	NA	0	(0)

March 31, 2022

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	(₹ in crores)
							Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets / (Liabilities)							
<b>Cash flow hedge</b>							
<u>Foreign exchange risk</u>							
(i) Foreign exchange forward contracts- Assets	1,056	18	April 2022- Jun 2023	1:1	EUR:INR- 87.77, GBP:INR- 102.58, USD:INR- 77.56, AED:INR- 21.66	(0)	0
(ii) Foreign exchange forward contracts- Liabilities	166	(1)	April 2022 - Jun 2023	1:1	EUR:INR- 86.23, GBP:INR- 105.11, USD:INR- 76.74, AED:INR- 20.68, AUD:INR- 56.92	1	(1)
(iii) Foreign Currency Loan	38	4	3-Jan-23	1:1	USD:INR 66.39	(2)	2
<u>Interest rate risk</u>							
Interest rate swap	100	(0)	3-Jan-23	1:1	N/A	1	(1)

\*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.

The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

- (b) Disclosure of effects of hedge accounting on financial performance

**March 31, 2023**

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	(28)	-	(6)	Revenue and COGS
Interest Risk	0	-	-	N/A

**March 31, 2022**

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	14	-	(14)	Revenue and COGS
Interest Risk	1	-	-	N/A

The Company's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 17 for the details related to movement in cash flow hedging reserve.

## 46. Capital Management

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

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

The recent investments by the Company in new businesses, increasing the capacity of existing businesses and increase in working capital due to certain projects has lead to increase in capital requirement. The Company expects to realise the benefits of these investments in near future.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Interest Bearing Loans and borrowings (including interest accrued but not due)	2,969	2,578
Less: Cash and Cash equivalents & current investment*	(229)	(385)
<b>Net debt</b>	<b>2,740</b>	<b>2,192</b>
Equity share capital	80	80
Other equity	1,804	1,763
<b>Total capital</b>	<b>1,884</b>	<b>1,843</b>
<b>Capital and net debt</b>	<b>4,623</b>	<b>4,035</b>
Gearing ratio	59.26%	54.33%

\*includes other bank balance of ₹50 crores (March 31, 2022: ₹110 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous year.

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

## Dividend Distribution Made And Proposed

As a part of Company's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022: ₹0.5 per share (31 March 2021: ₹2 per share)	20	79
	<b>20</b>	<b>79</b>
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2023: ₹1 per share (March 31, 2022: ₹0.5 per share)	40	20
	<b>40</b>	<b>20</b>

## 47. Fair Values

### a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of the year end:

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Investments						
Mutual funds	40	-	-	-	-	-
Trade receivables	-	-	2,154	-	-	1,849
Loans	-	-	437	-	-	412
Cash and cash equivalents	-	-	138	-	-	275
Other bank balances	-	-	57	-	-	117
Derivative financial assets	4	2	-	13	17	-
Other financials assets	13	-	116	21	-	83
<b>Total financial assets</b>	<b>57</b>	<b>2</b>	<b>2,903</b>	<b>34</b>	<b>17</b>	<b>2,735</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial liabilities</b>						
Borrowings	-	-	2,969	-	-	2,576
Derivative financial liabilities	8	13	-	2	2	-
Trade Payables	-	-	2,086	-	-	2,303
Payables for purchase of Property, plant and equipment	-	-	119	-	-	150
Deposits from vendors	-	-	3	-	-	2
Other Financial Liabilities	-	-	92	-	-	71
<b>Total financial liabilities</b>	<b>8</b>	<b>13</b>	<b>5,269</b>	<b>2</b>	<b>2</b>	<b>5,102</b>

## b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>				
<b>Investments in Mutual Funds</b>				
As at March 31, 2023	40	40	-	-
As at March 31, 2022	-	-	-	-
<b>Other Financial Assets</b>				
As at March 31, 2023	13	-	13	-
As at March 31, 2022	21	-	21	-
<b>Derivative financial assets - Foreign Exchange Forward Contracts</b>				
As at March 31, 2023	6	-	6	-
As at March 31, 2022	26	-	26	-
<b>Derivative financial assets - Currency/Interest Rate Swaps</b>				
As at March 31, 2023	-	-	-	-
As at March 31, 2022	4	-	4	-
<b>Derivative financial Liabilities - Foreign Exchange Forward Contracts</b>				
As at March 31, 2023	21	-	21	-
As at March 31, 2022	3	-	3	-
<b>Derivative financial Liabilities - Currency/Interest Rate Swaps</b>				
As at March 31, 2023	-	-	-	-
As at March 31, 2022	0	-	0	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

## d) Valuation processes

The finance department of the company includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the company are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2023 and March 31, 2022 are as shown above.

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.

## 48. RELATED PARTY TRANSACTIONS

### (A) Name of related party and nature of its relationship:

#### (a) Related parties where control exists

##### (i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company)  
Volcan Investments Limited, Bahamas (Ultimate holding company)

##### (ii) Subsidiaries

Jiangsu Sterlite Fiber Technology Co. Ltd. (Effective December 05, 2022) (formerly known as Jiangsu Sterlite Tongguang Fiber Co. Ltd.)  
Sterlite Global Ventures (Mauritius) Limited  
Maharashtra Transmission Communication Infrastructure Limited (upto March 29, 2022)  
Sterlite Technologies UK Ventures Limited  
Speedon Network Limited  
Sterlite Telesystems Limited  
Elitecore Technologies (Mauritius) Limited  
Elitecore Technologies SDN BHD. (Malaysia)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Sterlite (Shanghai) Trading Company Limited  
 Sterlite Tech Holding Inc.  
 Sterlite Technologies Inc. (South Carolina)  
 Sterlite Technologies Inc. (Delaware)  
 Metallurgica Bresciana S.p.A  
 Sterlite Innovative Solutions Limited  
 STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")  
 Sterlite Tech Cables Solutions Limited  
 Impact Data Solutions Limited (sold w.e.f. September 26, 2022)  
 Impact Data Solutions B.V.(Sold w.e.f. September 26, 2022)  
 Vulcan Data Centre Solutions Limited  
 PT Sterlite Technologies Indonesia  
 Sterlite Technologies Pty. Ltd  
 Sterlite Technologies DMCC  
 STL Optical Interconnect S.p.A.  
 Optotec S.p.A.  
 Optotec International S.A.  
 STL Edge Networks Inc.  
 STL Networks Limited  
 STL Tech Solutions Limited, UK (w.e.f August 09, 2021)  
 STL UK Holdco Limited, UK (w.e.f May 03, 2021)  
 STL Digital Inc. (USA) (w.e.f January 20, 2022)  
 Clearcomm Group Limited, UK (w.e.f July 27, 2021)  
 STL Tech GmbH (w.e.f February 17, 2022), (Liquidated w.e.f October 18, 2022)  
 STL Optical Tech Limited (w.e.f February 09, 2022)  
 STL Network Services Inc., US (w.e.f October 18, 2021)  
 STL Solutions Germany GmbH (w.e.f November 03, 2021)  
 STL Digital UK Limited (w.e.f. August 03, 2022)

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

**(i) Fellow Subsidiaries**

Cairn India Holdings Ltd  
 Sterlite Power Transmission Limited  
 Twin Star Technologies Limited  
 Twin Star Display Technologies Limited  
 Vedanta Limited

**(ii) Joint ventures**

Sterlite Condispar Industrial Ltda (50:50 joint venture between Sterlite Technologies UK Ventures Limited and Condispar Condutores Eletricos Limiteda)  
 Metis Eduventures Private Limited (Upto October 31, 2021)

**(iii) Associates**

M.B Maanshaan Special Cables Co. Ltd  
 Manshaan Metallurgica Bresciana Electrical Technology Limited  
 ASOCS Limited

**(iv) Key management personnel (KMP)**

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)  
 Dr. Anand Agarwal (CEO & Whole-time Director till December 02, 2021)  
 Mr. Sandip Das (Non executive & Independent Director)  
 Ms. Kumud Srinivasan (Non executive & Independent Director)  
 Mr. B. J Arun (Non executive & Independent Director w.e.f. January 20, 2021)  
 Mr. S Madhavan (Non executive & Independent Director w.e.f. January 20, 2021)  
 Mr. Ankit Agarwal (Whole-time Director from January 20, 2021 till October 07, 2021)  
 Mr. Ankit Agarwal (Managing Director w.e.f. October 08, 2021)

**(v) Relative of key management personnel (KMP)**



# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Mrs. Jyoti Agarwal  
Mrs. Ruchira Agarwal  
Mrs. Sonakshi Agarwal  
Mr. Navin Agarwal

**(vi) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)**

Universal Floritech LLP (EKMP)  
Sterlite Tech Foundation (EKMP)  
Pravin Agarwal Family Trust (EKMP)  
Runaya Private Limited (EKMP)

**(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**

**(i) Key management personnel (KMP)**

Mr. Mihir Modi (Chief Financial Officer till October 14, 2022)  
Mr. Tushar Shroff (Chief Financial Officer from December 06, 2022)  
Mr. Amit Deshpande (Company Secretary)

**Ultimate Controlling Party**

Sterlite Technologies Limited is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (Twin Star). Volcan Investments Limited ('Volcan') holds 100 % of the share capital and 100 % of the voting rights of Twin Star. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Mr. Anil Agarwal is the protector and the one of the beneficiaries of the Trust. Twin Star Overseas Limited, Volcan Investments Limited, and Anil Agarwal Discretionary Trust do not produce Group financial statements.

**(B) The transactions with related parties during the year and their outstanding balances are as follows:-**

(₹ in crores)

S. No.	Particulars	Subsidiaries		Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/ EKMP	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		1	Remuneration	-	-	-	-	-	-	15	31	-	-
2	Sitting Fees	-	-	-	-	-	-	0	0	-	-	-	-
3	Commission	-	-	-	-	-	-	1	2	-	-	-	-
4	Consultancy	-	-	-	-	-	-	-	1	-	-	-	-
5	Dividend (received)/paid	(47)	-	-	-	10	42	0	0	0	0	0	1
6	Investment during the year	114	30	-	-	-	-	-	-	-	-	-	-
7	Sale of investments	35	-	-	-	-	-	-	-	-	-	-	43
8	Loans and advances given	1,293	387	-	-	-	-	-	-	-	-	-	-
9	Repayment of loans given	1,301	196	-	-	-	-	-	-	-	-	-	11
10	Loan repaid	-	-	-	-	-	-	-	-	-	-	-	10
11	Interest charged on loans	24	20	-	-	-	-	-	-	-	-	-	0
12	Interest expense on loans	-	-	-	-	-	-	-	-	-	-	-	1
13	Management fees received	0	1	-	-	-	-	-	-	-	-	6	10
14	Reimbursement of expenses	37	11	-	-	-	-	-	-	-	-	2	0
15	Corporate guarantee & SBLC commission charged	2	4	-	-	-	-	-	-	-	-	-	-
16	Sale of property, plant & equipment	-	32	-	-	-	-	-	-	-	-	-	-
17	Purchase of goods & services	547	361	-	-	-	-	-	-	-	-	222	261
18	Sale of goods & services	2,071	1,073	6	13	-	-	-	-	-	-	16	9
19	Contributions made for CSR	-	-	-	-	-	-	-	-	-	-	8	11
20	Royalty Income	38	-	-	-	-	-	-	-	-	-	-	0
21	Rental income	1	-	-	-	-	-	-	-	-	-	0	0
<b>Outstanding Balances</b>													

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(₹ in crores)

S. No.	Particulars	Subsidiaries		Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/ EKMP	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		1	Loans/advance receivables##	437	410	-	-	-	-	-	-	-	-
2	Loans/advance payables	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest payable on loans	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade receivables	1,115	685	16	11	-	-	-	-	-	-	6	-
5	Other receivables	1	13	-	-	-	-	-	-	-	-	16	23
6	Trade payables	289	132	-	-	-	-	-	-	-	-	0	30
7	Advance to vendors	17	16	-	-	-	-	-	-	-	-	-	-
8	Investment in equity shares, preference shares & debentures	387	297	-	-	-	-	-	-	-	-	-	-
9	Corporate and bank guarantees given and outstanding	3	4	-	-	-	-	-	-	-	-	114 <sup>s</sup>	114 <sup>s</sup>

**(C) Disclosure in respect of material related party transaction during the year:**

(₹ in crores)

S. No.	Particulars	Relationship	March 31, 2023	March 31, 2022
<b>1</b>	<b>Remuneration</b>			
	Mr. Pravin Agarwal	KMP	8	10
	Dr. Anand Agarwal	KMP	-	14
	Mr. Ankit Agarwal	KMP	4	4
	Mr. Tushar Shroff	KMP	1	-
	Mr. Mihir Modi	KMP	1	3
	Mr. Amit Deshpande	KMP	1	1
<b>2</b>	<b>Sitting Fees</b>			
	Mr. Sandip Das	KMP	0	0
	Ms. Kumud Srinivasan	KMP	0	0
	Mr. S. Madhavan	KMP	0	0
	Mr. B J Arun	KMP	0	0
<b>3</b>	<b>Commission</b>			
	Mr. Arun Todarwal	KMP		0
	Mr. A. R. Narayanaswamy	KMP		0
	Ms. Kumud Srinivasan	KMP	0	0
	Mr. Sandip Das	KMP	0	0
	Mr. S. Madhavan	KMP	0	-
	Mr. B J Arun	KMP	0	-
	Mr. Pratik Agarwal	KMP		0
<b>4</b>	<b>Consultancy</b>			
	Mr. Sandip Das	KMP	-	1
<b>5</b>	<b>Dividend (received)/paid</b>			

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(₹ in crores)

S. No.	Particulars	Relationship	March 31, 2023	March 31, 2022
	Twin Star Overseas Limited	Holding Company	10	42
	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	(47)	-
	Vedanta Limited	Fellow Subsidiary	0	1
	Mr. Pravin Agarwal	KMP	0	0
	Dr. Anand Agarwal	KMP		0
	Mr. Pratik Agarwal	KMP	0	0
	Mr. Sandip Das	KMP	0	0
	Mr. Amit Deshpande	KMP	0	0
	Mr. S. Madhavan	KMP	0	0
	Mr. Navin Kumar Agarwal	Relatives of KMP	0	0
	Mr. Ankit Agarwal	Relatives of KMP	0	0
	Mrs. Sonakshi Agarwal	Relatives of KMP	0	0
	Mrs. Jyoti Agarwal	Relatives of KMP	0	0
	Ms. Ruchira Agarwal	Relatives of KMP	0	0
	Pravin Agarwal Family Trust	EKMP	0	0
<b>6</b>	<b>Investment during the year</b>			
	STL Tech Solutions Limited, UK	Subsidiary	-	4
	STL UK HoldCo Limited, UK	Subsidiary	-	26
	Sterlite (Shanghai) Trading Company Limited	Subsidiary	114	-
<b>7</b>	<b>Sale of investments</b>			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	43
	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	35	-
<b>8</b>	<b>Loans and advances given</b>			
	Speedon Network Limited	Subsidiary	1	1
	Sterlite Technologies UK Ventures Limited	Subsidiary	77	79
	Sterlite Tech Holding Inc.	Subsidiary	-	44
	Maharashtra Transmission Communication Infrastructure Limited	Fellow Subsidiary		0
	Sterlite Tech Cables Solutions Limited	Subsidiary	1,100	241
	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	39	
	STL UK HoldCo Limited, UK	Subsidiary	2	
	STL Optical Interconnect S.p.A.	Subsidiary	-	
	STL Digital Limited	Subsidiary	75	
	Sterlite Technologies DMCC	Subsidiary	-	
<b>9</b>	<b>Repayment of loans given</b>			
	Speedon Network Limited	Subsidiary	1	-
	Maharashtra Transmission Communication Infrastructure Limited	Fellow Subsidiary	-	2
	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	39	-
	Sterlite Tech Cables Solutions Limited	Subsidiary	1,234	155
	Sterlite Tech Holding Inc.	Subsidiary	-	39
	Sterlite Technologies Pty. Ltd	Subsidiary	-	-
	STL Digital Limited	Subsidiary	12	-
	Sterlite Technologies DMCC	Subsidiary	14	
	Sterlite Technologies UK Ventures Limited	Subsidiary	-	
	STL UK HoldCo Limited, UK	Subsidiary	2	
<b>10</b>	<b>Loan repaid</b>			

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(₹ in crores)

S. No.	Particulars	Relationship	March 31, 2023	March 31, 2022
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	10
<b>11</b>	<b>Interest charged on loans</b>			
	Speedon Network Limited	Subsidiary	2	2
	Sterlite Technologies UK Ventures Limited	Subsidiary	4	1
	Sterlite Tech Holding Inc. USA	Subsidiary	1	1
	Sterlite Tech Cables Solutions Limited	Subsidiary	10	11
	Sterlite Technologies DMCC	Subsidiary	1	0
	Twin Star Technologies Limited	Fellow Subsidiary		0
	STL UK HoldCo Limited, UK	Subsidiary	0	0
	Sterlite Technologies Pty Limited, Australia	Subsidiary	0	0
	STL Optical Interconnect S.p.A.	Subsidiary	5	5
	STL Digital Limited	Subsidiary	1	
<b>12</b>	<b>Interest expense on loans</b>			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	1
<b>13</b>	<b>Management fees received</b>			
	Cairn India Holdings Ltd	Fellow Subsidiary	6	10
	STL Optical Tech Limited	Subsidiary	0	
<b>14</b>	<b>Reimbursement of expenses</b>			
	Cairn India Holdings Ltd	Fellow Subsidiary	1	-
	Speedon Network Limited	Subsidiary	3	8
	Sterlite Power Transmission Limited	Fellow Subsidiary	0	0
	Sterlite Technologies UK Ventures Limited	Subsidiary	3	2
	Metallurgica Bresciana S.p.A	Subsidiary	2	0
	Sterlite Tech Cables Solutions Limited	Subsidiary	28	
	Maharashtra Transmission Communication Infrastructure Limited	Fellow Subsidiary	0	
<b>15</b>	<b>Corporate guarantee &amp; SBLC commission charged</b>			
	STL Optical Interconnect SpA	Subsidiary	1	0
	Jiangsu Sterlite Fiber Technology Co. Ltd.	Subsidiary	-	1
	Metallurgica Bresciana S.p.A	Subsidiary	1	3
<b>16</b>	<b>Sale of property, plant &amp; equipment</b>			
	Sterlite Technologies Inc USA	Subsidiary	-	17
	Sterlite Tech Cables Solutions Limited	Subsidiary	-	15
<b>17</b>	<b>Purchase of goods &amp; services</b>			
	STL Solutions Germany GmbH	Subsidiary	4	-
	Elitecore Technologies (Mauritius) Limited	Subsidiary	1	1
	Sterlite Technologies Inc.	Subsidiary	125	48
	Sterlite (Shanghai) Trading Company Limited	Subsidiary	4	10
	Jiangsu Sterlite Fiber Technology Co. Ltd.	Subsidiary	19	-
	Metallurgica Bresciana S.p.A	Subsidiary	11	24
	STL Digital Limited	Subsidiary	47	-
	Vedanta Limited	Fellow Subsidiary	190	223
	Optotec S.p.A., Italy	Subsidiary	16	-
	Sterlite Technologies Pty. Limited	Subsidiary	17	5
	STL Edge Networks Inc.	Subsidiary	17	18

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(₹ in crores)

S. No.	Particulars	Relationship	March 31, 2023	March 31, 2022
	Sterlite Tech Cables Solutions Limited	Subsidiary	252	234
	Universal Floritech LLP	EKMP	0	0
	Runaya Private Limited	EKMP	32	38
	Sterlite Technologies DMCC	Subsidiary	27	21
	Sterlite Power Transmission Limited	Fellow Subsidiary	0	
	Sterlite Technologies UK Ventures Limited	Subsidiary	7	
<b>18</b>	<b>Sale of goods &amp; services</b>			
	Metallurgica Bresciana S.p.A	Subsidiary	249	158
	Sterlite Technologies Inc.	Subsidiary	1,364	670
	Jiangsu Sterlite Fiber Technology Co. Ltd.	Subsidiary	21	-
	PT Sterlite Technologies Indonesia	Subsidiary		1
	Sterlite Technologies Pty. Limited	Subsidiary	21	11
	Elitecore Technologies sdn. bhd.	Subsidiary	2	1
	Sterlite Tech Cables Solutions Limited	Subsidiary	372	226
	Sterlite (Shanghai) Trading Company Limited	Subsidiary	4	6
	Sterlite Technologies DMCC	Subsidiary	0	0
	Speedon Network Limited	Subsidiary		0
	Sterlite Power Transmission Limited	Fellow Subsidiary	16	9
	Sterlite Condu spar Industrial Ltda	Joint Venture	6	13
	Sterlite Technologies UK Ventures Limited	Subsidiary	5	
	STL Digital Limited	Subsidiary	10	
	Optotec S.p.A., Italy	Subsidiary	15	
	STL Digital UK Limited	Subsidiary	2	
	STL Digital Inc	Subsidiary	7	
	Runaya Private Limited	EKMP	0	
<b>19</b>	<b>Contributions made for CSR</b>			
	Sterlite Tech Foundation	EKMP	8	11
<b>20</b>	<b>Rental income</b>			
	Universal Floritech LLP	EKMP	0	0
	STL Digital Limited	Subsidiary	1	1
<b>21</b>	<b>Royalty Income</b>			
	Sterlite Tech Cables Solutions Limited	Subsidiary	38	

## (D) Compensation of Key management personnel of the company

Particulars	March 31, 2023	March 31, 2022
Short term employee benefits	14	23
Long term & Post employment benefits	1	5
Share based payment transaction*	0	3
<b>Total compensation paid to key management personnel</b>	<b>15</b>	<b>31</b>

## (E) Terms and Conditions

- Transactions relating to dividends for equity shares were on the same terms and conditions that applied to other shareholders.
- All other transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and repayable in cash.

##Includes interest & expenses incurred and recoverable.

\$ Refer note 37 for details

\*Share-based payments include the perquisite value of stock incentives exercised during the year, determined in accordance with the provisions of the Income-tax Act, 1961.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 49. Borrowing Secured Against Current Assets

List of banks to which stock statements are submitted:

Sr No	Bank Name
1	ICICI Bank Ltd.
2	State Bank of India
3	Yes Bank Ltd
4	Axis Bank Ltd
5	IDFC FIRST Bank Ltd
6	Indusind Bank Limited
7	Bank of Baroda
8	RBL Bank Ltd.
9	The Federal Bank Limited
10	IDBI Bank Limited
11	Deutsche Bank AG
12	Union Bank of India
13	HDFC Bank Ltd.
14	Export-Import Bank of India
15	Citi Bank

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns of statements of current assets filed by the Company with banks are in agreement with the books of accounts, except for the following statements in the table below:-

Quarter ended	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
March, 2023	Trade receivables and contract assets	3,527	3,532	(5)	The difference is on account of period end regroupings.
December, 2021	Trade receivables and contract assets	2,929	3,162	(233)	The difference is on account of period end closing entries.
December, 2021	Inventories	457	349	108	The difference is on account of period end closing entries.
September, 2021	Trade receivables and contract assets	2,991	3,124	(133)	The difference is on account of period end closing entries ₹(195.16) crores and non consideration of related party receivable ₹62.00 crore
September, 2021	Inventories	374	341	33	The difference is on account of period end closing entries.
June, 2021	Trade receivables and contract assets	3,204	3,079	125	The difference is on account of period end regroupings ₹63.09 crores and non consideration of related party receivable ₹62.00 crore
June, 2021	Inventories	449	351	97	The difference is on account of period end closing entries.

As per our report of even date

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

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

**Neeraj Sharma**  
Partner  
Membership Number:108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial  
Officer

**Amit Deshpande**  
Company  
Secretary

Place: Mumbai  
Date: May 17, 2023

Place: Mumbai  
Date: May 17, 2023

# INDEPENDENT AUDITORS' REPORT

## To the Members of Sterlite Technologies Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and jointly controlled entity (refer note 36 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and jointly controlled entity as at March 31, 2023 and its consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 and 15 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>a. Recognition of revenue:</b> (Refer note 2.3 (e), note 3 and note 26 to the Consolidated Financial Statements).</p> <p>The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by the Management with respect to:</p> <ul style="list-style-type: none"> <li>• Combination of contracts entered into with the same customer;</li> <li>• Identification of distinct performance obligations;</li> <li>• Total consideration when the contract involves variable consideration;</li> <li>• Allocation of consideration to identified performance obligations; and</li> <li>• Recognition of revenue over a period of time or at a point in time, based on timing when control is transferred to customer.</li> </ul> <p>Further, for contracts where revenue is recognised over a period of time, the Group makes estimates which impact the revenue recognition. Such estimates include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• costs to complete,</li> <li>• contract risks, and</li> <li>• liquidated damages</li> </ul>	<p><b>Our audit procedures included:</b></p> <p>Understood and evaluated the design and tested the operating effectiveness of key controls relating to revenue recognition.</p> <p>In respect of a sample of contracts, our procedures included, among other things:</p> <ul style="list-style-type: none"> <li>• Reading of selected contracts to identify significant terms of the contracts;</li> <li>• Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation;</li> <li>• Evaluating the contract terms with respect to assessment of the date of transfer of control;</li> <li>• Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts;</li> <li>• Testing the appropriateness of key assumptions used by the Management in making estimates for contracts where revenue is recognised over time including the appropriateness and reasonability of Management's conclusion regarding the expected delays in estimated completion of the performance obligations and possible impact on key estimates;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>Also, for ongoing contracts, management re-assesses the above estimates at each reporting date taking into account expected delays in completion of the performance obligations, cost escalations and available contract remedies</p> <p>We focused on this area since it requires management to exercise judgement and therefore could be subject to material misstatement due to fraud or error.</p>	<ul style="list-style-type: none"> <li>• Reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies.</li> <li>• Testing of journal entries for unusual/ irregular revenue transactions, if any; and</li> <li>• Assessing adequacy of presentation and disclosures in the consolidated financial statements.</li> </ul> <p>Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by Ind AS 115.</p>
<p><b>b. Valuation of contract assets and trade receivables - risk of credit losses</b> (Refer note 2.3(q)(iii), note 3, note 8 and note 11 to the Consolidated Financial Statements)</p> <p>The Group's trade receivables and contract assets amount to ₹ 1,822 and ₹1,416 as at March 31, 2023.</p> <p>A significant portion of contract assets and trade receivables are related to the Global Services Business (GSB). GSB is into the business of fibre roll out and end to end system integration wherein revenue is recognised over time.</p> <p>Such contracts are long term in nature and have inherent operational and contractual risks, like difference in billing and payment milestones, customer site acceptance, retention clauses, availability of funds with customers, potential disputes, etc., resulting in delays in billing and collection and risk of recoverability.</p> <p>The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts.</p> <p>The expected credit loss provision is measured by the management using the simplified approach as prescribed by Ind AS 109: Financial Instruments.</p> <p>While the Group assesses the recoverability of receivable from each contract of GSB separately based on credit risk, project status, past history, latest discussion/ correspondence with the customers and legal opinions wherever applicable, the provision is estimated on an aggregate basis.</p> <p>For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109.</p> <p>The trade receivables and contract assets are material to the consolidated financial statements and as the assessment of their recoverability requires considerable management judgement, we determined this to be a key audit matter.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the accounting policy of the Group.</li> <li>• Evaluating the design and testing the operating effectiveness of the key controls on measurement of expected credit loss;</li> <li>• Understanding the reasons for aged / overdue balances including factors like project status and contractual terms through discussions with the management, corroborating by review of correspondences with the customers and site visits as necessary and obtaining management representations where necessary;</li> <li>• Assessing and challenging the appropriateness and completeness of the assumptions used by the Management in determining the expected credit loss by considering credit risk of the customer, cash collection, correspondences with the customers, etc.;</li> <li>• Inquiring with the inhouse legal counsel regarding status of the disputed dues and reviewing and discussing the legal opinions obtained by the management with the external legal counsels wherever necessary;</li> <li>• Assessing and testing the appropriateness of inputs and assumptions used in the provision matrix; and</li> <li>• Assessing adequacy of the disclosures in the financial statements required to be made by the Management as per the applicable Ind AS requirements.</li> </ul> <p>Based on the above procedures performed, no significant observations were noted in management's assessment of valuation of trade receivables and contract assets.</p>

### Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 and 15 below), we conclude that there is a material misstatement of this



other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for assessing the ability of the Group and of its associate companies and jointly controlled entity 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 Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate companies and jointly controlled entity.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (j) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and jointly controlled entity 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and jointly controlled entity to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction,

supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

14. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹403 crores and net assets of ₹173 crores as at March 31, 2023, total revenue of ₹100 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹27 crores and net cash flows amounting to ₹(9) crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on the reports of the other auditors.
15. The financial statements of four subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹1,175 crores and net assets of ₹342 crores as at March 31, 2023, total revenue of ₹1,027 crores, total comprehensive loss (comprising of profit and other comprehensive income) of ₹7 crores and net cash flows amounting to ₹49 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted

the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

16. We did not audit the financial statements of twenty six subsidiaries whose financial statements reflect total assets of ₹925 crores and net assets of ₹149 crores as at March 31, 2023, total revenue of ₹334 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹43 crores and net cash flows amounting to ₹77 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹4 crores and ₹ Nil for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of three associate companies and one jointly controlled entity respectively, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

The statutory audit reports on the financial statements for the year ended March 31, 2023 of following subsidiaries of the Holding Company have not been issued until the date of this report. Accordingly, no comments for the said subsidiaries have been included for the purpose of reporting under this clause.

S. No.	Name of the Company	Relationship with the Holding Company
1.	Speedon Network Limited	Subsidiary
2.	STL Digital Limited	Subsidiary
3.	Sterlite Innovative Solutions Limited	Subsidiary
4.	Sterlite Telesystems Limited	Step-down Subsidiary

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law have been kept by the Holding Company and its subsidiary companies incorporated in India, so far as it appears from our examination of those books except that in respect of certain books and papers backup is not maintained in India.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above.
  - With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the

Group, its associate companies and jointly controlled entity— Refer Note 22 and 39 to the consolidated financial statements.

- The Group, its associate companies and jointly controlled entity were not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group, its associates and jointly controlled entity did not have any long-term derivative contracts as at March 31, 2023.
- There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India during the year.
  - The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 9 to the consolidated financial statements).
  - The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 19 to the consolidated financial statements).

- (c) Based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- iv. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act.
- v. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters
- in the accounting software used by the Group, associate companies and jointly controlled entity, is applicable to the Group, associate companies and jointly controlled entity only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
19. The Holding Company and its subsidiary companies incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Neeraj Sharma**

Partner

Membership Number: 108391

UDIN: 23108391BGTBUR3252

Place: Mumbai

Date: May 17, 2023

# ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of Sterlite Technologies Limited on the consolidated financial statements for the year ended March 31, 2023**

## **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Sterlite Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date. The statutory audit reports of four subsidiaries of the Holding Company incorporated in India (refer note 36 to the Consolidated Financial Statements) have not been issued until the date of this report.

## **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

## **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are

subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

### Neeraj Sharma

Partner

Membership Number: 108391

UDIN: 23108391BGTBUR3252

Place: Mumbai

Date: May 17, 2023

# CONSOLIDATED BALANCE SHEET

As at March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant & equipment	4	2,854	2,855
Capital work-in-progress	4	129	143
Goodwill	5,6	225	270
Intangible assets	5	167	226
Deferred tax assets (net)	24A	77	48
Financial assets			
(i) Investments	7	96	92
(ii) Loans	9	3	4
(iii) Other financial assets	10	11	18
Other non-current assets	11	97	122
<b>Total Non-current Assets</b>		<b>3,659</b>	<b>3,778</b>
<b>II. Current assets</b>			
Inventories	12	832	920
Financial assets			
(i) Investments	13	40	0
(ii) Trade receivables	8	1,822	1,706
(iii) Cash and cash equivalents	14	450	411
(iv) Other bank balances	15	57	119
(v) Loans	9	0	0
(vi) Other financial assets	10	118	110
Contract assets	11	1,416	1,255
Other current assets	11	461	460
		<b>5,196</b>	<b>4,981</b>
Assets classified as held for sale	16	10	-
<b>Total Current Assets</b>		<b>5,206</b>	<b>4,981</b>
<b>Total Assets</b>		<b>8,865</b>	<b>8,759</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	80	80
Other equity	18	2,011	1,875
<b>Equity attributable to owners of the parent</b>		<b>2,091</b>	<b>1,955</b>
Non-controlling interests		4	92
<b>Total Equity</b>		<b>2,095</b>	<b>2,047</b>
<b>Liabilities</b>			
<b>I. Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	1,002	1,536
(ii) Lease liabilities	4	126	129
(iii) Other financial liabilities	20	15	16
Employee benefit obligations	25	44	50
Provisions	22	0	1
Deferred tax liabilities (net)	24A	54	90
<b>Total Non-current Liabilities</b>		<b>1,241</b>	<b>1,822</b>
<b>II. Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	2,665	1,775
(ii) Lease liabilities	4	41	35
(iii) Trade payables	21		
(A) total outstanding dues of micro and small enterprises (refer note 40)		326	178
(B) total outstanding dues of creditors other than micro and small enterprises		1,826	2,242
(iv) Other financial liabilities	20	254	295
Contract liabilities	23	156	186
Employee benefit obligations	25	29	17
Provisions	22	66	24
Current tax liabilities (Net)	24B	33	22
Other current liabilities	23	131	116
<b>Total Current Liabilities</b>		<b>5,529</b>	<b>4,890</b>
<b>Total liabilities</b>		<b>6,770</b>	<b>6,713</b>
<b>Total Equity &amp; Liabilities</b>		<b>8,865</b>	<b>8,759</b>

Summary of significant accounting policies

2

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

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

**For and on behalf of the Board of Directors of Sterlite Technologies Limited**

**Neeraj Sharma**  
Partner  
Membership Number: 108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial Officer

**Amit Deshpande**  
Company Secretary

Place: Mumbai  
Date: 17 May 2023

Place: Mumbai  
Date: 17 May 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>Continuing Operations</b>			
<b>INCOME</b>			
Revenue from operations	26	6,925	5,437
Other income	27	41	58
<b>Total Income (I)</b>		<b>6,966</b>	<b>5,495</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	28	3,164	3,089
Purchase of traded goods		1	0
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	28	134	(320)
Employee benefit expense	29	912	661
Other expenses (includes net impairment losses of financial and contract assets of ₹72 crores (31 March 2022: ₹91 crores)).	30	1,824	1,342
<b>Total Expenses (II)</b>		<b>6,035</b>	<b>4,772</b>
<b>Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>931</b>	<b>723</b>
Depreciation and amortisation expense	31	309	308
Finance costs	32	311	238
<b>Profit before exceptional items, tax and share of profit of associate and joint venture</b>		<b>311</b>	<b>178</b>
Share of net profit of associates and joint venture	53	4	5
<b>Profit before exceptional items and tax</b>		<b>315</b>	<b>182</b>
Exceptional items	44	-	16
<b>Profit before tax from continuing operations</b>		<b>315</b>	<b>199</b>
<b>Tax expense:</b>			
Current tax	33	148	138
Deferred tax		(64)	(86)
<b>Total tax expenses</b>		<b>84</b>	<b>52</b>
<b>Profit from continuing operations</b>		<b>231</b>	<b>147</b>
<b>Discontinued operation</b>			
Loss from discontinued operation after tax	16	(104)	(102)
<b>Loss from discontinued operation</b>		<b>(104)</b>	<b>(102)</b>
<b>Profit for the year (A)</b>		<b>127</b>	<b>45</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified to profit or loss in subsequent periods</b>			
Net movement in cash flow hedges	18	(37)	1
Exchange differences on translation of foreign operations	18	14	6
Income tax effect on the above		6	(0)
<b>Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>		<b>(17)</b>	<b>7</b>
Items that will not be reclassified to profit or loss in subsequent periods		4	4
Income tax effect on the above		(1)	(1)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>3</b>	<b>3</b>
<b>Other comprehensive income/(loss) for the year, net of tax (B)</b>		<b>(14)</b>	<b>10</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>113</b>	<b>55</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Parent		141	60
Non-controlling interests		(14)	(15)
		<b>127</b>	<b>45</b>
<b>Other comprehensive income/(loss) attributable to:</b>			
Owners of the Parent		(10)	5
Non-controlling interests		(4)	5
		<b>(14)</b>	<b>10</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Parent		131	65
Non-controlling interests		(18)	(10)
		<b>113</b>	<b>55</b>
<b>Total comprehensive income attributable to owners arising from:</b>			
Continuing Operations		235	167
Discontinued Operations		(104)	(102)
		<b>131</b>	<b>65</b>
<b>Earnings/(loss) per equity share to owners of the parent (Amounts in ₹)</b>			
<b>(Face Value ₹2 per share)</b>	35		
<b>Basic</b>			
From continuing operations		6.15	4.03
From discontinued operation		(2.62)	(2.52)
From continuing and discontinued operations		3.53	1.51
<b>Diluted</b>			
From continuing operations		6.12	4.02
From discontinued operation		(2.62)	(2.52)
From continuing and discontinued operations		3.50	1.50

Summary of significant accounting policies

2

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

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

**For and on behalf of the Board of Directors of Sterlite Technologies Limited**

**Neeraj Sharma**  
Partner  
Membership Number: 108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial Officer

**Amit Deshpande**  
Company Secretary

Place: Mumbai  
Date: 17 May 2023

Place: Mumbai  
Date: 17 May 2023



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

Equity shares of ₹2 each issued, subscribed and fully paid	Note	No. in Crs.	Amount
<b>As at 01 April 2021</b>		<b>39.66</b>	<b>79</b>
Changes in equity share capital	17	0.11	0
<b>As at 31 March 2022</b>		<b>39.77</b>	<b>80</b>
Changes in equity share capital	17	0.08	0
<b>As at 31 March 2023</b>		<b>39.85</b>	<b>80</b>

## B. OTHER EQUITY

	Reserves and surplus						Other reserves				Total	Non-Controlling interest
	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Redemption liability reserve	Foreign currency translation reserve		
<b>As at 01 April 2021</b>	<b>0</b>	<b>15</b>	<b>23</b>	<b>37</b>	<b>102</b>	<b>2</b>	<b>1,695</b>	<b>2</b>	<b>(19)</b>	<b>51</b>	<b>1,908</b>	<b>98</b>
Profit for the year	-	-	-	-	-	-	60	-	-	-	60	(15)
Other comprehensive income for the year	-	-	-	-	-	-	3	1	-	1	6	5
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>66</b>	<b>(10)</b>
Amount transferred to general reserve	-	-	-	(37)	37	-	-	-	-	-	-	-
Restatement of redemption liability	-	-	-	-	-	-	-	-	6	-	6	-
Creation of Redemption liability (refer note 45)	-	-	-	-	-	-	-	-	(35)	-	(35)	-
Transferred to statement of profit and loss (net)	-	-	-	-	-	-	-	(1)	-	-	(1)	-
Others	-	-	-	-	-	-	-	-	-	(1)	(1)	-
<b>Transactions with owners in their capacity as owners</b>												
Employee stock option exercised	-	10	(10)	-	-	-	-	-	-	-	-	-
Employee stock option expense for the year (refer note 34)	-	-	12	-	-	-	-	-	-	-	12	-
Equity dividend (refer note 49)	-	-	-	-	-	-	(79)	-	-	-	(79)	-
Transactions with non-controlling interest (refer note 45)	-	-	-	-	-	-	-	-	-	-	-	11
Non-controlling interest sold during the year (refer note 16)	-	-	-	-	-	-	-	-	-	-	-	(7)
<b>As at 31 March 2022</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>139</b>	<b>2</b>	<b>1,679</b>	<b>1</b>	<b>(47)</b>	<b>51</b>	<b>1,875</b>	<b>92</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	Reserves and surplus										Total	Non-Controlling interest
	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Redemption liability reserve	Foreign currency translation reserve		
<b>As at 31 March 2022</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>139</b>	<b>2</b>	<b>1,679</b>	<b>1</b>	<b>(47)</b>	<b>51</b>	<b>1,875</b>	<b>92</b>
Profit for the year	-	-	-	-	-	-	141	-	-	-	141	(14)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	3	(28)	-	15	(10)	(4)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144</b>	<b>(28)</b>	<b>-</b>	<b>15</b>	<b>131</b>	<b>(18)</b>
Restatement of redemption liability	-	-	-	-	-	-	-	-	47	-	47	-
Others	-	-	-	-	-	-	-	-	-	(5)	(5)	-
<b>Transactions with owners in their capacity as owners</b>												
Employee stock option exercised	-	9	(9)	-	-	-	-	-	-	-	-	-
Employee stock option expenses for the year (refer note 34)	-	-	9	-	-	-	-	-	-	-	9	-
Equity dividend (refer note 49)	-	-	-	-	-	-	(20)	-	-	-	(20)	(14)
Transactions with non-controlling interest (refer note 45 and note 54)	-	-	-	-	-	-	(26)	-	-	-	(26)	(40)
Non-controlling interest sold during the year (refer note 16)	-	-	-	-	-	-	-	-	-	-	-	(16)
<b>As at 31 March 2023</b>	<b>0</b>	<b>34</b>	<b>25</b>	<b>-</b>	<b>139</b>	<b>2</b>	<b>1,777</b>	<b>(27)</b>	<b>(1)</b>	<b>61</b>	<b>2,011</b>	<b>4</b>

Summary of significant accounting policies

2

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

As per our report of even date

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

**For and on behalf of the Board of Directors of Sterlite Technologies Limited**

**Neeraj Sharma**  
Partner  
Membership Number: 108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial Officer

**Amit Deshpande**  
Company Secretary

Place: Mumbai  
Date: 17 May 2023

Place: Mumbai  
Date: 17 May 2023

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
<b>A. Operating activities</b>		
<b>Profit/(Loss) before tax</b>		
From continuing operations	315	199
From discontinued operation	(162)	(140)
	<b>153</b>	<b>59</b>
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	336	319
Amortisation and impairment of intangible assets	37	45
Provision for doubtful debts and advances / written back	64	105
Bad debts / advances written off	56	-
(Profit) / Loss on sale of property, plant and equipment, net including gain on termination of lease	5	(68)
Profit from sale of business undertaking	(90)	-
Profit on sale of investments	(37)	(36)
Rental income	-	(0)
Share of profit from associates and joint venture	(4)	(4)
Employee stock option expenses	9	12
Finance costs (including interest pertaining to Ind AS 116)	311	241
Finance income (forming part of other income)	(10)	(6)
Unrealised exchange difference	(41)	(2)
	<b>636</b>	<b>606</b>
<b>Operating profit before working capital changes</b>	<b>789</b>	<b>665</b>
Working capital adjustments:		
Increase/(decrease) in trade payables	(305)	414
Increase/(decrease) in long-term provisions	(1)	0
Increase/(decrease) in short-term provisions	41	28
Increase/(decrease) in other current liabilities	23	18
Increase/(decrease) in contract liabilities	9	113
Increase/(decrease) in other current financial liabilities	(12)	(11)
Increase/(decrease) in other non-current financial liabilities	40	(7)
Increase/(decrease) in current employee benefit obligations	12	4
Increase/(decrease) in non-current employee benefit obligations	(2)	1
Decrease/(increase) in current trade receivable	(235)	(172)
Decrease/(increase) in inventories	118	(297)
Decrease/(increase) in loans given to related parties	2	10
Decrease/(increase) in short-term loans	(0)	(0)
Decrease/(increase) in other current financial assets	(18)	(62)
Decrease/(increase) in other non-current financial assets	6	5
Decrease/(increase) in other current assets	(4)	(23)
Decrease/(increase) in contract assets	(192)	55
Decrease/(increase) in other non-current assets	(27)	1
Changes in working capital	<b>(545)</b>	<b>77</b>
<b>Cash generated from operations</b>	<b>245</b>	<b>742</b>
Income tax paid (net of refunds)	(19)	(158)

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
<b>Net cash inflow from operating activities (A)</b>	<b>226</b>	<b>584</b>
<b>B. Investing activities*</b>		
Purchase of property, plant and equipments	(365)	(668)
Receipt of government grant for investment in property, plant & equipment	14	129
Purchase of intangible assets	(10)	(19)
Proceeds from sale of property, plant and equipments	26	95
Investment in subsidiaries, net of cash acquired	-	(110)
Proceeds from assets held for sale	10	20
Proceeds from sale of investments in subsidiaries	113	45
Proceeds from sale of business undertaking	123	-
Purchase of current investments	(40)	(0)
Proceeds from current investments	-	181
Net movement in other bank balance	62	(160)
Rental income	-	0
Interest received (finance income)	10	6
<b>Net cash flow used in investing activities (B)</b>	<b>(57)</b>	<b>(481)</b>
<b>C. Financing activities*</b>		
Proceeds from long term borrowings	346	587
Repayment of long term borrowings	(523)	(298)
Proceeds/(repayment) from/of short term borrowings (net)	493	166
Proceeds from issue of shares against employee stock options	0	0
Interest paid (including interest pertaining to Ind AS 116)	(314)	(240)
Principal elements of leases payments	(33)	(21)
Payment to non-controlling interest for acquisition	(67)	-
Dividend paid by subsidiary to non-controlling interest	(14)	-
Dividend paid on equity shares	(20)	(79)
<b>Net cash flow from financing activities (C)</b>	<b>(132)</b>	<b>115</b>
* Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of ₹26 crores (31 March 2022: ₹86 crores) and creation of redemption liability of ₹ Nil (31 March 2022: ₹35 crores).		
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>37</b>	<b>218</b>
<b>Foreign exchange relating to cash and cash equivalents of Foreign operations</b>	<b>2</b>	<b>(0)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>411</b>	<b>193</b>
<b>Cash and cash equivalents as at the year end</b>	<b>450</b>	<b>411</b>

## Components of cash and cash equivalents:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Balances with banks:</b>	<b>450</b>	<b>411</b>
<b>Cash on hand</b>	<b>0</b>	<b>0</b>
<b>Total cash and cash equivalents</b>	<b>450</b>	<b>411</b>
<b>Total cash and cash equivalents</b>	<b>450</b>	<b>411</b>

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

As per our report of even date

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

For and on behalf of the Board of Directors of Sterlite Technologies Limited

**Neeraj Sharma**  
Partner  
Membership Number:108391

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

**Ankit Agarwal**  
Managing Director  
DIN: 03344202

**Tushar Shroff**  
Chief Financial  
Officer

**Amit Deshpande**  
Company  
Secretary

Place: Mumbai  
Date: May 17, 2023

Place: Mumbai  
Date: May 17, 2023

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Parent Company), its subsidiaries (collectively, the Group) and its joint venture and associate companies for the year ended 31 March 2023. The Parent Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Parent Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001, India. The Group's operations primarily relates to telecom sector including manufacturing of telecom products, telecom services and providing digital and technology solutions.

The Group is a global leader in end-to-end data network solutions. The group designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the group is the industry's leading integrated solutions provider for global data networks. The group partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

## 2. Significant accounting policies

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

### 2.1 Basis of preparation

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

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share Based Payments
- Defined benefit plans- plan assets measured at fair value
- Assets classified as held for sale – measured at fair value less cost to sale.

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

### 2.2 Principles of consolidation and equity accounting

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns

through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

each subsidiary. Business combinations policy explains how goodwill is accounted.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.3 Summary of significant accounting policies

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

### a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-

by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### Redemption liability

The Group recognises a financial liability at the present value of the redemption amount for its obligation, if any, to pay cash in the future to purchase the shares held by non-controlling interest shareholders. The initial redemption liability and any subsequent adjustment to the liability is reduced from the parent's equity if the risks and rewards of ownership remain with the non-controlling interest and are not transferred to the group.

### b) Investment in joint ventures and associate companies

The Group's investment in its joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate companies and joint ventures are recognised as a reduction in the carrying amount of the investment.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Associate companies are all entities over which group has significant influence but not control. Investment in associate companies are accounted for using the equity method of accounting, after initially being recognised at cost.

## c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

## d) Foreign currency translation

### Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Sterlite Technologies Limited's functional and presentation currency.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash

flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

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

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

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income or profit and loss account.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference are classified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

## e) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

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

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

## Revenue recognition policy

The Group has following streams of revenue:

- (i) Revenue from sale of products
- (ii) Revenue from sale of services
- (iii) Revenue from network integration projects
- (iv) Revenue from software products/licenses and implementation activities

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

The Group identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether

the revenue can be recognized over time as it performs if any of the following criteria is met:

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

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

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

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

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

Financing components: The Group does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

## Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, legal title to goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

## f) Other income

### 1. Interest income

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

### 2. Dividends

Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

### 3. Rental income

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

## g) Government grants

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

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

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

## h) Income taxes (Current income tax & deferred tax)

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

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

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

Deferred tax is recognised for all taxable temporary differences, except:

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

## i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. Such historical cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected to 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 cost to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

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

profit or loss during the reporting period in which they are incurred.

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

Asset Category	Useful Life considered#*	Useful life (Schedule II)
Buildings	30-60 Years	30-60 Years
Plant & Machinery	3-25 Years	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5-10 Years	10 Years
Data processing equipment's	3-5 Years	Servers and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment's	4-5 Years	5 Years
Electric fittings	4-10 Years	10 Years
Vehicles#	4-5 Years	8 Years

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

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

The leasehold improvements and property, plant and equipment acquired under leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, unless the entity/Group expects to use the assets beyond the lease term.

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

## j) Intangible assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, or is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

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

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

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

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

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fibre 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.

All intangibles assets (other than Goodwill and Customer Relationships) are amortised on a straight line basis five to six years.

Customer relationships recognised as a part of business combination are amortised over period of five to ten years.

Research costs are expensed as incurred.

## k) Leases

### As a lessee:

The group leases various assets which includes land, buildings and plant & machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, and leased assets are not used as security for borrowing purposes

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

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

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

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

#### As a lessor:

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

#### l) Inventories

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### m) Impairment of non-financial assets

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

reversal of the impairment at the end of each reporting period.

#### n) Provisions and contingent liabilities

##### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

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

##### Contingent liabilities

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

#### o) Employee benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (ii) Other long-term employee benefit obligations

The liabilities for privilege leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) **Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) Defined benefit plans in the nature of gratuity, and
- (b) Defined contribution plans in the nature of provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than ₹, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**p) Share-based payments**

The fair value of options granted under the Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**q) Investments and other financial assets**

**i) Classification & recognition:**

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments,

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

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

## ii) Measurement:

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

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

### Debt instruments

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

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

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss

previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

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

### Equity instruments

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

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

The Group makes investments in certain joint ventures and associate companies with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associate companies in accordance with Ind AS 109.

## iii) Impairment of financial assets

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

- a) Financial assets that are debt instrument, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

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

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

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

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

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

- 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 uses the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of

profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

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

#### iv) De-recognition of financial assets

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

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

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

#### v) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## r) Financial liabilities

### Trade and other payables

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

### Borrowings

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

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to

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

### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## s) Offsetting of financial instruments

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

## t) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

(cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

## Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group designates the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

## Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

## Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

## u) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associate companies are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## v) Cash and cash equivalents

Cash and cash equivalents 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 change in value.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

## w) Dividends

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

## x) Earnings per share

### Basic earnings per share

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

### Diluted earnings per share

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

## y) Presentation of EBITDA

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

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include exceptional items, depreciation and amortisation expense, finance costs, share of profit/ loss from associates and joint venture and tax expense.

## z) Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect

contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## aa) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 56 for segment information presented.

## ab) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## ac) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated. Amounts below the rounding off norm followed by the Group are disclosed as '0'.

## ad) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

## 2.4 Recent accounting pronouncements

### New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### New and amended standards issued but not effective

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

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

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

## 3. Significant Accounting Judgements, Estimates and Assumptions

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

information about each of these estimates and judgements is described below.

### Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

### Revenue Recognition on Contracts with Customers

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The Group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Group excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Group recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Group in designing and manufacturing of the good.

## Share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte Carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

## Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves

making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

## Business Combinations

In accounting for business combinations, judgement is required for valuation of assets and determining whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable asset acquired and liabilities and contingent considerations involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions, such as discount rate, that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

## Impairment assessment for trade receivables and contract assets

A significant portion of contract assets and trade receivables of the group is related to the Global Services business (GSB) wherein revenue is recognised over time. Such contracts are long term in nature and have inherent operational and contractual risks, like difference in billing and payment milestones, customer acceptance, retention clauses, availability of funds with customers, potential disputes and others resulting in delay in billing and collection and the risk of recoverability.

The group uses the simplified approach as prescribed by Ind AS 109: Financial Instruments to calculate the expected lifetime credit loss for receivable and contract assets from the GSB. Given the differences in size, nature and contractual and operational risks of each contract, in assessing the recoverability of receivable, contract assets and expected lifetime credit loss, the group considers the credit risk, expected date of billing and collection, interpretation of contractual terms, project status, past history, latest discussion/ correspondence with the customers and legal opinions wherever applicable, of individual contracts. The assessments are then considered in calculating the expected lifetime losses on an overall balance of receivables and contract assets from GSB business. For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts for which a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 4. Property, Plant & Equipment

	Freehold land	Buildings#	Plant & machinery*	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles of Use asset	Right of Use asset	Total
<b>Cost</b>										(₹ in crores)
<b>As at 01 April 2021</b>	128	655	3,295	29	80	21	67	12	142	4,431
Additions	10	52	190	3	12	4	20	6	86	382
Assets acquired under business combination (refer note 45)	-	-	7	-	-	-	-	-	-	7
Translation adjustments	(1)	4	26	0	-	(0)	-	(0)	0	29
Disposals/adjustments	(5)	(3)	(40)	(1)	(0)	(2)	(0)	(2)	(1)	(54)
<b>As at 31 March 2022</b>	133	708	3,478	31	92	23	87	16	227	4,795
Additions	-	17	287	7	11	5	9	2	26	363
Asset disclosed as asset held for sale (refer note 16)	-	-	(76)	-	(3)	(1)	-	-	-	(80)
Translation adjustments	4	5	12	0	-	1	-	0	6	28
Disposals/adjustments	-	(21)	(27)	(1)	(5)	(1)	(0)	(2)	(27)	(84)
<b>As at 31 March 2023</b>	136	709	3,674	38	95	27	95	16	231	5,022
<b>Accumulated Depreciation and Impairment</b>										
<b>As at 01 April 2021</b>	-	135	1,347	16	61	16	36	6	31	1,648
Charge for the year <sup>^</sup>	-	34	202	3	10	3	5	2	26	286
Impairment loss (refer note 44)	-	-	29	-	-	-	-	-	-	29
Translation adjustments	-	1	5	0	(0)	(0)	-	(0)	(0)	5
Disposal / adjustments	-	(1)	(21)	(1)	(0)	(2)	(0)	(1)	(1)	(28)
<b>As at 31 March 2022</b>	-	168	1,562	18	71	17	41	7	56	1,939
Charge for the year (Continued operations)	-	33	194	2	10	3	8	2	22	274
Charge for the year (Discontinued operations) (refer note 16)	-	-	10	1	1	-	-	-	1	13
Asset disclosed as asset held for sale (refer note 16)	-	-	(23)	(0)	(1)	(1)	-	-	-	(25)
Translation adjustments	-	2	16	0	0	0	0	0	1	20
Disposal/adjustments	-	(3)	(19)	(1)	(2)	(1)	(1)	(1)	(26)	(54)
<b>As at 31 March 2023</b>	-	200	1,740	21	79	19	48	8	53	2,168
<b>Net Book Value</b>										
As at 31 March 2023	136	509	1,934	17	16	8	47	9	177	2,854
As at 31 March 2022	133	540	1,916	13	21	6	46	9	171	2,855

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Movement in Capital work in progress	31 March 2023	31 March 2022
<b>Opening balance</b>	<b>143</b>	<b>227</b>
Additions during the year	312	201
Borrowing cost capitalised during the year (Refer Note 32)	10	5
Transfers during the year	(335)	(291)
<b>Closing balance</b>	<b>129</b>	<b>143</b>

Capital work in progress mainly comprises amounts pertaining to plant & machinery, building and Data processing equipments.

# Buildings include those constructed on leasehold land:

	March 31, 2023	March 31, 2022
Gross Block	482	479
Depreciation for the year	20	22
Accumulated depreciation	119	98
Net Block	364	380

^ The charge during the year also include amount of ₹ Nil (31 March 2022: ₹2 crores) which is capitalised as directly attributable expenditure as per Ind AS 16.

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

Refer note 38 for disclosure of capital commitments for the acquisition of property, plant & equipments.

No proceedings have been initiated or are pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

\* ₹14 crores received in the current year (31 March 2022: ₹128 crores) under Modified Special Incentive Package Scheme (MSIPS) is netted off against specific items of Property, Plant & Equipment against which the Grant is received.

## Capital work in progress ageing schedule

As at March 31, 2023	Less than 1 year	1-2 years	Total
<b>Projects in progress</b>			
Fiber project	37	0	37
Fiber cable project	78	3	80
Others	12	0	12
	<b>126</b>	<b>3</b>	<b>129</b>

As at March 31, 2022	Less than 1 year	1-2 years	Total
<b>Projects in progress</b>			
Fiber cable project	80	-	80
Fiber project	10	-	10
Wireless solution project	30	2	32
Others	20	1	21
	<b>140</b>	<b>3</b>	<b>143</b>

There are no material overdue projects compared to original plans as on 31 March 2023 and 31 March 2022.

The group evaluates completion of the projects based on its original plan which includes certain projects relating to research and development monitored on an ongoing basis.

## Details of Leases:

The note provides information for leases where the group is a lessee. The group has taken land, various offices and plant and machinery on lease. Rental contracts for offices and plant and machinery are typically made for fixed periods of 2 to 15 years, but have extension options.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

(i) **Assets recognised in balance sheet**

The balance sheet shows the following amount relating to lease:

Particulars	Gross Book Value		Net Book Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Right of use assets</b>				
Leasehold Land	28	28	32	33
Buildings	154	150	112	101
Plant & Machinery	49	49	33	37
<b>Total</b>	<b>231</b>	<b>227</b>	<b>177</b>	<b>171</b>

Additions to the right of use assets during the year is ₹26 crores (31 March 2022: ₹86 crores).

Particulars	March 31, 2023	March 31, 2022
<b>Lease liabilities</b>		
Current	41	35
Non-current	126	129
<b>Total</b>	<b>167</b>	<b>164</b>

**Movement of lease liability**

Particulars	March 31, 2023	March 31, 2022
Opening balance	164	105
Add: Acquired during the year	26	86
Less: Disposed during the year	(3)	(0)
Add: Interest accrued during the year	9	10
Less: Payments	(33)	(31)
Add/(less): FCTR	3	(6)
<b>Closing balance</b>	<b>167</b>	<b>164</b>

(ii) **Amount recognised in the statement of profit & loss**

Particulars	March 31, 2023	March 31, 2022
<b>Depreciation charge on right of use assets</b>		
Leasehold land	1	1
Buildings	17	15
Plant & Machinery	4	4
<b>Total (Note no. 31)</b>	<b>22</b>	<b>20</b>

Particulars	Note no.	March 31, 2023	March 31, 2022
Interest expenses (included in finance cost)	<b>32</b>	9	10
Expenses related to short term leases, low value assets (disclosed as rent in other expenses)	<b>30</b>	16	11

The total cash outflow for leases for the year ended 31 March 2023 was ₹49 crores (31 March 2022: ₹42 crores)

**Extension and Termination option:**

Extension and termination options are included in a number of property and equipment leases held by the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 5. Intangible Assets

(₹ in crores)

	Software/ licenses	Patents	Customer acquisition / Customer Relationships	Non- Compete	Indefeasible right of use	Goodwill (Refer note 6 and note 45)	Total
<b>Cost</b>							
<b>As at 01 April 2021</b>	<b>80</b>	<b>9</b>	<b>81</b>	<b>1</b>	<b>1</b>	<b>440</b>	<b>613</b>
Additions	7	-	2	-	-	-	9
Assets acquired under business combination (refer note 45)	-	37	127	10	-	67	240
Disposals /adjustments	(1)	-	-	-	-	(80)	(81)
Translation adjustments	0	-	(11)	(0)	-	(8)	(20)
<b>As at 31 March 2022</b>	<b>85</b>	<b>46</b>	<b>199</b>	<b>11</b>	<b>1</b>	<b>418</b>	<b>761</b>
Additions	9	-	-	-	-	-	9
Assets disclosed as asset held for sale (refer note 16)	(11)	-	-	-	-	-	(11)
Disposals /adjustments	(2)	0	(34)	(1)	-	(54)	(91)
Translation adjustments	1	2	2	(0)	-	9	14
<b>As at 31 March 2023</b>	<b>82</b>	<b>48</b>	<b>167</b>	<b>10</b>	<b>1</b>	<b>373</b>	<b>681</b>
<b>Accumulated Amortisation and Impairment</b>							
<b>As at 01 April 2021</b>	<b>36</b>	<b>9</b>	<b>27</b>	<b>0</b>	<b>1</b>	<b>148</b>	<b>221</b>
Charge for the year	12	4	27	2	0	-	45
Disposals /adjustments	(0)	-	-	-	-	-	(0)
Translation adjustments	0	-	(1)	(0)	-	-	(1)
<b>As at 31 March 2022</b>	<b>48</b>	<b>14</b>	<b>53</b>	<b>2</b>	<b>1</b>	<b>148</b>	<b>265</b>
Charge for the year (Continued operations)	8	3	22	1	-	-	35
Charge for the year (Discontinued operations) (refer note 16)	1	-	2	-	-	-	3
Assets disclosed as asset held for sale (refer note 16)	(4)	-	-	-	-	-	(4)
Disposals /adjustments	(2)	-	(12)	(0)	-	-	(14)
Translation adjustments	2	1	2	(0)	-	-	4
<b>As at 31 March 2023</b>	<b>52</b>	<b>18</b>	<b>67</b>	<b>3</b>	<b>1</b>	<b>148</b>	<b>289</b>
<b>Net Book Value</b>							
As at 31 March 2023	30	30	100	7	0	225	392
As at 31 March 2022	38	32	147	9	0	270	496

## 6. Impairment Testing Of Goodwill

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Goodwill (refer note 5)	225	270

Goodwill is monitored by management at CGU level. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

A CGU level summary of the goodwill allocation is given below

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Connectivity Solutions business in Europe Region	65	60
Network service Solutions business in Europe Region	-	57
Optical Inter-connect Solutions business in Europe Region and India (refer note 45)	95	90
Network service Solutions business in UK Region (refer note 45)	65	63
	<b>225</b>	<b>270</b>

A segment level summary of the goodwill allocation is given below

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Optical networking business (ONB)		
Connectivity Solutions business in Europe Region	65	60
Optical Inter-connect Solutions business in Europe Region and India (refer note 45)	95	90
Global service business (GSB)		
Network service Solutions business in Europe Region	-	57
Network service Solutions business in UK Region (refer note 45)	65	63
	<b>225</b>	<b>270</b>

## Key assumptions used in the value in use calculations

The following table provides the key assumptions for those CGUs that have goodwill allocated to them:

	March 31, 2023	March 31, 2022
EBIDTA margins for Connectivity Solutions business in Europe Region	15.00%	10.00%
EBIDTA margins for Network service Solutions business in Europe Region	-	8.00%
EBIDTA margins for Optical Inter-connect Solutions business in Europe region and India	22.00%	18.00%
EBIDTA margins for Network service Solutions business in UK Region	6.00%-19.00%	18.00%
Sales growth rate (annual growth rate) for Connectivity Solutions business in Europe Region	10.00%-33.00%	10.00%
Sales growth rate (annual growth rate) for Network service Solutions business in Europe Region	-	10.00%-12.00%
Sales growth rate (annual growth rate) for Optical Inter-connect Solutions business in Europe Region and India	10.00%	10.00%
Sales growth rate (annual growth rate) for Network service Solutions business in UK Region	5.00%-65.00%	10.00%
Long-term terminal Growth rate for Connectivity Solutions business in Europe Region	2.00%	2.00%
Long-term terminal Growth rate for Network service Solutions business in Europe Region	-	2.00%
Long-term terminal Growth rate for Optical Inter-connect Solutions business in Europe and India	3.00%	0.50%
Long-term terminal Growth rate for Network service Solutions business in UK Region	3.00%	3.00%
Pre-tax discount rate for Connectivity Solutions business in Europe Region	12.38%	13.87%
Pre-tax discount rate for Network service Solutions business in Europe Region	-	13.90%
Pre-tax discount rate for Optical Inter-connect Solutions business in Europe Region and India	12.38%	13.60%
Pre-tax discount rate for Network service Solutions business in UK Region	12.90%	8.99%

Management has determined the values assigned to each of the above key assumptions as follows:

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Discount Rate

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

## Growth rate assumptions

The group has considered growth rate to extrapolate cash flows beyond the budget period, consistent with the industry forecasts.

## EBITDA margins

EBITDA margins are based on the actual EBITDA of the CGU based on the past trend and future expectations.

## Sensitivity to changes in assumptions - Connectivity Solutions business in Europe Region

### Discount rates

A rise in Pre-tax discount rate to 26.00% would result in impairment.

**EBITDA margins** - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 9.80% would result in impairment.

## Sensitivity to changes in assumptions - Optical Inter-connect Solutions business in Europe Region and India

### Discount rates

A rise in Pre-tax discount rate to 22.73% would result in impairment.

**EBITDA margins** - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 14.90% would result in impairment.

## Sensitivity to changes in assumptions - Network service Solutions business in UK Region

### Discount rates

A rise in Pre-tax discount rate to 20.40% would result in impairment.

**EBITDA margins** - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins by 8.00% would result in impairment.

## 7. Non-Current Investments

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current investments (unquoted)</b>		
<b>Investment in Joint Venture</b>		
50% (31 March 2022: 50%) Equity investment in Sterlite Condu spar Industrial Ltda	-	-
<b>Investments - Other at fair value through OCI</b>		
18,683 (31 March 2022: 18,683) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹10 each fully paid up	0	0
<b>Investment in Associate Companies</b>		
40% (31 March 2022: 40%) stake in MB Maanshan Special Cable Limited	36	32
11.70% (31 March 2022: 11.70% ) stake in ASOCS Ltd.*	60	60
<b>Total Investments</b>	<b>96</b>	<b>92</b>
<b>Total non-current investments</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	96	92
Amount of impairment in the value of investments	-	-

\* Investment in ASOCS Ltd. is classified as fair value through OCI. The fair value of investment in ASOCS (start-up) as on March 31, 2023 was assessed as ₹60 crores as per management's best estimate using revenue multiple approach and latest investment rounds.

During the previous year, Group had sold the investment in Metis Eduventures Private Limited for ₹45 crores. The gain on sale of ₹10 crores was disclosed in other income (refer note 27).

The group has complied with the number of layers prescribed under the Companies Act, 2013.

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 8. Trade Receivables

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current</b>		
Trade receivables	1,936	1,814
Receivables from related parties (refer note 51)	38	42
Less: Loss allowance	(152)	(149)
	<b>1,822</b>	<b>1,706</b>
<b>Break-up for security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,952	1,847
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	22	9
<b>Total</b>	<b>1,974</b>	<b>1,856</b>
Unsecured, considered good		
- Unsecured, considered good *	12	12
- Unsecured, considered doubtful	26	26
Less: Loss allowance	(152)	(149)
<b>Total Current trade receivables</b>	<b>1,822</b>	<b>1,706</b>

### Trade receivable ageing (Amount in ₹ crores)

#### March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	947	567	58	88	67	7	1,734
Undisputed Trade receivables – credit impaired	-	-	-	-	3	19	22
Disputed Trade Receivables–considered good	53	4	1	32	52	76	218
<b>Total</b>	<b>1,000</b>	<b>571</b>	<b>59</b>	<b>120</b>	<b>122</b>	<b>102</b>	<b>1,974</b>

#### March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,027	145	241	166	154	110	1,844
Undisputed Trade receivables – credit impaired	-	-	-	3	-	9	12
<b>Total</b>	<b>1,027</b>	<b>145</b>	<b>241</b>	<b>169</b>	<b>154</b>	<b>119</b>	<b>1,856</b>

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

Refer note 19 for information on trade receivables pledged as security by the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 9. Loans

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current ( Unsecured, considered good)</b>		
Loans to related parties (Refer note 51)	3	4
<b>Total non-current loans</b>	<b>3</b>	<b>4</b>
<b>Break-up for security details</b>		
Loans Considered good - Unsecured	3	4
<b>Total</b>	<b>3</b>	<b>4</b>
Less: Loss allowance	-	-
<b>Total</b>	<b>3</b>	<b>4</b>
<b>Current</b>		
Loans to employees	0	0
<b>Total current loans</b>	<b>0</b>	<b>0</b>

**Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties:**

Type of Borrower	Amount outstanding as at 31 March 2023	Percentage to the total Loans and Advances in the nature of loans
<b>Amounts repayable on demand</b>		
Other Related Parties		
Sterlite Condu spar Industrial Ltda	3	98%
Maharashtra Transmission Communication Infrastructure Limited	0	2%
<b>Total</b>	<b>3</b>	<b>100%</b>

Type of Borrower	Amount outstanding as at 31 March 2022	Percentage to the total Loans and Advances in the nature of loans
<b>Amounts repayable on demand</b>		
Other Related Parties		
Twin Star Technologies Limited	1	19%
Twinstar Disply Technologies Limited	0	11%
Sterlite Condu spar Industrial Ltda	3	67%
Maharashtra Transmission Communication Infrastructure Limited	0	3%
<b>Total</b>	<b>4</b>	<b>100%</b>

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/entities identified in any manner whatsoever by or on behalf of the Group ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than loans aggregating ₹79 crores given during the year by Sterlite Technologies Limited to STL UK Holdco Limited and Sterlite Technologies UK Ventures Limited, subsidiaries of Sterlite Technologies Limited, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to one of the overseas subsidiary of Sterlite Technologies Limited towards meeting its business requirements. Accordingly, no further disclosures, in this regard, are required.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 10. Other Financial Assets

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current (Unsecured, considered good)</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	-	1
<b>Others</b>		
Security deposits	8	4
Financial guarantee receivable	1	2
Others*	2	11
<b>Total other non-current financial assets</b>	<b>11</b>	<b>18</b>

\*This amount includes ₹ Nil (31 March 2022: ₹12 crores) receivable from Sterlite Power Transmission Limited with respect to sale of investment in Maharashtra Transmission Communication Infrastructure Limited. (Refer note 16 for further details)

### Current (Unsecured, considered good)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Derivative instruments</b>		
Foreign exchange forward contracts	7	26
Currency/ Interest rate swaps	-	4
<b>Others</b>		
Security deposits	10	12
Interest accrued on investments/deposits	0	0
Government grants receivable	25	33
Receivable on sale of Investment in MTCIL (refer note 16)	13	10
Discounted bills receivables re-purchased	30	-
Others*	32	25
<b>Total other current financial assets</b>	<b>118</b>	<b>110</b>

\*This includes expenses incurred on behalf of customer and receivables from sale and lease back of buildings amounting to ₹6 crores (31 March 2022: ₹5 crores) and ₹19 crores (31 March 2022: Nil) respectively.

Refer note 19 for information on financial assets pledged as security by the Group.

## 11. Other Assets and Contract Assets

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current (Unsecured, considered good)</b>		
Capital advances	29	35
Advance income tax, including TDS (net of provision)	10	59
Prepaid expenses	39	2
Advance to suppliers	19	27
<b>Total other non-current assets</b>	<b>97</b>	<b>123</b>
<b>Current (unsecured, considered good)</b>		
Prepaid expenses*	67	50
Balances with Government authorities	312	325
Advance to suppliers	73	66
Other advances	9	19
<b>Total other current assets</b>	<b>461</b>	<b>460</b>

\* Includes cost to obtain a contract of ₹4 crores (31 March 2022: ₹5 crores) which is being amortised to Statement of Profit and Loss on a systematic basis which is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current year is ₹1 crores (31 March 2022: ₹3 crores).

Refer note 19 for information on financial assets pledged as security by the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Contract assets (Unsecured, considered good)</b>		
- Undisputed	1,277	1,163
- Disputed	200	103
Less: Loss allowance	(61)	(11)
<b>Total contract assets</b>	<b>1,416</b>	<b>1,255</b>

## Significant changes in Contract assets

Contract assets have increased from previous year as entity has entered into new contracts during the year and has provided services ahead of the agreed billing and payment schedule for fixed price contract.

During the year ended 31 March 2023, ₹664 crores (31 March 2022: ₹1,157 crores) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Refer note 19 for information on other assets pledged as security by the group.

## 12. Inventories

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Raw materials [Includes stock in transit ₹9 crores (31 March 2022: ₹11 crores)]	191	182
Work-in-progress	61	101
Finished goods [Includes stock in transit ₹237 crores (31 March 2022: ₹37 crores)]	467	561
Traded goods [Includes stock in transit Nil (31 March 2022: Nil)]	2	3
Stores, spares, packing materials and others	111	74
<b>Total</b>	<b>832</b>	<b>920</b>

## Amount recognised in Statement of Profit and Loss

Write-downs of inventories to net realisable value amounted to ₹41 crores (31 March 2022: ₹60 crores). These were recognised as an expense during the year and included in '(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods' in statement of profit and loss of respective year.

Refer note 19 for information on inventories pledged as security by the Group.

## 13. Current Investments

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>In mutual funds (at fair value through profit or loss) (unquoted)</b>		
3,29,964 (31 March 2022: Nil) units of ICICI Prudential Liquid Fund- Direct Plan-Growth option	40	-
Investment in other short term liquid funds	-	0
Aggregate amount of unquoted investments [Market Value: ₹40 Crores (31 March 2022: ₹0 Crores)]	<b>40</b>	<b>0</b>
Aggregate amount of impairment in the value of investments	-	-

## 14. Cash and Cash Equivalents

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Balances with banks:</b>		
In current accounts (in INR)	135	131
In current accounts (in foreign currency)	315	180
Deposits with maturity of less than 3 months	-	100
Cash on hand	0	0
<b>Total</b>	<b>450</b>	<b>411</b>

There are no repatriation restrictions with regards to cash and cash equivalents.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 15. Other Bank Balances

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Deposits with original maturity of more than 12 months*	2	1
Deposits with original maturity of more than 3 months but less than 12 months**	50	114
In unpaid dividend account	5	4
<b>Total other bank balances</b>	<b>57</b>	<b>119</b>

\* Includes ₹1 crores (31 March 2022: ₹1 crores) held as lien by banks against bank guarantees.

\*\* Includes ₹ Nil (31 March 2022: ₹1 crores) held as lien by banks against bank guarantees.

## 16. Discontinued Operations and Assets Classified as Held for Sale

Year ending March 31, 2023:

### A. Wireless Solution Business

During the current year, the group recognised its Wireless Business as discontinued operation and classified certain non-current assets of ₹62 crores as assets held for sale. As of March 31, 2023, the group has recognised an impairment provision of ₹52 crores as the difference between the estimated fair value and carrying amount of the assets held for sale.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Assets classified as held for sale</b>		
Property, plant and equipment	10	-
<b>Total assets of disposal group held for sale</b>	<b>10</b>	<b>-</b>

### Financial performance

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	6	15
Expenses	145	161
<b>Profit / (loss) before income tax</b>	<b>(139)</b>	<b>(146)</b>
Income tax	36	37
<b>Profit / (loss) for the year</b>	<b>(103)</b>	<b>(110)</b>
Loss on measurement of fair value less cost to sale of assets held for sale	(52)	-
Income tax on above	14	-
<b>Profit / (loss) from discontinued operations</b>	<b>(141)</b>	<b>(110)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(141)</b>	<b>(110)</b>
Net cash inflow / (outflow) from operating activities	(75)	(84)
Net cash inflow / (outflow) from investing activities	2	(53)
Net cash inflow / (outflow) from financing activities	(2)	(3)
<b>Net (decrease) / increase in cash generated from discontinuing operation</b>	<b>(74)</b>	<b>(140)</b>

### B. Telecom Software Business

During the current year, the Group recognised its Telecom Software Business as a discontinued operation and sold the said business and recognised a net gain of ₹42 crores in accordance with the business transfer agreement after considering charge of certain net assets not transferred.

### Financial performance

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	145	160
Expenses	210	176
<b>Profit / (loss) before income tax</b>	<b>(65)</b>	<b>(15)</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Income tax	34	4
<b>Profit / (loss) for the year</b>	<b>(31)</b>	<b>(12)</b>
Gain (Net off ₹45 crores provided for certain net assets not transferred) on sale of business (see note a below)	42	-
Income tax on above gain	(22)	-
<b>Profit / (loss) from discontinued operations</b>	<b>(11)</b>	<b>(12)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(11)</b>	<b>(12)</b>
Net cash inflow / (outflow) from operating activities	57	3
Net cash inflow / (outflow) from investing activities	18	(13)
Net cash inflow / (outflow) from financing activities	24	(7)
<b>Net (decrease) / increase in cash generated from discontinuing operation</b>	<b>99</b>	<b>(18)</b>

**a. Details of the sale of the business**

	March 31, 2023 (₹ in crores)
Consideration received:	
Cash	123
Carrying amount of net assets sold	(33)
Less: Incidental selling costs	(3)
Provision for certain asstes not transferred	(45)
Gain on sale of business	42
Income tax on above	(22)
Gain on sale of business after tax	20

The carrying amounts of assets and liabilities as at the date of sale (27 March 2023) were as follows:

	27 March 2023 (₹ in crores)
Property, Plant and Equipment	0
Capital work-in-progress	6
Other Intangible assets	0
Inventories	1
Trade receivables	34
Contract Assets	24
Other current assets	1
<b>Total assets</b>	<b>67</b>
Trade payables	2
Contract Liabilities	31
<b>Total liability</b>	<b>34</b>
<b>Net assets</b>	<b>33</b>

**C. Impact Data Solutions Limited, UK**

During the year ended March 31, 2023, the Group has recognised a gain of ₹37 crores for sale of its stake in Impact Data Solutions Limited, UK and its wholly owned subsidiary Impact Data Solutions BV (IDS) in accordance with terms of Sale and Purchase Agreement.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Financial performance

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	95	133
Expenses	79	125
<b>Profit before income tax</b>	<b>15</b>	<b>8</b>
Income tax	(3)	(3)
<b>Profit for the year</b>	<b>12</b>	<b>6</b>
Gain on sale of subsidiary after tax (see note a below)	37	-
<b>Profit from discontinued operations</b>	<b>49</b>	<b>6</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>49</b>	<b>6</b>
Net cash inflow from operating activities	4	10
Net cash outflow from investing activities	(4)	(0)
Net cash outflow from financing activities	-	(8)
<b>Net increase in cash generated from discontinuing operation</b>	<b>-</b>	<b>2</b>

### a. Details of the sale of the subsidiary

	March 31, 2023 (₹ in crores)
Consideration received/ receivable:	
Cash	158
Less: Incidental selling costs	(8)
<b>Net consideration</b>	<b>151</b>
Less: Carrying amount of net assets sold	114
<b>Gain on sale of business</b>	<b>37</b>
Income tax expense on gain	-
Gain on sale of business after tax	37

The carrying amounts of assets and liabilities as at the date of sale (26 September 2022) were as follows:

	26 September 2022
Property, Plant and Equipment	1
Goodwill	52
Other Intangible assets	28
Other Non-current assets	0
Trade receivables	17
Cash and cash equivalents	32
Other Current Financial Assets	0
Contract Assets	38
Other current assets	5
<b>Total assets</b>	<b>174</b>
Lease Liability	0
Deferred tax liabilities (Net)	7
Trade payables	32
Other current liabilities	1
Current tax liability	4
<b>Total liability</b>	<b>44</b>
<b>Non controlling interest</b>	<b>(16)</b>
<b>Net assets</b>	<b>114</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Year ending March 31, 2022:

A. During the year ended March 31, 2022, the group has sold the investment in MTCIL. The gain on sale of investment in Maharashtra Transmission Communication Infrastructure Limited of ₹26 crores is disclosed in other income as Profit on sale of subsidiaries and investment in joint venture.

## Financial performance and cash flow information

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	-	28
Expenses	-	(14)
<b>Profit / (loss) before income tax</b>	-	<b>14</b>
Income tax	-	-
<b>Profit / (loss) for the year</b>	-	<b>14</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	<b>14</b>
Net cash inflow / (outflow) from operating activities	-	111
Net cash inflow / (outflow) from investing activities	-	(89)
Net cash inflow / (outflow) from financing activities	-	(22)
<b>Net (decrease) / increase in cash generated from discontinuing operation</b>	-	<b>0</b>

## Details of Sale of Subsidiary:

	March 31, 2022 (₹ in crores)
<b>Consideration received/receivable:</b>	
<b>Cash</b>	<b>41</b>
Carrying amount of net assets sold	(16)
<b>Gain on sale before income tax</b>	<b>26</b>
Income tax expense on gain	1
<b>Gain on sale after income tax</b>	<b>25</b>

The carrying amounts of assets and liabilities as at the date of sale (29 March 2022) were as follows:

	March 29, 2022 (₹ in crores)
Property, plant and equipments	85
Other non-current assets	6
Cash and Cash equivalents	7
Other bank balances	97
Other current assets	40
<b>Total assets</b>	<b>236</b>
Other current liabilities	(7)
Contract liabilities	(174)
Other liabilities	(31)
<b>Total liabilities</b>	<b>(213)</b>
Non-Controlling interest	(7)
<b>Carrying value of net assets sold</b>	<b>16</b>

B. The group had decided to sell land and building at Hyderabad during the year ended 31 March 2021. Hence it was classified as held for sale during the year ended 31 March 2021 and measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the building was determined using the sales comparison approach. No write down was recognised as fair value of the assets is higher than cost. During the year ended March 31, 2022, group has sold the Land and building at Hyderabad. The gain of ₹67 crores is recognised as an exceptional item in the statement of profit and loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 17. Share Capital

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2022: 75.00) equity shares of ₹2 each	150	150
Issued, subscribed and fully paid-up shares (no. crores)		
39.85(31 March 2022: 39.77) equity shares of ₹2 each fully paid - up.	80	80
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>80</b>	<b>80</b>

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

	March 31, 2023		March 31, 2022	
	Nos in crore	₹ in crore	Nos in crore	₹ in crore
At the beginning of the year	39.77	80	39.66	79
Issued during the year against employee stock options	0.08	0	0.11	0
<b>Outstanding at the end of the year</b>	<b>39.85</b>	<b>80</b>	<b>39.77</b>	<b>80</b>

### b. Terms and rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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 group and their subsidiaries/associates:

	March 31, 2023		March 31, 2022	
	No. in crore	% holding	No. in crore	% holding
<b>Immediate holding group</b>				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas) (refer note 51)	20.94	52.55%	20.94	52.65%
Vedanta Limited	0.48	1.20%	0.48	1.20%

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

	March 31, 2023		March 31, 2022	
	No. in crore	% holding	No. in crore	% holding
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas) (refer note 51)	20.94	52.55%	20.94	52.65%

### e. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 34.

### f. Details of shareholding of promoters:

Name of the promoter	Number of shares (No. in crores) as at March 31, 2023	Number of shares (No. in crores) as at March 31, 2022	Percentage of total number of shares as at March 31, 2023	Percentage of total number of shares as at March 31, 2022	Percentage of change during the year ended March 31, 2023	Percentage of change during the year ended March 31, 2022
Twin Star Overseas Limited, Mauritius	20.94	20.94	52.55%	52.65%	-0.09%	-0.15%

'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

**g. Details of shares bought back during the 5 years preceding 31 March 2023:**

On March 24, 2020, the Board of Directors had approved the buyback of Equity Shares for a total amount not exceeding ₹145 Crores, being 9.95% and 9.32% of the aggregate of the total paid-up equity capital and free reserves (including securities premium) of the Parent Company based on the audited standalone and consolidated financial statements, respectively, of the Parent Company for the financial year ended March 31, 2019. The Parent Company closed the buy back on August 27, 2020. The Parent Company has bought back 88,67,000 shares for ₹99.78 crores (excluding taxes).

## 18. Other Equity

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>A. Securities Premium</b>		
Opening balance	25	15
Add: Addition on Employee stock options exercised	9	10
<b>Closing balance (A)</b>	<b>34</b>	<b>25</b>
<b>B. Other reserves</b>		
<b>Capital Reserve</b>	<b>0</b>	<b>0</b>
<b>Redemption Liability Reserve</b>		
Opening balance	(47)	(18)
Add: Restatement of redemption liability (refer note 45)	47	6
Add: Creation of redemption liability (refer note 45)	-	(35)
<b>Closing balance</b>	<b>-</b>	<b>(47)</b>
<b>Employee Stock Option Outstanding</b>		
Opening balance	25	23
Add: Employees stock option expenses for the year (refer note 34)	9	12
Less: Exercised during the year	(9)	(10)
<b>Closing balance</b>	<b>25</b>	<b>25</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	51	51
Add: Exchange differences on translation of foreign operations for the year	10	1
Add /(Less): Gain on restatement of net investments in foreign operations	10	-
Less: Amount reclassified to statement of profit and loss on disposal of foreign subsidiary	(2)	-
Add / (Less): Deferred tax	(3)	-
Add / (less): Others	(5)	(1)
<b>Closing balance</b>	<b>61</b>	<b>51</b>
<b>Debenture Redemption Reserve</b>		
Opening balance	-	37
Less: Amount transferred to general reserve	-	(37)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Capital Redemption Reserve</b>		
Opening balance	2	2
Add: Capital redemption reserve created during the year	-	-
<b>Closing balance</b>	<b>2</b>	<b>2</b>
<b>General Reserve</b>		
Opening balance	139	102
Add: Amount transferred from debenture redemption reserve	-	37
<b>Closing balance</b>	<b>139</b>	<b>139</b>
<b>Cash Flow Hedge Reserve</b>		
Opening balance	1	2
Add / (Less): Cash flow hedge reserve created on currency forward contracts	(27)	17
Add / (Less): Cash flow hedge reserve on swap contracts	(4)	(1)
Add / (Less): Amount reclassified to statement of profit and loss	(6)	(15)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Add / (Less): Amount transferred to statement of profit and loss	-	(2)
Add / (Less): Deferred tax	9	(0)
<b>Closing balance</b>	<b>(27)</b>	<b>1</b>
<b>Total other reserves (B)</b>	<b>200</b>	<b>171</b>
<b>C. Retained Earnings</b>		
Opening balance	1,679	1,695
Add: Net profit for the year	141	60
Add / (Less): Remeasurement of defined employee benefit obligation (Net of tax)	3	3
Less: Equity dividend (refer note 49)	(20)	(79)
Less: Transactions with non-controlling interest (refer note 45 and note 54)	(26)	-
<b>Total retained earnings (C)</b>	<b>1,777</b>	<b>1,679</b>
<b>Total other equity (A+B+C)</b>	<b>2,011</b>	<b>1,875</b>

## Nature and Purpose of reserves, other than retained earnings

### Securities Premium

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

### General Reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

### Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

### Cash Flow Hedge Reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted sales and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedge reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

### Employee Stock Option Outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Parent Company.

### Redemption Liability Reserve

Redemption liability reserve is created on account of redemption liability pertaining to acquisition of IDS Group and Clearcomm Group Limited (Refer note 45). During the year redemption liability on account of acquisition of the subsidiary, Clearcomm Group Limited, has been reversed considering negative EBITDA (computed as per the share purchase agreement).

### Capital Reserve

Capital reserve is not available for distribution as dividend.

### Debenture Redemption Reserve

The Group had created a debenture redemption reserve (DRR) of 25% of the total outstanding debentures out of the profits which are available for the purpose of redemption of debentures as per provisions of the Companies Act, 2013. The outstanding amounts were repaid in the previous year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Capital Redemption Reserve

As per provisions of the Companies Act, 2013, the Group has created a capital redemption reserve of ₹2 Crores against face value of equity shares bought back by the group during the year ended 31 March 2021.

## 19. Borrowings

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current</b>		
<b>Debentures (Secured)</b>		
10,000 (31 March 2022: NIL) 9.10% Non convertible debentures of ₹1 lacs each	100	-
2,900 (31 March 2022: 2,900) 8.25% Non convertible debentures of ₹10 lacs each	290	290
1,500 (31 March 2022: 1,500) 7.30% Non convertible debentures of ₹10 lacs each	150	150
<b>Term loans</b>		
Indian rupee loans from banks (secured)	459	347
Foreign currency loans from banks (secured)	359	409
Foreign currency loans from banks (unsecured)	147	277
Indian rupee loans from NBFC (unsecured)	249	25
Indian rupee loans from banks (unsecured)	-	400
	<b>1,754</b>	<b>1,898</b>
<b>The above amount includes</b>		
Secured borrowings	1,358	1,196
Unsecured borrowings	396	703
<b>Total Non-current borrowings</b>	<b>1,754</b>	<b>1,898</b>
Less: Current maturities of long term borrowings disclosed under the head "Current Borrowings"	752	362
<b>Net Amount</b>	<b>1,002</b>	<b>1,536</b>

### Notes:

#### Sterlite Technologies Limited (STL)

- 9.10% Non convertible debentures carry 9.10% p.a rate of interest. Total amount of non-convertible debentures is due in the FY 2025-26. These non-convertible debentures are secured by way of a first pari-passu charge over movable fixed assets of the group, other than assets located at Shendra Aurangabad.
- 8.25% Non convertible debentures carry 8.25% p.a rate of interest. Total amount of non-convertible debentures is due in 4 equal annual installments starting from FY 2027-28 till FY 2030-31. These non-convertible debentures are secured by way of hypothecation on specified movable fixed assets at Shendra plant (project Gaurav) (both present and future).
- 7.30% Non convertible debentures carry 7.30% p.a rate of interest. Total amount of non-convertible debentures is due in the FY 2023-24. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the group located at Aurangabad.
- Foreign Currency term loan from bank amounting to ₹ Nil (31 March 2022: ₹38 crores) carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari-passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the group located at Dadra & Nagar Haveli and Pune. The loan has been repaid during FY 2022-23.
- Foreign Currency term loan from bank amounting to ₹ Nil (31 March 2022: ₹62 crores) carries interest @ GBP Libor+2.60 % p.a. Loan amount is repayable in 6 half yearly equated instalments of GBP 0.13 crores starting from Feb 2022. The term loan is secured by way of first pari-passu charge on entire movable fixed assets (both present and future) of the group. The loan has been repaid during FY 2022-23.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

- f) Indian rupee term loan from bank amounting to ₹166 crores (31 March 2022: ₹249 crores) carries interest @ One Year MCLR +0.15% p.a. Loan amount is repayable in 12 quarterly instalments from June 2022 of ₹20.75 crores per Quarter (excluding interest). The term loan is secured by way of first pari pasu charge on entire movable fixed assets at Shendra plant (project Gaurav) (both present and future).
- g) Secured Indian rupee term loan from bank amounting to ₹200 crores (31 March 2022 Unsecured Indian rupee term loan: ₹200 crores) carries interest @ overnight MCLR. Loan amount is repayable as a bullet repayment in the month of October 2023. The term loan is secured by way of first pari pasu charge on entire movable fixed assets at Shendra plant (project Gaurav) (both present and future).
- h) Unsecured Indian rupee term loan from bank amounting to ₹ Nil (31 March 2022: ₹200 crores) carries interest 6.6% p.a. Loan amount has been repaid during FY 2022-23.
- i) Unsecured Indian rupee term loan from NBFC amounting to ₹175 crores (31 March 2022: Nil) carries interest @ 9.15% p.a. Loan amount is repayable in FY 2024-25.
- j) Unsecured Indian rupee term loan from NBFC amounting to ₹74 crores (31 March 2022: ₹25 crores) carries interest @ 5.5% p.a. Loan amount is repayable in FY 2022-23 & 2023-24.

## Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

- a) Foreign currency loan from bank of ₹ Nil (31 March 2022: ₹6 crores) carried interest @ 4.72% p.a. This loan was secured by way of hypothecation of Plant and Machinery. Loan amount is repaid during the year,

## Metallurgica Bresciana S.p.A.

- a) Unsecured foreign currency term loan from bank of ₹123 crores (31 March 2022: ₹162 crores) carries interest of EURIBOR + 1.90% p.a. Loan amount is repayable in 10 half yearly instalments starting from September 2020 to March 2025 (excluding interest). The term loan is secured by way of corporate guarantee issued by Sterlite Technologies Limited.
- b) Foreign currency term loan from bank of ₹72 crores (31 March 2022: ₹101 crores) carries interest of EURIBOR + 1.70% p.a. This loan is backed by SBLC issued by Citi Bank India which is further secured by first charge on entire movable fixed assets and charge on specified immovable fixed assets located at Silvassa of Sterlite Technologies Limited. Loan amount is repayable in 8 half yearly instalments of Euro 0.20 crores starting from July 2020 to January 2023 and thereafter Euro 0.40 crores for the period July 2023 to January 2024 (excluding interest).
- c) Unsecured foreign currency loan from bank of ₹7 crores (31 March 2022: ₹10 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.02 crores starting from November 2019 to November 2024 (excluding interest).
- d) Unsecured foreign currency loan from bank of ₹8 crores (31 March 2022: ₹13 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.03 crores starting from August 2019 to August 2024 (excluding interest).

## Non-compliance with covenants:

As at March 31, 2023, there was a non-compliance with respect to certain covenants of loan taken by Metallurgica Bresciana S.p.A. Accordingly, non-current amount of the loan of ₹74 crores has been reclassified to current borrowings. The management does not expect any material impact on the cash flows due to the above.

## STL Optical Interconnect S.p.A.

- a) Foreign currency loan from bank of ₹193 crores (31 March 2022: ₹201 crores) carries interest of 6 months EURIBOR + 1.7% p.a. This loan is backed by SBLC issued by SBI India which is further secured by way of first pari-passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets located at Dadra & Nagar Haveli of Sterlite Technologies Limited. Loan amount is repayable in 9 half yearly instalments of Euro 0.24 crores starting from January 2023 to January 2025 and thereafter Euro 0.30 crores for the period July 2025 to January 2027 (excluding interest).

## Optotec S.p.A.

- a) Unsecured foreign currency loan from bank of ₹8 crores (31 March 2022: ₹ Nil) carries interest of 2.6% p.a. Loan amount is repayable in 20 quarterly instalments of Euro 0.05 crores starting from March 2023 to March 2028 (excluding interest).

## STL UK Holdco Limited, UK

- a) Foreign currency loan from bank of ₹95 crores (31 March 2022: ₹92 crores) carries interest of overnight SONIA + 2.8% p.a. Loan amount is repayable in 2 half yearly instalments of GBP 0.06 crores starting from July 2023 to January 2024 and thereafter GBP 0.11 crores for the period July 2024 to July 2028 (excluding interest). The loan is secured by way of charge created on entire current assets of Clearcomm Group Limited and by way of corporate guarantee issued by Sterlite Technologies Limited.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Sterlite Tech Cables Solutions Limited

a) Indian rupee term loan from bank of ₹93 crores (31 March 2022: ₹98 crores) carries interest of overnight MCLR + 0.3% p.a. Loan amount is repayable in 11 ballooning half yearly instalments starting from September 2022. This loan is secured by way of first charge on mortgage of leasehold land and building and entire Plant and Machinery both present and future of the group.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current borrowings</b>		
Cash credit from banks (secured)	79	-
Working capital demand loans from banks (secured)	734	325
Commercial paper from bank (unsecured)	200	500
Foreign currency loan (unsecured)	20	52
Current Maturities of Long term borrowings (secured)	659	292
Current Maturities of Long term borrowings (unsecured)	93	70
Other loan from banks (secured)	714	423
Other loans (unsecured)	166	114
	<b>2,665</b>	<b>1,775</b>
<b>The above amount includes</b>		
Secured borrowings	2,186	1,040
Unsecured borrowings	479	735
<b>Net Amount</b>	<b>2,665</b>	<b>1,775</b>

### Note:

#### Sterlite Technologies Limited (STL)

- (i) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the group (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the group. Working Capital Demand Loans have been taken for a period of 7 days to 180 days and carry interest @ 6.85% to 8.60% p.a (31 March 2022: 4.50% to 7.00% p.a).
- (ii) Commercial Papers are unsecured and are generally taken for a period from 60 Days to 180 days and carry interest @ 7.55% to 8.40% p.a (31 March 2022: 4.50% to 6.00% p.a).
- (iii) Other loans include buyer's credit arrangements (unsecured) and export packing credit (secured). These secured loans are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products range from 6.85% - 8.05% p.a (31 March 2022: 4.00% - 6.50% p.a).

#### Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Unsecured foreign currency loan from bank of ₹6 crores (31 March 2022: ₹36 crores) carries interest 4.5% (31 March 2022: 3.20% - 4.60% p.a.).

#### Metallurgica Bresciana S.p.A.

a) Unsecured foreign currency working capital loan from bank of ₹7 crores (31 March 2022: ₹15 crores) carries interest @ EURIBOR + 1.20% - 3.50% (31 March 2022: EURIBOR + 0.75% - 3.50% p.a.).

#### Sterlite Tech Cables Solutions Limited

a) Cash credit facility of ₹79 crore (March 31, 2022: ₹ Nil) from banks is secured by first pari-passu charge on entire current assets of the Company (both present and future). Loan carries interest overnight MCLR + 0.3% p.a

#### Clearcomm Group Limited

a) Unsecured foreign currency working capital loan from bank of ₹7 crores (31 March 2022: ₹ Nil) carries interest @ EURIBOR + 1.20% - 3.50%.

#### Borrowing secured against current assets:

The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts except as disclosed in Note no. 52.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Utilisation of borrowed funds:

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ;
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The borrowings obtained by the group during the year from banks and financial institutions have been applied for the purposes for which such loans were taken.

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## Net debt reconciliation

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Cash and cash equivalents	450	411
Current investments *	90	113
Current Borrowings (including interest accrued but not due)	(2,666)	(1,779)
Non-current borrowings	(1,002)	(1,536)
<b>Net Debt</b>	<b>(3,128)</b>	<b>(2,791)</b>

The amount of net debt considering the amount of lease liabilities of ₹167 crores (31 March 2022: ₹164 crores) and redemption liability of ₹ Nil (31 March 2022: ₹47 crores) is ₹3,297 crores (31 March 2022: ₹3,004 crores). Refer note 4 and 18 for movement in lease liability and redemption liability.

\* Includes other bank balance of ₹50 crores (31 March 2022: ₹112 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Group at any time without any major penalties.

## Movement of Borrowings (current and non current)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Opening balance</b>	<b>3,315</b>	<b>2,862</b>
Cashflows (net)	316	455
Interest expense	247	207
Interest paid	(250)	(207)
Forex adjustment	40	(2)
<b>Closing balance</b>	<b>3,668</b>	<b>3,315</b>

## Cash and cash equivalent

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Opening balance</b>	<b>411</b>	<b>193</b>
Cashflows (net)	37	218
Forex adjustment	2	(0)
<b>Closing balance</b>	<b>450</b>	<b>411</b>

## Current Investments

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Opening balance</b>	<b>113</b>	<b>231</b>
Cashflows (net)	(25)	(120)
Fair value adjustments	2	1
<b>Closing balance</b>	<b>90</b>	<b>112</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current</b>		
<b>Financial Assets</b>		
<b>Exclusive Charge</b>		
Trade Receivables	439	236
Cash and Cash Equivalents	1	1
Other Current Financial Assets	2	1
<b>Pari Passu Charge</b>		
Current Investments	40	-
Trade Receivables	2,154	1,849
Cash and Cash Equivalents	138	275
Other Bank Balances	57	117
Other Current Financial Assets	120	115
<b>Non Financial Assets</b>		
<b>Exclusive Charge</b>		
Inventories	17	32
Contract Assets	8	-
Other Current Assets	49	15
<b>Pari Passu Charge</b>		
Inventories	410	445
Contract Assets	1,373	1,218
Other Current Assets	402	385
<b>Total Current Assets pledged as security</b>	<b>5,209</b>	<b>4,688</b>
<b>Non Current Assets</b>		
<b>Exclusive Charge</b>		
Right of Use asset	24	24
Buildings	194	200
Plant & Machinery	72	75
Furnitures & Fixtures	0	-
Data Processing Equipments	1	1
Office Equipments	0	0
Electrical Fittings	6	6
<b>Pari Passu Charge</b>		
Freehold Land	28	79
Buildings	125	233
Plant & Machinery	1,341	1,475
Furnitures & Fixtures	12	11
Data Processing Equipments	13	19
Office Equipments	5	4
Electrical Fittings	39	39
Vehicles	6	8
Capital Work in Progress	55	65
<b>Total Non Current Assets pledged as security</b>	<b>1,923</b>	<b>2,239</b>
<b>Total Assets pledged as security</b>	<b>7,132</b>	<b>6,927</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 20. Other Financial Liabilities

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	-	0
<b>Others</b>		
Payables for purchase of property, plant and equipment	7	1
Redemption liability (refer note 45)	5	12
Deposits from vendors	3	3
<b>Total other non-current financial liabilities</b>	<b>15</b>	<b>16</b>
<b>Current</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	22	4
Currency / Interest Rate Swaps	-	0
	<b>22</b>	<b>4</b>
<b>Others</b>		
Interest accrued but not due on borrowings	1	4
Unclaimed dividend*	5	4
Deposits from customers	0	0
Deposits from vendors	0	0
Payables for purchase of property, plant and equipment	114	163
Employee benefits payable	112	70
Redemption liability (refer note 45)	-	36
Others	0	14
	<b>232</b>	<b>291</b>
<b>Total other current financial liabilities</b>	<b>254</b>	<b>295</b>

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

## 21. Trade Payables

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Total outstanding dues of micro &amp; small enterprises (refer note 40)</b>	326	178
<b>Total outstanding dues of creditors other than micro &amp; small enterprises</b>		
Trade payables to related parties (refer note 51)	0	30
Acceptances	241	307
Others	1,585	1,905
	<b>1,826</b>	<b>2,242</b>
<b>Total Trade Payables</b>	<b>2,152</b>	<b>2,420</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Trade payable ageing

March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	206	119	1	0	0	326
(ii) Others-undisputed	708	760	326	14	12	6	1,826
<b>Total</b>	<b>708</b>	<b>966</b>	<b>445</b>	<b>16</b>	<b>12</b>	<b>6</b>	<b>2,152</b>

March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	60	118	-	-	-	178
(ii) Others-undisputed	619	1,224	321	53	9	16	2,242
<b>Total</b>	<b>619</b>	<b>1,284</b>	<b>439</b>	<b>53</b>	<b>9</b>	<b>16</b>	<b>2,420</b>

## 22. Provisions

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non-current</b>		
Provision for warranty	0	1
<b>Total non-current provision</b>	<b>0</b>	<b>1</b>
<b>Current</b>		
Provision for litigations / contingencies	66	23
Provision for warranty	0	1
<b>Total current provision</b>	<b>66</b>	<b>24</b>

### Provision for litigations / contingencies

The provision of ₹66 crores as at 31 March 2023 (31 March 2022: ₹23 Crores) is towards contingencies in respect of disputed claims against the group as described in note 39, quantum of outflow and timing of which is presently unascertainable.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
At the beginning of the year	24	10
Addition during the year	42	14
Utilised during the year	-	-
<b>At the end of the year</b>	<b>66</b>	<b>24</b>
Current portion	66	24
Non-current portion	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Provision for warranty

Movement in provision for warranty is given below:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
At the beginning of the year	1	1
Addition during the year	-	0
Utilised during the year	(1)	-
<b>At the end of the year</b>	<b>0</b>	<b>1</b>
Current portion	0	-
Non-current portion	0	1

## 23. Other Current Liabilities and Contract Liabilities

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Contract Liabilities</b>		
Unearned revenue	1	28
Advance from customers	155	157
<b>Total contract liabilities</b>	<b>156</b>	<b>186</b>

### Significant changes in Contract liabilities

Contract liabilities have decreased in current year as the Group has recognised revenue from opening unearned revenue. The movement in advance from customer is on account of advances received and utilised during the year.

During the year ended 31 March 2023, the Group recognized revenue of ₹28 crores (31 March 2022: ₹29 crores) arising from opening unearned revenue.

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Current</b>		
Indirect taxes payable	56	44
Withholding taxes (TDS) payable	16	15
Others	59	57
<b>Total other current liabilities</b>	<b>131</b>	<b>116</b>

## 24A Deferred Tax Liabilities (Net)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Deferred tax liability</b>		
Property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	149	170
Impact of fair valuation of Land as at Ind AS transition date	11	11
Right of use assets	23	22
Net movement on cash flow hedges	-	7
Impact of difference in revenue recognition under income tax and Ind AS	25	15
Others	-	14
<b>Total deferred tax liability (A)</b>	<b>208</b>	<b>239</b>
<b>Deferred tax assets</b>		
Provision for doubtful debtors, contract assets and other assets	62	60
Expenditure allowed for tax purposes on payment basis	16	27
Provision for inventory	17	14

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Provision for litigations / contingencies	17	7
Net movement on cash flow hedges	1	-
Lease Liability	20	22
Ind AS 116 transition impact	-	1
Brought forward losses of subsidiaries	77	47
Others	21	18
<b>Total deferred tax assets (B)</b>	<b>231</b>	<b>197</b>
<b>Net deferred tax liability/(asset) (A-B)</b>	<b>(23)</b>	<b>42</b>

## Reconciliation of deferred tax liability / deferred tax asset

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Opening deferred tax liability, net	42	86
Deferred tax (credit) / charge recorded in statement of profit and loss	(64)	(86)
Deferred tax (credit) / charge recorded in OCI	(13)	1
Deferred tax impact on account of business combination (refer note 45)	-	46
Others	12	(5)
Closing deferred tax liability/(asset), net	<b>(23)</b>	<b>42</b>

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Profit or loss section</b>		
<b>Current Tax</b>		
Current tax related to continuing operations	148	138
Current tax related to discontinuing operations	(59)	(38)
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	(64)	(86)
<b>Income tax expenses reported in the statement of profit or loss</b>	<b>25</b>	<b>15</b>
<b>OCI Section</b>		
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Net (gain)/loss on movement in cash flow hedges	(14)	0
Re-measurement loss of defined employee benefit plans	1	1
<b>Income tax charged through OCI</b>	<b>(13)</b>	<b>1</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Profit before tax from continuing operations</b>	<b>315</b>	<b>199</b>
Tax at India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	79	50
Tax at lower tax rate of subsidiaries	(43)	(3)
Adjustments in respect of income tax of previous years	-	3
Income taxed at lower tax rate	-	(11)
Tax (DTA) at subsidiaries recognised on losses at lower rate (as per respective statutory tax rate)	41	12
Other adjustments	7	1
Income tax expense	<b>84</b>	<b>52</b>
Income tax expense reported in the statement of profit and loss	<b>84</b>	<b>52</b>

## 24B Current Tax Liabilities (Net)

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Opening Current tax liabilities/(assets)	(37)	28
Add/(Less): Current tax payable for the year - Continued operations	148	138
Add/(Less): Current tax payable for the year - Discontinued operations	(59)	(38)
Add/(Less): Tax paid	(19)	(158)
Add/(less) : Other adjustments	(7)	(6)
<b>Total current tax liabilities / (assets)</b>	<b>26</b>	<b>(37)</b>
Disclosed as current tax assets in note 11	(10)	(59)
Disclosed as current tax liability	33	22

## 25. Employee Benefit Obligations

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Non Current</b>		
Provision for gratuity	14	21
Provision for compensated absences	20	19
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	6	5
Provision for employee benefit obligations of Optotec S.p.A.	2	5
Provision for employee benefit obligations of other subsidiaries	2	-
<b>Total non-current employee benefit obligations</b>	<b>44</b>	<b>50</b>
<b>Current</b>		
Provision for gratuity	10	13
Provision for compensated absences	4	4
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	10	0
Provision for employee benefit obligations of Optotec S.p.A.	4	0
Provision for employee benefit obligations of other subsidiaries	1	0
<b>Total current employee benefit obligations</b>	<b>29</b>	<b>17</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## i) Compensated Absences

The compensated absences cover the Group's liability for sick and privilege leave. The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

## ii) Post employment benefit obligation - Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to fund managed by Life insurance Corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Defined benefit obligation at the beginning of the year	37	44
Current service cost	6	7
Interest cost	3	3
Liability Transferred Out/ Divestments	(1)	
Actuarial (gain)/loss		
- Due to change in Demographic Assumptions	-	0
- Due to change in Financial Assumptions	(1)	(6)
- Due to Experience	(3)	1
Past service cost	-	-
Benefits paid	(5)	(11)
<b>Defined benefit obligation at the end of the year</b>	<b>34</b>	<b>38</b>

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Fair value of plan assets at the beginning of the year	4	5
Interest Income	0	0
Contribution by employer	11	2
Benefits paid	(4)	(3)
Return on Plan Assets, Excluding Interest Income	(0)	(0)
<b>Fair value of plan assets at the end of the year</b>	<b>11</b>	<b>4</b>

The Parent Company expects to contribute ₹10 crores (31 March 2022: ₹12 crores) to its gratuity plan in FY 2023-24.

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

Particulars	March 31, 2023 %	March 31, 2022 %
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Details of defined benefit obligation

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Present value of defined benefit obligation	34	38
Fair value of plan assets	(11)	(4)
<b>Net defined benefit liability</b>	<b>24</b>	<b>34</b>

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Present value of funded obligations	34	38
Fair value of plan assets	(11)	(4)
<b>Deficit of funded plan (A)</b>	<b>24</b>	<b>34</b>
Unfunded plans (B)	-	-
<b>Total net obligation (A+B)</b>	<b>24</b>	<b>34</b>

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Current service cost	6	7
Interest cost	3	3
Expected return on plan assets	(0)	(0)
Net benefit expense	<b>8</b>	<b>9</b>

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

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Actuarial (gains)/losses on Obligation For the Period	(4)	(5)
Return on Plan Assets, Excluding Interest Income	0	0
Net (income)/expense for the year recognized in OCI	(4)	(4)

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.41%	6.90%
Expected rate of return on plan asset	7.41%	6.90%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	8.00%	8.00%

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Sensitivity Analysis

Particulars	March 31, 2023	March 31, 2022
+1% Change in discount rate	(2)	(2)
-1% Change in discount rate	2	3
+1% Change in rate of salary increase	2	2
-1% Change in rate of salary increase	(2)	(2)
+1% Change in rate of employee turnover	(0)	(0)
-1% Change in rate of employee turnover	0	0

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

### Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.

The Group's assets are maintained in a trust fund managed by public sector insurance group via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

### Changes in bond yields:

A decrease in bond yields will increase plan liabilities.

### Future salary escalation and inflation risk:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

### Life expectancy

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation is 8 years (31 March 2022: 8 years). The expected maturity analysis of gratuity is as follows:

### Maturity Analysis of defined benefit obligation:

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	March 31, 2023 Funded	March 31, 2022 Funded
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	6	7
Between 1 to 2 years	3	3
Between 2 to 5 years	9	10
Over 5 years	41	46

### (iii) Employee benefit obligations of Metallurgica Bresciana S.p.A. and Optotec S.p.A.

The provision for the staff leaving indemnity were calculated in accordance with the terms of article 2120 of the Italian Civil Code, taking into account legal provisions and the specific nature of the contracts and professional categories, and includes the annual amounts accrued and revaluations performed based on ISTAT coefficients. The amount of the provision is assessed net of advances paid and the amounts used for terminations of employment occurring during the fiscal year and represents the certain payable due to the employees on the fiscal year's closing date.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 26. Revenue from Operations

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Finished goods	4,868	3,482
Traded goods	164	1
<b>Revenue from sale of products</b>	<b>5,032</b>	<b>3,482</b>
Revenue from sale of services	242	14
Revenue from network integration projects	1,511	1,846
Revenue from software products/licenses and implementation activities	5	3
	<b>6,790</b>	<b>5,345</b>
<b>Other Operating income</b>		
Scrap sales	48	38
Other operating income *	9	10
Export incentives *	79	43
<b>Revenue from operation</b>	<b>6,925</b>	<b>5,437</b>

Revenue disaggregation in terms of nature of goods and services has been included above.

The total contract price of ₹6,803 crores (31 March 2022: ₹5,371 crores) is reduced by the consideration of ₹13 crores (31 March 2022: ₹26 crores) towards variable components.

Refer note 2 and 3 for accounting policy and significant judgements respectively.

The Group's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹3,950 crores (31 March 2022: Rs 4,127 crores) which is expected to be recognised over a period of one to nine years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Group has applied the practical expedient in Ind AS 115.

During the year ended March 31, 2023, the Group has recorded provision of ₹Nil (31 March 2022: ₹64 crores) based on final settlement with the customer for supplies made in the previous years by an adjustment to revenue from operations.

\*Includes government grant of ₹88 crores (31 March 2022: ₹45 crores) pertaining to the indirect tax benefits available under Industrial Promotion Scheme, Remission of Duties or Taxes on Export Products Scheme and Duty Drawback Scheme

## 27. Other Income

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Management Fees (refer note 51)	6	10
Rental Income	0	0
Profit on sale of assets, net	-	1
Profit on sale of subsidiaries and investment in joint venture	-	36
Miscellaneous Income	25	7
	<b>31</b>	<b>53</b>
<b>Interest income on:</b>		
- Bank deposits	8	4
- Loans to related parties (refer note 51)	-	0
- Others	-	0
Gain on investments measured at fair value through profit or loss, net	2	1
	<b>10</b>	<b>6</b>
	<b>41</b>	<b>58</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 28. Cost of Raw Materials and Components Consumed

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Inventory at the beginning of the year (refer note 12)	182	206
Adjustment on account of business combination (refer note 45)	-	1
Add: Purchases	3,173	3,064
	<b>3,355</b>	<b>3,271</b>
Less: Inventory at the end of the year (refer note 12)	191	182
<b>Cost of raw material &amp; components consumed</b>	<b>3,164</b>	<b>3,089</b>
<b>(Increase)/ decrease in inventories</b>		
<b>Opening inventories</b>		
Traded goods	3	4
Work-in-progress	101	88
Finished goods	561	252
	<b>664</b>	<b>344</b>
<b>Closing inventories</b>		
Traded goods	2	3
Work-in-progress	61	101
Finished goods	467	561
	<b>530</b>	<b>664</b>
<b>(Increase) / decrease in inventories</b>	<b>134</b>	<b>(320)</b>

## 29. Employee Benefits Expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Salaries, wages and bonus	828	589
Contribution to provident fund (refer note below)	30	27
Gratuity expenses (refer note 25)	11	8
Employees stock option expense (refer note 34)	7	11
Staff welfare expenses	36	26
<b>Total Employee benefits expense</b>	<b>912</b>	<b>661</b>

### Defined Contribution Plans:

The Parent Company and its Indian subsidiaries have a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government in India for employees at the rate of 12% of basic salary as per local regulations.

Metallurgica Bresciana S.p.A. has a social security fund which is a defined contribution plan. Contributions are made to social security fund administered by Italian Government for employees at the rate of 16%-25% of salary as per the local laws present in the country.

The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Group has recognised the following expenses in the Statement of Profit and Loss for the year.

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Contribution to Employees Provident Fund	30	27
<b>Total</b>	<b>30</b>	<b>27</b>

b. Net of government grant of ₹0 crore (31 March 2022: ₹1 crores) pertaining to refund of the employers contribution towards provident fund under Industrial Promotion Scheme.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 30. Other Expenses

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Consumption of stores and spares	163	121
Consumption of packing materials	147	135
Power, fuel and water *	203	142
Labour Charges	97	89
Repairs and maintenance		
Building	4	2
Plant & machinery	31	10
Others	37	32
Corporate Social Responsibility (CSR) expenses (refer note 43)	8	12
Sales commission	104	43
Sales promotion	16	1
Carriage outwards	394	291
Rent	16	11
Insurance	33	27
Legal and professional fees	136	82
Rates and taxes	20	13
Travelling and conveyance	73	52
Subcontracting charges for Network Maintenance	98	43
Loss on sale of assets, net	5	-
Provision for doubtful debts and advances	22	91
Provision for unbilled Revenue	50	-
Directors sitting fee and commission	1	2
Exchange difference, (net)	2	0
Research and development expenses (refer note 41)		
Salaries, wages and bonus	16	12
Raw materials consumed	5	0
General expenses	19	10
<b>Total Research and development expenses</b>	<b>41</b>	<b>22</b>
Less: Amount transferred to individual expense line item	(41)	(22)
	-	-
Miscellaneous expenses	164	143
<b>Total other expenses</b>	<b>1,824</b>	<b>1,342</b>

\*Net of government grant of ₹10 crores (31 March 2022: ₹21 crores) pertaining to refund of the employers contribution towards provident fund under Industrial Promotion Scheme.

## 31. Depreciation and Amortisation Expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Depreciation of property, plant & equipment	252	244
Depreciation of right of use assets	22	20
Amortisation of intangible assets	35	43
<b>Total depreciation and amortisation expense</b>	<b>309</b>	<b>308</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 32. Finance Cost

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	237	204
Interest on lease liabilities	9	10
Bank charges	57	14
Others	8	10
<b>Total finance cost</b>	<b>311</b>	<b>238</b>

\* During the year, the Group has capitalised borrowing costs of ₹10 Crores (31 March 2021: ₹5 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings, in this case 7.90% p.a. (31 March 2022: 7.25 % p.a.).

## 33. Tax Expense

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Current tax*	148	138
Deferred tax#	(64)	(86)
<b>Total tax expense</b>	<b>84</b>	<b>52</b>
Unused tax losses for which no deferred tax asset has been recognised	25	16
Potential tax benefit @ 25.17 % (31 March 2022: 25.17%)	6	4

Certain subsidiaries of the Group have undistributed earnings aggregating to ₹683 crores (31 March 2022: ₹384 crores). The Group plans to reinvest these undistributed earnings in the foreseeable future and consequently did not recognise a deferred tax liability on the same.

These undistributed earnings even if distributed by subsidiaries in the form of dividend will be eligible for tax deduction if it is utilised for further distribution of dividend to shareholders of the Parent Company within timelines specified and as per the provisions of Income Tax Act, 1961.

\*For current year, the current tax expense includes credit of ₹24 crores (31 March 2022: charge of ₹8 crores) pertaining to current tax of earlier years.

#For current year, the deferred tax includes charge of ₹24 crores (31 March 2022: credit of ₹5 crores) for adjustment pertaining to deferred tax of earlier years.

## 34. Employee Share Based Payments

The Group has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Group has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of maximum five year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹2 per option.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

The Group has charged ₹9 crore (31 March 2022: ₹12 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

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

	March 31, 2023		March 31, 2022	
	Average Exercise price per share option	Number of Options	Average Exercise price per share option	Number of Options
Opening Balance	2	30,02,165	2	35,68,463
Granted during the year	2	16,03,514	2	17,37,354
Exercised during the year	2	(8,23,648)	2	(11,28,407)
Expired/cancelled during the year	2	(7,38,200)	2	(11,75,245)
<b>Closing Balance</b>		<b>30,43,831</b>		<b>30,02,165</b>
Vested and Exercisable		6,10,633		7,24,205

Weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 is ₹164 (31 March 2022: ₹269).

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (₹)	Share options outstanding on March 31, 2023	Share options outstanding on March 31, 2022
30 April 2014	01 June 2024	2	750	5,750
30 March 2015	01 June 2025	2	16,000	45,750
13 July 2016	01 June 2025	2	2,984	9,302
25 July 2016	01 August 2026	2	10,970	37,160
19 July 2017	01 August 2027	2	34,396	1,07,950
16 October 2017	16 October 2027	2	7,180	7,180
17 January 2018	17 January 2028	2	1,220	2,280
19 July 2018	01 August 2028	2	1,37,691	2,66,355
24 January 2019	25 January 2027	2	25,425	29,325
24 October 2019	24 October 2029	2	3,33,922	5,19,062
22 July 2020	31 July 2030	2	4,03,403	7,56,692
19 January 2021	19 January 2031	2	18,603	38,345
21 July 2021	31 July 2030	2	45,450	2,27,251
21 July 2021	31 July 2031	2	4,52,578	9,13,662
18 January 2022	18 January 2032	2	30,393	36,101
19 July 2022	31 July 2031	2	72,280	-
19 July 2022	31 July 2032	2	13,60,356	-
25 January 2023	26 January 2033	2	90,230	-
<b>Total</b>			<b>30,43,831</b>	<b>30,02,165</b>
Weighted Average remaining contractual life of the options			3.23	3.09

b) **Fair Value of the options granted during the year-**

During the current year remuneration committee has approved three grants. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Date of Grant- July 19, 2022

The company has granted 72,280 options under ESOP scheme based on following criteria and related assumptions

Vesting criteria - Continuous employment with the group.

Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4
	01-Aug-23	01-Aug-24	01-Aug-25	01-Aug-26
Share price at Grant Date	143.85	143.85	143.85	143.85
Volatility	49.10%	49.10%	49.10%	49.10%
Risk Free rate	7.09%	7.09%	7.09%	7.09%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00
Life of the Option	2.54	2.54	2.54	2.54
Dividend Yield	0.78%	0.78%	0.78%	0.78%
<b>Outputs</b>				
Option Fair value	139.4	139.4	139.4	139.4
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
<b>Fair Value of the option (Black Scholes Model)</b>				<b>139.4</b>

## Date of Grant- July 19, 2022

The group has granted 14,41,013 options under ESOP scheme based on following criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the group.

Fair Valuation Method- Black scholes options pricing model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	01-Aug-23	01-Aug-24	01-Aug-25	01-Aug-26	01-Aug-27
Share price at Grant Date	143.85	143.85	143.85	143.85	143.85
Volatility	43.10%	43.10%	43.10%	43.10%	43.10%
Risk Free rate	7.09%	7.09%	7.09%	7.09%	7.09%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.14	2.14	2.14	2.14	2.14
Dividend Yield	0.78%	0.78%	0.78%	0.78%	0.78%
<b>Outputs</b>					
Option Fair value	139.8	139.8	139.8	139.8	139.8
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
<b>Fair Value of the option (Black-Scholes model)</b>					<b>139.8</b>

The expected price volatility is based on historical volatility (based on remaining life of the options) adjusted for any expected change to future volatility due to publicly available information.

2. Vesting criteria - 30% Vesting based on total Shareholders return based on market performance

Fair Valuation Method - Monte Carlo simulation model

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

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Assumptions used are as follows:

<b>Variables</b>	
Share price at Grant Date	143.85
Volatility	52.52%
Risk Free rate	6.42%
Exercise Price (Rs per Option)	2.00
Life of the Option	0.82
Dividend Yield	0.78%
<b>Fair Value of the option</b>	<b>36.93</b>

3. Vesting criteria - 40% Vesting based on achievement of target EBITDA

Fair Valuation Method - Monte Carlo simulation model

Vesting of these options is dependent on the achievement of target EBITDA during the performance of FY 2023-24 as per the criteria determined by Nomination and Remuneration Committee. The Monte Carlo model requires the following information of the group:

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the group
- Dividend yield based on historical dividend payments
- Estimate of EBITDA as per approved business plan

Assumptions used are as follows:

<b>Variables</b>	
Share price at Grant Date	143.85
Volatility	52.52%
Risk Free rate	6.42%
Exercise Price (Rs per Option)	2.00
Life of the Option	0.82
Dividend Yield	0.78%
<b>Fair Value of the option</b>	<b>133.40</b>

### Date of Grant- January 25, 2023

The company has granted 90,230 options under ESOP scheme based on following criteria and related assumptions

Vesting criteria - Continuous employment with the group.

Fair Valuation Method- Black Scholes options Pricing Model

<b>Variables</b>	<b>Vest 1</b>	<b>Vest 2</b>	<b>Vest 3</b>	<b>Vest 4</b>	<b>Vest 5</b>
	<b>26-Jan-24</b>	<b>26-Jan-25</b>	<b>26-Jan-26</b>	<b>26-Jan-27</b>	<b>26-Jan-28</b>
Share price at Grant Date	179.60	179.60	179.60	179.60	179.60
Volatility	44.70%	44.70%	44.70%	44.70%	44.70%
Risk Free rate	7.00%	7.00%	7.00%	7.00%	7.00%
Exercise Price (Rs per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Outputs</b>					
Option Fair value	175.00	175.00	175.00	175.00	175.00
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
<b>Fair Value of the option (Black Scholes Model)</b>	<b>175.00</b>				

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 35. Earnings Per Share (EPS)

The following table reflects the basic and diluted EPS

	March 31, 2023	March 31, 2022
Profit/(Loss) for the year from continuing operations attributable to owners of the Parent Company (₹ in crores)	244	162
Profit /(Loss) for the year from discontinued operations attributable to owners of Parent Company (₹ in crores)	(104)	(102)
<b>Weighted average number of equity shares in calculating basic EPS (units in crores)</b>	39.81	39.71
<b>Adjustments for classification of diluted EPS:</b>		
Employee stock options outstanding during the year (units in crores)	0.35	0.39
<b>Weighted average number of equity shares in calculating diluted EPS (units in crores)</b>	40.16	40.10
<b>Earnings/(loss) per share</b>		
<b>Basic</b>		
From continuing operations	6.15	4.03
From discontinued operations	(2.62)	(2.52)
From continuing and discontinued operations	3.53	1.51
<b>Diluted</b>		
From continuing operations	6.12	4.02
From discontinued operations	(2.62)	(2.52)
From continuing and discontinued operations	3.50	1.50

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 34.

## 36. The List of Subsidiaries, Joint Venture and Associates Which are Included in the Consolidation and the Group's Effective Holding Therein

Name of the Group	Effective ownership as on March 31, 2023	Effective ownership as on March 31, 2022	Country of incorporation
<b>List of subsidiaries</b>			
Speedon Network Limited	100%	100%	India
Sterlite Telesystems Limited	100%	100%	India
Sterlite Innovative Solutions Limited	100%	100%	India
STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited")	100%	100%	India
Sterlite Tech Cables Solutions Limited	100%	100%	India
STL Networks Limited	100%	100%	India
Sterlite Global Ventures (Mauritius) Limited	100%	100%	Mauritius
Jiangsu Sterlite Fiber Technology Co. Ltd (Formerly "Jiangsu Sterlite and Tongguang Fiber Co. Limited")	100%	75%	China
Sterlite (Shanghai) Trading Co. Limited	100%	100%	China
Metallurgica Bresciana S.p.A.	100%	100%	Italy
Elitecore Technologies (Mauritius) Limited	100%	100%	Mauritius
Elitecore Technologies SDN. BHD	100%	100%	Malaysia
Sterlite Technologies UK Ventures Limited	100%	100%	United Kingdom
Sterlite Tech Holding Inc.	100%	100%	USA
Sterlite Technologies Inc.	100%	100%	USA
Impact Data Solutions Limited	-	80%	United Kingdom
Impact Data Solutions B.V.	-	80%	Netherlands
Vulcan Data Centre Solutions Limited	80%	80%	United Kingdom
PT Sterlite Technologies Indonesia	100%	100%	Indonesia

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Name of the Group	Effective ownership as on March 31, 2023	Effective ownership as on March 31, 2022	Country of incorporation
Sterlite Technologies DMCC	100%	100%	United Arab Emirates
Sterlite Technologies Pty. Ltd.	100%	100%	Australia
STL Edge Networks Inc.	100%	100%	USA
STL Optical Interconnect S.p.A.	100%	100%	Italy
Optotec S.p.A.	100%	100%	Italy
Optotec International S.A.	100%	100%	Switzerland
STL Tech Solutions Limited, UK	100%	100%	United Kingdom
STL Digital Inc. (USA)	100%	100%	USA
STL Digital UK Limited	100%	-	United Kingdom
STL Tech GmbH	-	100%	Germany
STL Optical Tech Limited	100%	100%	USA
STL Network Services Inc., US	100%	100%	USA
STL Solutions Germany GmbH	100%	100%	Germany
STL UK Holdco Limited, UK	100%	100%	United Kingdom
Clearcomm Group Limited, UK	80%	80%	United Kingdom
<b>List of Associate companies</b>			
MB Maanshan Special Cable Limited	40.00%	40.00%	China
Manshaan Metallurgica Bresciana Electrical Technology Limited	40.00%	40.00%	China
ASOCS Ltd.	11.71%	11.71%	Israel
<b>List of joint venture</b>			
Sterlite Condu spar Industries Ltda	50.00%	50.00%	Brazil

## 37. Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Group is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules that are notified become effective.

## 38. Capital and Other Commitments

- a] Estimated amount of contracts remaining to be executed on capital account and not recognized for (net of advances) are ₹151 crores (31 March 2022: ₹98 crores)
- b] The Group has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below:

Year of Issue	Year upto which export obligation to be fulfilled	March 31, 2022 (₹ in crores)	March 31, 2022 (₹ in crores)
2020-21	2026-27	-	5
2021-22	2027-28	-	2
2022-23	2028-29	45	-

In this respect, the Group has given bonds of ₹665 crores (31 March 2022: ₹883 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 39. Contingent Liabilities

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
1. Disputed liabilities		
a) Excise and Customs duty	90	90
b) Goods and Service tax	3	1
c) Income tax	14	12
d) Claims lodged by a bank against the Group*	19	19
e) Claims against the Group not acknowledged as debt\$	-	3
	<b>126</b>	<b>124</b>

2. The group had issued Corporate guarantees amounting to ₹114 crores to the Income tax Authorities in FY 2003-04 on behalf of the Group companies. The matter against which corporate guarantee was paid by STL was decided in favour of the Group companies by both ITAT and HC orders against which the Department has filed an appeal with the Supreme Court. The above corporate guarantee is backed by the corporate guarantee issued by the Volcan Investments Limited (refer note 51) in the favour of the Group.

\* In an earlier year, one of the Bankers of the Group had wrongly paid an amount of ₹19 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the Group, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Group in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the Group and has dismissed the appeal filed by the bank. The bank has challenged the said order in Writ petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

In the FY21-22, the Group had received show cause notices with respect to 4 Service tax registrations of ₹57 crores each demanding service tax on difference between value of services appearing in 26AS (at legal entity level) vis-à-vis respective service tax registrations for the period 2016-17. Management has assessed that the show-cause notice is not required to be disclosed as contingent liability as it is erroneous in nature and the probability of an unfavourable outcome is remote.

Further, Income tax orders for AY 2013-14, 2014-15 and 2017-18 were received with respect to Elitecore Technologies Private Limited (which is now a non-existent entity in these years since it had merged with the Group with effect from 29 September 2016) with a demand of INR 55.67 crores mainly relating to addition on certain aspects like treatment of purchase of software/hardware. Management has assessed that based on principles arising from judicial precedents, including those passed by the Hon'ble Supreme Court and Jurisdictional Bombay High Court, the notices issued in the name of non-existent entity are not merely an irregularity but also suffer from jurisdictional defect which cannot be cured. On this primary ground and certain other strong grounds, including procedural defects, the Group (on behalf of Elitecore Technologies private limited) has filed a writ before the Hon'ble High Court. The order of High Court for AY 2013-14 and AY 2014-15 came in favour of Group via order dated March 27, 2023. While the order for AY 2017-18 is awaited. Hence, management believes that the probability of an unfavourable outcome is remote and the demand of INR 5 crs pertaining to the said case (AY 2017-18) is not disclosed as a contingent liability.

### 3. Other claims not acknowledged as debt:

\$ Claims against the Group not acknowledged as debt mainly pertains to ₹ Nil (31 March 2022: ₹3 crores) is related to claim made on one of the subsidiaries by its employees. In the current year, the Group has provided for ₹3 crores in the books of account.

The Group has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 40. Details of Dues to Micro and Small Enterprises as Defined Under MSMED Act, 2006

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier*	326	178
Interest amount due to supplier	2	1
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	4	2
(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	-	-

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

## 41. Research and Development Expenditure

STL through its extensive research capabilities, constant innovation and unique capabilities at following R&D centres is able to provide customers end to end solutions from manufacturing of cable to system integration to providing software products required by telecom players:

- **Aurangabad** – R&D activities to manufacture cable which can cater most bandwidth demand
- **Gurgaon** - R&D activities to design, build, manage broadband network for global service providers, smart cities, rural broadband etc.
- **Ahmedabad** – R&D activities to develop innovative telecom software products which can cater demand for business support system and operating support system
- **Pune** - R&D activities for Product Engineering towards Programmable Networking & Intelligence

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Capital expenditure</b>		
- Plants and machinery - capitalised during the year	2	2
- Software - capitalised during the year	-	0
- IT Equipments - capitalised during the year	0	2
	<b>2</b>	<b>4</b>
<b>Revenue expenditure</b>		
- Salaries, wages and bonus	16	12
- Raw materials consumed	5	0
- General expenses	19	10
<b>Total</b>	<b>41</b>	<b>22</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

The Group has four Research and Development Centres. Centre wise breakup of expenditure is as follows:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Sterlite Technologies - Aurangabad</b>		
- Capital Expenditure	2	3
- Revenue Expenditure	21	20
	<b>23</b>	<b>23</b>
<b>Sterlite Technologies - Silvassa</b>		
- Capital Expenditure	-	-
- Revenue Expenditure	13	-
	<b>13</b>	-
<b>Sterlite Technologies - Italy</b>		
- Capital Expenditure	-	-
- Revenue Expenditure	2	-
	<b>2</b>	-
<b>Sterlite Technologies - Pune</b>		
- Capital Expenditure	-	1
- Revenue Expenditure	5	2
	<b>5</b>	<b>3</b>

## 42. Relationship With Struck off Companies

The Group does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except as reported below.

(₹ in crores)

Name of the struck off group	Nature of transaction	Balance as at 31 March 2023	Balance as at 31 March 2022	Relationship with the struck off company
Igus India Private Limited	Payable for services	0	-	Not a related party
Arun Timbers Private Limited	Payable for services	0	-	Not a related party
Tarun Info Solutions Private Limited	Payable for services	1	-	Not a related party
Curinnov Services Private Limited	Payable for services	0	0	Not a related party
Shubhankit Infra Private Limited	Payable for services	0	-	Not a related party
Precision Electronics Limited	Payable for services	0	-	Not a related party
Overarching Solutions Private Limited	Payable for services	0	-	Not a related party
Yash Medical Sciences Private Limited	Payable for services	-	0	Not a related party
Thermadyne Private Limited	Payable for services	-	-	Not a related party

## 43. Corporate Social Responsibility

The group has spent an amount of ₹8 crores (31 March 2022: ₹12 crores) during the year as required under section 135 of the Companies Act, 2013 for the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of INR 8 crores (refer note 51).

### (a) Details of CSR expenditure:

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Amount required to be spent during the year	8	12
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above:		
Brought forward from last year	-	-
Short fall for pervious year spent now	-	-
Spent during the year for current year	8	12
Carried forward to next year (short)/excess	-	-
Amount of cumulative shortfall at the end of the year	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

**(b) Details of ongoing CSR projects under Section 135(6) of the Act:**

Balance as at April 01, 2022		Amount spent during the year			Balance as at March, 31 2023	
With the company	In separate CSR Account	Account required to be spent during the year	From the company's bank amount	From Separate CSR Unspent account	With the company*	In Separate CSR Unspent Account
N.A.						

**(c) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:**

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Account required to be spent during the year	Amount spent during the year	Balance unspent as March 31, 2023
-	-	8	8	0

**(d) Details of excess CSR expenditure under Section 135(5) of the Act**

Balance excess spent as at April 01, 2022	Account required to be spent during the year	Amount spent during the year	Balance short)/excess spent as at March 31, 2023
-	8	8	-

**(e) There is no provision made with respect to a liability incurred by entering into a contractual obligation during the current year.**

## 44. Exceptional Items

During the year ended March 31, 2022, the amount of ₹53 crores reported under exceptional items in the financial statements includes profit of ₹67 crores recognised on account of transfer of land situated at Hyderabad and provision of ₹14 crores with respect to an order against the group for a claim filed by a vendor for non-fulfilment of certain contractually agreed off take obligations. The amount of exceptional items also includes a charge of ₹8 crores towards cancellation of a lease agreement by STI US (wholly owned subsidiary) and an impairment charge of ₹29 crores for the assets of JSTFCL (a subsidiary) basis the assessment of recoverable value of assets performed by Management.

## 45. Business Combinations

### Summary of acquisition FY21-22

The Group acquired 80% of the shares of Clearcomm Group Limited for a purchase consideration of GBP 10.72 million in accordance with the agreement dated July 27, 2021. During the year ended March 31, 2022, the purchase price was allocated to assets and liabilities on a provisional basis as per Ind AS 103 – Business Combinations resulting in a provisional goodwill of GBP 8.95 million pending completion of purchase price allocation. During the year ended March 31, 2023, the group has completed the allocation of purchase price to identified assets and liabilities as given below as at acquisition date fair value as per Ind AS 103 – Business Combinations. Accordingly, amount of goodwill has reduced to GBP 6.51 million (₹ 66.62 crores) on account of increase in the value of identified intangible assets in consolidated balance sheet.

Further, the Group has an obligation to acquire the balance 20% by FY 2022-23 for a consideration based on an earn out model (multiple of EBITDA). The Group has reassessed the payout for acquisition of balance 20% and reversed the redemption liability in the current year with credit to retained earnings.

The previous year numbers have been restated to give the impact of allocation of purchase price. The profit of Clearcomm Group Limited consolidated for the current year is for 12 months whereas for the last year was from July 27, 2021 to March 31, 2022.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

The measurement period adjustments were as follows:

Particulars	Provisional amount as at 31 March 2022 (GBP in Crores)	Provisional amount as at 31 March 2022 (₹ In Crores)	Measurement Period Adjustments (GBP in Crores)	Measurement Period Adjustments (₹ in Crores)	Book Value Amount in (GBP in Crores)	Book Value Amount in (₹ Crores)
Tangible Assets	0.07	7.08	-	-	0.07	7.08
Intangible Assets	-	-	0.43	44.80	0.43	44.80
Inventories	0.01	1.24	-	-	0.01	1.24
Cash & Cash equivalents	0.05	4.90	-	-	0.05	4.90
Trade receivables	0.39	40.82	-	-	0.39	40.82
Other assets	0.11	11.81	-	-	0.11	11.81
Deferred tax assets	-	-	(0.11)	(11.16)	(0.11)	(11.16)
Borrowings	(0.02)	(2.07)	-	-	(0.02)	(2.07)
Trade and other payables	(0.36)	(36.58)	-	-	(0.36)	(36.58)
Other liabilities	(0.04)	(4.34)	-	-	(0.04)	(4.34)
<b>Net identifiable asset required</b>	<b>0.21</b>	<b>22.86</b>	<b>0.32</b>	<b>33.64</b>	<b>0.53</b>	<b>56.50</b>
Non-controlling interest	0.04	4.57	0.07	7.73	0.11	12.30
<b>Net identifiable asset required</b>	<b>0.17</b>	<b>18.29</b>	<b>0.25</b>	<b>25.91</b>	<b>0.42</b>	<b>44.20</b>

Calculation of goodwill	Provisional amount as at 31 March 2022 (GBP in Crores)	"Provisional amount as at 31 March 2022" (₹ In Crores)"	Measurement Period Adjustments (GBP in Crores)	Measurement Period Adjustments (₹ in Crores)	Amount as at 31 March 2023 (GBP in Crores)	"Amount as at 31 March 2023" (₹ in Crores)"
Consideration transferred for investment	1.07	110.82	0.00	0.00	1.07	110.82
Less: Net identifiable assets required	(0.17)	(18.29)	(0.25)	(25.91)	(0.42)	(44.20)
<b>Goodwill</b>	<b>0.90</b>	<b>92.53</b>	<b>(0.25)</b>	<b>(25.91)</b>	<b>0.65</b>	<b>66.62</b>

The goodwill is attributable to the synergies from combining operations with group and workforce.

## Revenue & Profit Contribution:

If the acquisitions had occurred on 1 April 2021, consolidated pro-forma revenue and profit from continuing operation for the year ended 31 March 2022 would have been ₹5,491 Crores and ₹119 Crores respectively. These amounts have been calculated using the subsidiary's results.

Calculation of Revenue & Profit Contribution	Revenue (₹ in crores)	Profit (₹ in crores)
Total revenue and profit of group excluding Clearcomm Group	5,307	134
Revenue and profit of Clearcomm Group	184	(15)
<b>Total</b>	<b>5,491</b>	<b>119</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Purchase Consideration - cash outflow

The cash outflow for acquisition of Clearcomm is ₹109.95 crores, net of cash acquired including amount of ₹4.02 crores given as loan to Clearcomm Group Limited at the time of acquisition. Accordingly net cash outflow for investment is ₹105.93 crores.

## Acquisition related costs

Acquisition related costs of ₹4.36 crores is included in other expenses in Statement of profit & loss.

## Summary of acquisition FY20-21

The Group, through its subsidiary Sterlite Optical Interconnect S.p.A. has acquired 100% of the shares of Optotec S.p.A. including its wholly owned subsidiary, Optotec International S.A for a purchase consideration of EUR 32 million (₹ 280 crores) as per share purchase agreement dated November 02, 2020 as amended on January 8, 2021 and recognised a provisional goodwill of EUR 19 million (₹ 173 crores) in FY 2020-21 pending completion of purchase price allocation. During the year ended March 31, 2022, the group has completed the allocation of purchase price to identified assets and liabilities as given below as at acquisition date fair value as per Ind AS 103 – Business Combinations. Accordingly, amount of goodwill has reduced to EUR 11 million (₹ 96 crores) on account of increase in the value of tangible assets, inventories and identified intangible assets in consolidated balance sheet.

During the previous year, the Group has also paid additional consideration of € 1 million (₹ 12 crores) based on post closing adjustment basis share purchase agreement.

The measurement period adjustments were as follows:

Particulars	Provisional Amount as at March 31, 2021 (Euro in crores)	Provisional Amount as at March 31, 2021 (₹ In crores)	Measurement Period adjustment (Euro in crores)	Measurement Period adjustment (₹ In crores)	As at March 31, 2022 (Euro in crores)	As at March 31, 2022 (₹ In crores)
Tangible Assets	0.02	2.14	-	-	0.02	2.14
Intangible Assets	0.00	0.05	-	-	0.00	0.05
Intangible Assets:						
Customer Relationships & Contracts	-	-	0.99	88.39	0.99	88.39
Intangible Assets: Patents	-	-	0.41	36.68	0.41	36.68
Intangible Assets: Non-competes	-	-	0.04	3.79	0.04	3.79
Inventories	0.61	52.46	(0.03)	(3.28)	0.58	49.18
Current investment	0.01	0.86	-	-	0.01	0.86
Cash & Cash equivalents	0.38	32.59	-	-	0.38	32.59
Trade receivables	0.49	41.85	(0.02)	(1.77)	0.47	40.06
Other assets	0.23	20.15	-	-	0.23	20.15
Deferred tax liabilities	-	-	(0.39)	(34.79)	(0.39)	(34.79)
Borrowings	(0.04)	(3.38)	-	-	(0.04)	(3.38)
Trade and other payables	(0.48)	(41.29)	-	-	(0.48)	(41.29)
Other liabilities	(0.11)	(10.23)	-	-	(0.11)	(10.23)
<b>Net identifiable asset required</b>	<b>1.11</b>	<b>95.20</b>	<b>1.01</b>	<b>89.02</b>	<b>2.12</b>	<b>184.22</b>
Non-controlling interest	-	-	-	-	-	-
<b>Net identifiable asset required</b>	<b>1.11</b>	<b>95.20</b>	<b>1.01</b>	<b>89.02</b>	<b>2.12</b>	<b>184.22</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Calculation of goodwill	Provisional Amount as at March 31, 2021 (Euro in crores)	Provisional Amount as at March 31, 2021 (₹ In crores)	Measurement Period adjustment (Euro in crores)	Measurement Period adjustment (₹ In crores)	As at March 31, 2022 (Euro in crores)	As at March 31, 2022 (₹ In crores)
Consideration transferred	3	268	0	12	3	280
Less: Net identifiable assets required	(1)	(95)	(1)	(89)	(2)	(184)
Goodwill	2	173	(1)	(77)	1	96

## 46. Statutory Group Information

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit and loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
<b>Parent</b>								
<b>Sterlite Technologies Limited</b>								
Balance as at 31 March 2023	50.09%	1,049	-129.38%	(164)	34.54%	(5)	-149.83%	(169)
Balance as at 31 March 2022	59.16%	1,211	149.07%	68	-116.07%	(13)	100.26%	58
<b>Subsidiaries</b>								
<b>Indian</b>								
<b>1. Speedon Network limited</b>								
Balance as at 31 March 2023	-1.18%	(25)	-8.27%	(10)	0.00%	0	-9.30%	(10)
Balance as at 31 March 2022	-0.70%	(14)	-20.72%	(10)	0.00%	0	-16.91%	(10)
<b>2. Maharashtra Transmission Communication Infrastructure Limited*</b>								
Balance as at 31 March 2023	0.00%	-	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	(0)	19.09%	9	0.00%	0	15.58%	9
<b>3. Sterlite Telesystems Limited</b>								
Balance as at 31 March 2023	0.00%	-	0.17%	0	0.00%	0	0.19%	0
Balance as at 31 March 2022	-0.01%	(0)	-0.13%	(0)	0.00%	0	-0.10%	(0)
<b>"4. STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")"</b>								
Balance as at 31 March 2023	-1.07%	(22)	-17.46%	(22)	0.00%	0	-19.64%	(22)
Balance as at 31 March 2022	-0.01%	(0)	-0.68%	(0)	0.00%	0	-0.55%	(0)
<b>5. Sterlite Innovative Solutions Limited</b>								
Balance as at 31 March 2023	0.00%	(0)	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
<b>6. Sterlite Tech Cables Solutions Limited</b>								
Balance as at 31 March 2023	12.22%	256	188.93%	239	2.85%	(0)	212.15%	239
Balance as at 31 March 2022	0.85%	17	39.52%	19	3.00%	0	32.79%	19
<b>7. STL Networks Limited</b>								
Balance as at 31 March 2023	0.00%	0	-0.02%	(0)	0.00%	0	-0.02%	(0)
Balance as at 31 March 2022	0.00%	0	0.00%	-	0.00%	0	0.00%	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit and loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
<b>Foreign</b>								
<b>1. Sterlite Global Ventures (Mauritius) Limited</b>								
Balance as at 31 March 2023	12.79%	268	38.81%	49	26.57%	(4)	40.34%	45
Balance as at 31 March 2022	13.31%	272	-3.00%	(1)	0.00%	0	-2.45%	(1)
<b>2. Jiangsu Sterlite Fiber Technology Co. Ltd (Formerly "Jiangsu Sterlite and Tongguang Fiber Co. Limited")</b>								
Balance as at 31 March 2023	7.14%	150	-42.68%	(54)	3.70%	(1)	-48.46%	(55)
Balance as at 31 March 2022	10.10%	206	-116.81%	(55)	151.57%	16	-67.40%	(39)
<b>3. Sterlite (Shanghai) Trading group Limited</b>								
Balance as at 31 March 2023	5.82%	122	1.15%	1	-23.43%	3	4.21%	5
Balance as at 31 March 2022	0.16%	3	6.27%	3	0.00%	0	5.12%	3
<b>4. Metallurgica Bresciana S.p.A (Italy)</b>								
Balance as at 31 March 2023	5.55%	116	31.68%	40	-51.99%	7	42.11%	47
Balance as at 31 March 2022	3.38%	69	46.36%	22	-9.08%	(1)	36.15%	21
<b>5. Sterlite Technologies UK Ventures Limited</b>								
Balance as at 31 March 2023	-4.55%	(95)	-40.68%	(52)	0.21%	(0)	-45.78%	(52)
Balance as at 31 March 2022	-2.14%	(44)	-81.25%	(38)	0.00%	0	-66.29%	(38)
<b>6. Elitecore Technologies (Mauritius) Limited</b>								
Balance as at 31 March 2023	0.04%	1	0.10%	0	0.00%	0	0.12%	0
Balance as at 31 March 2022	0.04%	1	0.17%	0	0.00%	0	0.14%	0
<b>7. Elitecore Technologies Sdn Bhd.</b>								
Balance as at 31 March 2023	0.86%	18	8.78%	11	0.00%	0	9.88%	11
Balance as at 31 March 2022	0.33%	7	3.68%	2	0.00%	0	3.00%	2
<b>8. Sterlite Tech Holding Inc.</b>								
Balance as at 31 March 2023	-0.19%	(4)	-0.90%	(1)	2.56%	(0)	-1.33%	(2)
Balance as at 31 March 2022	-0.12%	(2)	-1.16%	(1)	0.00%	0	-0.95%	(1)
<b>9. Sterlite Technologies Inc</b>								
Balance as at 31 March 2023	5.11%	107	67.83%	86	-24.79%	3	79.39%	89
Balance as at 31 March 2022	0.87%	18	56.52%	27	0.00%	0	46.11%	27
<b>10. Impact Data Solutions Limited</b>								
Balance as at 31 March 2023	0.00%	-	10.12%	13	18.23%	(3)	9.11%	10
Balance as at 31 March 2022	1.77%	36	23.32%	11	-5.18%	(1)	18.07%	10
<b>11. Vulcan Data Centre Solutions Limited</b>								
Balance as at 31 March 2023	0.00%	0	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	0	-4.58%	(2)	0.15%	0	-3.71%	(2)
<b>12. PT Sterlite Technologies Indonesia</b>								
Balance as at 31 March 2023	0.05%	1	-0.11%	(0)	-0.21%	0	-0.10%	(0)
Balance as at 31 March 2022	0.05%	1	-2.87%	(1)	1.03%	0	-2.15%	(1)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit and loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
<b>13. Sterlite Technologies Pty. Ltd</b>								
Balance as at 31 March 2023	0.10%	2	0.81%	1	0.00%	0	0.92%	1
Balance as at 31 March 2022	0.05%	1	1.82%	1	0.00%	0	1.48%	1
<b>14. Sterlite Technologies DMCC</b>								
Balance as at 31 March 2023	1.05%	22	16.76%	21	-1.78%	0	19.08%	21
Balance as at 31 March 2022	0.02%	0	6.23%	3	0.94%	0	5.26%	3
<b>15. STL Optical Interconnect S.p.A.</b>								
Balance as at 31 March 2023	-1.13%	(24)	-7.25%	(9)	110.54%	(16)	-21.95%	(25)
Balance as at 31 March 2022	0.05%	1	-17.64%	(8)	26.58%	3	-9.50%	(6)
<b>16. Optotec S.p.A.</b>								
Balance as at 31 March 2023	5.01%	105	7.09%	9	-44.52%	6	13.53%	15
Balance as at 31 March 2022	5.29%	108	43.34%	21	-23.21%	(2)	31.09%	18
<b>17. Optotec International S.A.</b>								
Balance as at 31 March 2023	0.00%	-	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
<b>18. STL Edge Networks Inc.</b>								
Balance as at 31 March 2023	0.08%	2	-0.14%	(0)	-2.21%	0	0.12%	0
Balance as at 31 March 2022	0.08%	2	3.29%	2	0.00%	0	2.69%	2
<b>19. STL Tech Solutions Limited, UK</b>								
Balance as at 31 March 2023	0.00%	0	-3.10%	(4)	-0.93%	0	-3.38%	(4)
Balance as at 31 March 2022	0.19%	4	0.00%	-	-2.25%	(0)	-0.41%	(0)
<b>20. STL UK Holdco Limited, UK</b>								
Balance as at 31 March 2023	0.79%	17	-5.98%	(8)	14.17%	(2)	-8.49%	(10)
Balance as at 31 March 2022	1.28%	26	-5.72%	(3)	28.83%	3	0.64%	0
<b>21. Clearcomm Group Limited, UK#</b>								
Balance as at 31 March 2023	-0.53%	(11)	-9.98%	(13)	6.21%	(1)	-12.00%	(14)
Balance as at 31 March 2022	0.40%	8	-20.34%	(10)	-4.42%	(0)	-17.41%	(13)
<b>22. STL Network Services Inc., US</b>								
Balance as at 31 March 2023	0.00%	-	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
<b>23. STL Solutions Germany GmbH</b>								
Balance as at 31 March 2023	-0.11%	(2)	-0.85%	(1)	1.00%	(0)	-1.08%	(1)
Balance as at 31 March 2022	-0.05%	(1)	-2.75%	(1)	0.28%	0	-2.19%	(1)
<b>24. STL_Digital_Inc</b>								
Balance as at 31 March 2023	0.13%	3	2.08%	3	0.00%	0	2.34%	3
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
<b>28. Share of profit of Joint Venture/ Associate group</b>								
Balance as at 31 March 2023	1.74%	36	3.48%	4	0.00%	0	3.91%	4
Balance as at 31 March 2022	1.57%	32	9.82%	5	0.00%	0	8.01%	5

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit and loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
<b>Non controlling interest in all subsidiaries</b>								
Balance as at 31 March 2023	0.18%	4	-10.99%	(14)	29.27%	(4)	-16.01%	(18)
Balance as at 31 March 2022	4.10%	86	-30.86%	(15)	47.83%	5	-16.37%	(10)
<b>Total</b>								
<b>Balance as at 31 March 2023</b>	<b>100.00%</b>	<b>2,095</b>	<b>100.00%</b>	<b>127</b>	<b>100.00%</b>	<b>(14)</b>	<b>100.00%</b>	<b>113</b>
<b>Balance as at 31 March 2022</b>	<b>100.00%</b>	<b>2,047</b>	<b>100.00%</b>	<b>45</b>	<b>100.00%</b>	<b>10</b>	<b>100.00%</b>	<b>55</b>

All eliminations and adjustments are netted off against balances of Parent Company for disclosure purpose

# The numbers for the year ended March 31, 2022 are reported from the acquisition date to balance sheet date.

\* Refer note 16 for sale of investment in Maharashtra Transmission Communication Infrastructure Limited

ASOCS Ltd. (Associate group) is not considered for consolidation as the operations of the associate group is insignificant for the Group.

## 47. Segment Reporting

### (a) Description of segments and principal activities

The Group's operations primarily relate to telecom sector including manufacturing of telecom products, providing telecom services and digital and technology solutions. Effective July 1, 2022, pursuant to an internal reorganisation and change in the reporting structure, the management has reassessed the segment reporting as per Ind AS 108 - "Operating Segments". Accordingly, the operating segments have been changed from single operating segment (Connectivity and Network Solutions) to the following operating segments. The corresponding information for previous year has been restated in accordance with Ind AS 108.

1. Optical networking business (ONB) - Designing and Manufacturing of optical fibre, cables and optical interconnect products
2. Global service business (GSB) - Fiber roll out, end to end system integration and network deployment
3. Digital and technology solutions (Digital) - Enabling digital transformation of telcos and enterprises

The Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Parent publishes the Standalone financial statements of the Parent Company along with the consolidated financial statements of the Group. In accordance with Ind AS 108, Operating Segments, the Group has disclosed the segment information in the consolidated financial statements. The Operating segments are identified considering:

- a) the nature of products and services,
- b) the differing risks and returns,
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities. The segment information reviewed by the CODM does not include discontinued operations.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## (b) Segment Revenue

Revenues from external customers comprise sale of telecom products for the ONB Business, rendering of telecom services and end to end system integration and network development for the GSB Business and IT and ITES related services for the digital segment.

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit and loss. The group derives revenue from transfer of goods and services over time and at a point of time in the following segment.

Particulars	March 31, 2023		Timing of Recognition		
	External Turnover	Inter Segment	Total	Point in time	Overtime
<b>Revenue</b>					
ONB	5,344	95	5,439	5,167	177
GSB	1,511	-	1,511	-	1,511
Digital	70	-	70	-	70
Eliminations	-	(95)	(95)	-	-
<b>Total</b>	<b>6,925</b>	<b>-</b>	<b>6,925</b>	<b>5,167</b>	<b>1,758</b>

Particulars	March 31, 2022		Timing of Recognition		
	External Turnover	Inter Segment	Total	Point in time	Overtime
<b>Revenue</b>					
ONB	3,587	126	3,713	3,587	-
GSB	1,844	-	1,844	-	1,844
Digital	6	-	6	-	6
Eliminations	-	(126)	(126)	-	-
<b>Total</b>	<b>5,437</b>	<b>-</b>	<b>5,437</b>	<b>3,587</b>	<b>1,850</b>

## (c) Segment Results (EBITDA)

The CODM primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) from the continuing operations to assess the performance of the operating segments. The CODM also receives information about the segments' revenue, assets and liabilities on a regular basis. The segment results for the current and previous year is given below:

Particulars	March 31, 2023			March 31, 2022		
	External	Inter Segment	Total	External	Inter Segment	Total
ONB	1,045	-	<b>1,045</b>	541	-	<b>541</b>
GSB	47	-	<b>47</b>	156	-	<b>156</b>
Digital	(124)	-	<b>(124)</b>	(6)	-	<b>(6)</b>
Unallocable	(37)	-	<b>(37)</b>	32	-	<b>32</b>
<b>Total</b>	<b>931</b>	<b>-</b>	<b>931</b>	<b>723</b>	<b>-</b>	<b>723</b>
Finance costs	-	-	311	-	-	238
Depreciation and amortisation expense	-	-	309	-	-	308
Share of Profit/(loss) from Joint Venture	-	-	4	-	-	5
Exceptional Items	-	-	-	-	-	16
Profit before tax from continuing operations	-	-	316	-	-	198

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## (d) Segment Assets and Liabilities

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset.

The Group's Cash and other bank balances, current investments and borrowings are not considered to be segment assets and liabilities, and are managed by the treasury function. The segment assets and liabilities as at March 31, 2023 and March 31, 2022 is given below:

Particulars	Segmental Assets		Segmental Liabilities	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
ONB*	4,933	5,025	1,319	1,469
GSB	2,930	2,452	1,374	1,509
Digital	153	63	105	3
Unallocable	873	1,250	3,996	3,762
Eliminations	(24)	(31)	(24)	(31)
<b>Total</b>	<b>8,864</b>	<b>8,819</b>	<b>6,895</b>	<b>6,716</b>

### Unallocable Assets and liabilities includes:

Cash & Cash equivalents	450	411	-	-
Other Bank balances	57	119	-	-
Current Investment	40	0	-	-
Advance income tax and current tax assets	9	58	-	-
Deferred tax assets	77	48	-	-
Assets related to discontinued operations and assets held for sale	11	440	-	-
Corporate Assets	229	175	-	-
Current tax liabilities	-	-	33	22
Current borrowings	-	-	2,665	1,775
Deferred tax liabilities	-	-	54	90
Non current borrowings	-	-	1,002	1,536
Liabilities related to discontinued operations	-	-	31	169
Corporate Liabilities	-	-	211	169

\* includes investment in associate and joint venture accounted under equity method amounted to ₹36 crores (31 March 2022: 32 crores).

The depreciable and intangible assets are allocated to the respective segments, however the related depreciation and amortisation is not included in the segment results reviewed by the CODM. The amount of related depreciation and amortisation is ₹257 crores (31 March 2022: ₹293 crores) for ONB, ₹21 crores (31 March 2022: ₹15 crores) for GSB and ₹9 crores (31 March 2022: ₹0 crores) for the Digital segment.

Investment in associates and joint venture accounted for under equity method / FVOCI are allocated to respective segment assets but the share of profit / loss is not included in the segment results reviewed by the CODM. The share of profits in associate and joint venture is ₹4 crores (31 March 2022: ₹5 crores) related to ONB segment.

### Geographical Information

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>(1) Revenue from external customers</b>		
- Within India	1,922	2,369
- Outside India	5,003	3,068
<b>Total revenue as per statement of profit and loss</b>	<b>6,925</b>	<b>5,437</b>
<b>(2) Non-current assets</b>		
- Within India	2,458	2,425
- Outside India	1,014	1,191
<b>Total</b>	<b>3,471</b>	<b>3,616</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, intangible assets including goodwill and other non-current assets.

### (3) Revenue from external customers

Revenue of approximately ₹1,059 crores (31 March 2022 – ₹762 crores) are derived from two external customers. This revenue is attributed to ONB segment ₹628 crores (31 March 2022 - NIL) and ₹431 crores from GSB segment (31 March 2022 - ₹762 crores).

## 48. Financial Risk Management

The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Group also enters into derivative transactions.

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's senior management oversees the activities to manage of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken.

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

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risks to which Group is exposed and related risk management policies are summarised below -

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk such as equity price risk and commodity risk. Financial instruments affected by market risk mainly including loans given and borrowings, financial assets and liabilities in foreign currency, quoted investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2023 and 31 March 2022.

#### Interest rate risk

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

The Group is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2023, after taking into account the effect of interest rate swaps, approximately 71% of the Group's borrowings are at a fixed rate of interest (31 March 2022: 68%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Variable rate borrowings	1,050	1,143
Fixed rate borrowings	2,616	2,168
<b>Total borrowings</b>	<b>3,667</b>	<b>3,311</b>

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

	March 31, 2023		March 31, 2022	
	Balance (₹ In crores)	% of total loans	Balance (₹ In crores)	% of total loans
Variable rate borrowings	1,050	29%	1,143	35%
Interest rate swaps (notional principal amount)	-		100	
Net exposure to cash flow interest rate risk	1,050		1,043	



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Interest rate sensitivity

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

Particulars	Increase/Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/(increase)
<b>31 March 2023</b>		
Base Rate	+50	5
Base Rate	-50	(5)
<b>31 March 2022</b>		
Base Rate	+50	5
Base Rate	-50	(5)

## Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 15-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in foreign currency risk. During the years ended 31 March 2023 and 31 March 2022, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Group has hedged significant exposure as at March 31, 2023 and as at March 31, 2022. The Group's foreign currency exposure at the year end is as follows

### March 31, 2023

	(₹ in crores)			
Financial Assets	USD	EUR	GBP	AED
Trade receivable	92	69	115	4
Bank Balances	2	16	4	-
Loans	-	3	-	-
<b>Derivative Assets</b>				
Foreign exchange forward contracts - Sell foreign currency*	951	131	277	6
Net Exposure to foreign currency risk (Assets)	(857)	(42)	(158)	(2)

\*Includes forward contracts of ₹857 crores (for USD currency risk), ₹42 crores (for EUR currency risk) and ₹158 crores (for GBP currency risk) on intragroup monetary items which result in exposure to foreign exchange rate gains or losses that are not fully eliminated on consolidation.

### March 31, 2023

	(₹ in crores)		
Financial Liabilities	USD	EUR	GBP
Bank Loan	113	53	-
Payables for purchase of property, plant & equipments	36	24	-
Trade Payables	171	77	6
<b>Derivative Liabilities</b>			
Foreign exchange forward contracts - Buy foreign currency *	335	108	6
Net Exposure to foreign currency risk (Liabilities)	(15)	46	0

\*Includes forward contracts of ₹15 crores (for USD currency risk) on intragroup monetary items which result in exposure to foreign exchange rate gains or losses that are not fully eliminated on consolidation.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

March 31, 2022

	(₹ in crores)			
Financial Assets	USD	EUR	GBP	AED
Trade receivable	11	78	222	11
Bank Balances	1	34	16	-
Loans	-	-	3	-
<b>Derivative Assets</b>				
Foreign exchange forward contracts - Sell foreign currency	525	121	219	11
Net Exposure to foreign currency risk (Assets)	(513)	(8)	22	0

March 31, 2022

	(₹ in crores)		
Financial Liabilities	USD	EUR	GBP
Bank Loan	132	25	62
Payables for purchase of property, plant & equipments	90	39	-
Trade Payables	110	34	2
<b>Derivative Liabilities</b>			
Foreign exchange forward contracts - Buy foreign currency	236	76	12
Principal Swap - Buy foreign currency	38	-	-
Net Exposure to foreign currency risk (Liabilities)	59	22	52

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows-

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
<b>March 31, 2023</b>	+5%	(42.16)/(32.92)	+5%	(4.44)/5.62	+5%	(7.98)/20.60
	-5%	42.16/32.92	-5%	4.44/(5.62)	-5%	7.98/(20.60)
<b>March 31, 2022</b>	+5%	0.37/15.03	+5%	1.03/12.67	+5%	(1.47)/20.06
	-5%	(0.37)/(15.03)	-5%	(1.03)/(12.67)	-5%	1.47/(20.06)

## Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet these requirements the Group enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

## Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

## Price risk

The Group's investment in non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹96 crores (31 March 2022: ₹92 crores). The group also invests into highly liquid mutual funds which are subject to price

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds are made as a part of treasury management activities.

The group invests into highly liquid funds which are subject to price risk changes. These investments are generally for short durations and therefore impact of price change is generally not significant

## (b) Credit risk

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

### Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account its financial position, past experience and other factors, eg. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Group provides for expected credit loss of trade receivables and contract assets based on life-time expected credit losses (simplified approach). The Group assesses the expected credit loss for Global Services Business (GSB) considering the individual nature and risks of the contracts. The expected credit losses for other businesses is assessed using a provision matrix as per the practical expedient prescribed under IND AS 109.

The credit risk of customers of Global Services Business (GSB) is assessed individually considering the nature and risks involved in each contract. Such assessment is considered in determining the adequacy of expected credit loss for trade receivables and contract assets of the business which requires significant management judgement. Refer Note 3 for details of the judgement involved.

A major portion of the GSB trade receivables and contract assets consists of government customers. The credit risk in receivable from government customers is considered to be low. In case of disputes, the Group considers interpretation of contractual terms, project status, probability of settlement, counter-claims, latest discussions / correspondence and legal opinions wherever applicable in assessing the recoverability. The average project execution cycle in GSB ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts.

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 using a provision matrix to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the group made write-offs of Nil (31 March 2022: Nil) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

### Details of Expected credit loss for Global Services Business (GSB) is as follows:

Particulars	March 31, 2023	March 31, 2022
Gross Carrying Amount - Trade Receivables	1,150	1,021
Gross Carrying Amount - Contract Assets	-	-59
Expected credit losses - Trade Receivables	102	116
Expected credit losses - Contract Assets	61	-
<b>Carrying amount of trade receivable (net of provision)</b>	<b>1,048</b>	<b>905</b>
<b>Carrying amount of contract assets (net of provision)</b>	<b>(61)</b>	<b>(59)</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Details of Expected credit loss for Other than GSB Business are as follows:

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount - Trade Receivables					
Considered Good	755	16	13	18	801
Credit Impaired	-	-	3	19	22
Expected loss rate	0.40%	6.36%	0.94%	22.29%	1.01%
Expected credit losses - Trade Receivables	3	1	3	23	30
Carrying amount of trade receivables (net of impairment)	752	15	13	14	793

As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount - Trade Receivables					
Considered Good	664	44	68	48	823
Credit Impaired	-	3	-	9	12
Gross Carrying Amount - Contract Assets	-	59	-	-	59
Expected loss rate	0.30%	10.68%	1.48%	25.13%	2.95%
Expected credit losses - Trade Receivables	2	3	1	21	27
Expected credit losses - Contract Assets	-	11	-	-	11
Carrying amount of trade receivables (net of impairment)	662	44	67	36	808
Carrying amount of contract assets (net of impairment)	-	48	-	-	48

Reconciliation of loss allowance provision of trade receivables and contract assets:

Particulars	Contract Assets	Trade Receivables
Loss Allowance as on April 01, 2021	-	49
Increase in loss allowance recognised in profit or loss during the year	11	94
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	-	-
Loss Allowance as on March 31, 2022	11	143
Increase in loss allowance recognised in profit or loss during the year	61	1
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	-	-
Loss Allowance pertaining to Discontinued Operations	(11)	(14)
Loss Allowance as on March 31, 2023	61	130

## Financial instruments and cash deposits

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The Group assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The Group charges interest on such loans at arms length rate considering counterparty's credit rating. Based on the assessment performed, the Group considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts of each class of financial assets.

## (c) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in crores)						
Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
<b>As at March 31, 2023</b>						
Borrowings (including interest)	-	1,637	1,117	1,008	244	4,006
Other financial liabilities	5	5	113	3	-	126
Trade payables	535	1,118	499	-	-	2,152
Payables for purchase of Property, plant and equipments	-	114	7	-	-	121
Derivatives	-	11	11	0	-	22
Lease liability	-	8	23	101	58	189
	<b>539</b>	<b>2,893</b>	<b>1,769</b>	<b>1,113</b>	<b>301</b>	<b>6,615</b>
<b>As at March 31, 2022</b>						
Borrowings (including interest)	0	1,356	469	1,580	345	3,750
Other financial liabilities	5	31	56	50	-	142
Trade payables	643	1,274	503	-	-	2,420
Payables for purchase of Property, plant and equipments	-	13	150	1	-	164
Derivatives	-	0	4	0	-	4
Lease liability	-	9	26	104	76	215
	<b>648</b>	<b>2,683</b>	<b>1,208</b>	<b>1,735</b>	<b>421</b>	<b>6,695</b>

## Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The cash flow hedges for such derivative contracts as at 31 March 2023 were assessed to be highly effective and a net unrealised loss of ₹33 crores, with a deferred tax asset of ₹8 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2021 were assessed to be highly effective and an unrealised gain of ₹1.50 crores, with a deferred tax liability of ₹0.38 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2023 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2024 and 31 March 2025.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

As at 31 March 2023, the Group does not have any currency/interest rate swap contracts outstanding. As at 31 March 2022, the Group had currency/interest rate swap agreements in place with a notional amount of USD 0.5 crores (₹ 42.45 crores) and GBP 0.63 crores (₹ 57.60 crores) whereby the Group received a variable rate of interest of Libor + 2.70% and paid interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD for the USD Interest Swap. For the GBP Interest Swap, the Group received a variable rate of interest of Sterling Overnight Index Average and paid interest at a fixed rate equal to 1.74% p.a on the notional amount of GBP Loan. The swaps were being used to hedge the exposure to changes in the foreign exchange rates and interest rates.

The cash flow hedges for such derivative contracts as at 31 March 2022 were assessed to be highly effective and a net unrealised loss of ₹1.1 crores, with a deferred tax asset of ₹0.28 crore relating to the hedging instruments, is included in OCI.

## Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

### March 31, 2023

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets / (Liabilities)							
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
(i) Foreign exchange forward contracts- Assets	480	2	April 2023- Jun 2024	1:1	EUR:INR-89.99 GBP:INR-102.38 USD:INR-83.06 AED:INR-22.59 AUD:INR-59.03 CNH:INR-11.90	(16)	16
(ii) Foreign exchange forward contracts- Liabilities	801	(13)	April 2023- Jun 2024	1:1	EUR:INR-89.31 USD:INR-82.70 GBP:INR-99.59 AED:INR-22.41	(12)	12
(iii) Foreign Currency Loan	Nil	Nil	NA	NA	NA	(4)	4
<b>Interest rate risk</b>							
Interest rate swap	Nil	Nil	NA	NA	NA	0	(0)

### March 31, 2022

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

(₹ in crores)							
Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
							Assets/ (Liabilities)
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
(i) Foreign exchange forward contracts-Assets	1,108	18	April 2022- Jun 2023	1:1	EUR:INR- 87.76, GBP:INR- 102.59, USD:INR- 77.53, AED:INR- 21.66	0	(0)
(ii) Foreign exchange forward contracts-Liabilities	171	(1)	April 2022 - Jun 2023	1:1	EUR:INR- 86.23, GBP:INR- 101.82, USD:INR- 76.73, AED:INR- 20.68, AUD:INR- 56.92	1	(1)
(iii) Foreign Currency Loan	38	4	January 03, 2023	1:1	N/A	(2)	2
<b>Interest rate risk</b>							
Interest rate swap	100	(0)	January 03, 2023	1:1	N/A	1	(1)

\*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.

The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

**March 31, 2023**

(₹ in crores)				
Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	(28)		(6)	Revenue and COGS
	0	-	-	N/A

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

March 31, 2022

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	15	-	(14)	Revenue and COGS
Interest Risk	1	-	-	N/A

The Group's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve.

## 49. Capital Management

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

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

The recent investments by the group in new businesses, increasing the capacity of existing businesses and increase in working capital due to certain projects has lead to increase in capital requirement. The group expects to realise the benefits of these investments in near future.

Particulars	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
Interest bearing loans and borrowings	3,669	3,315
Less: Cash and cash equivalents & current investment*	(541)	(523)
<b>Net debt</b>	<b>3,128</b>	<b>2,792</b>
Equity share capital	80	80
Other equity	2,011	1,877
<b>Total capital</b>	<b>2,091</b>	<b>1,957</b>
<b>Capital and net debt</b>	<b>5,219</b>	<b>4,749</b>
Gearing ratio	59.93%	58.80%

\*includes other bank balance of ₹50 crores (31 March 2022: ₹ 112 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the group at any time without any major penalties.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous year.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

## Dividend distribution made and proposed

As a part of Group's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Cash dividends on equity shares declared and paid:</b>		
<b>Sterlite Technologies Limited</b>		
Final dividend for the year ended on 31 March 2022: ₹ 0.5 per share (31 March 2021: ₹2 per share)	20	79
	<b>20</b>	<b>79</b>
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31 March 2023: ₹ 1 per share (31 March 2022: ₹0.5 per share)	40	20
	<b>40</b>	<b>20</b>

## 50. Fair Values

### a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of March 31, 2023:

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Investments						
Equity instruments	-	60	-	-	60	-
Mutual funds	40	-	-	0	-	-
Trade receivables	-	-	1,822	-	-	1,706
Loans	-	-	3	-	-	4
Cash and cash equivalents	-	-	450	-	-	411
Other bank balances	-	-	57	-	-	119
Derivative financial assets	5	2	-	14	17	-
Other financials assets	13	-	109	21	-	75
<b>Total financial assets</b>	<b>58</b>	<b>62</b>	<b>2,441</b>	<b>35</b>	<b>77</b>	<b>2,315</b>
<b>Financial liabilities</b>						
Borrowings	-	-	3,668	-	-	3,311
Trade Payables	-	-	2,152	-	-	2,420
Derivative financial liabilities	9	13	-	2	2	-
Payables for purchase of Property, plant and equipment's	-	-	121	-	-	164
Deposits from vendors	-	-	3	-	-	3
Other Financial Liabilities	-	-	123	-	-	139
<b>Total financial liabilities</b>	<b>9</b>	<b>13</b>	<b>6,067</b>	<b>2</b>	<b>2</b>	<b>6,038</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Investments in Equity Shares of Associates</b>				
As at 31 March 2023	60	-	-	60
As at 31 March 2022	60	-	-	60
<b>Investments in Mutual funds</b>				
As at 31 March 2023	40	40	-	-
As at 31 March 2022	0	0	-	-
<b>Other Financial Assets</b>				
As at 31 March 2023	13	-	13	-
As at 31 March 2022	21	-	21	-
<b>Derivative financial assets - Foreign Exchange Forward Contracts</b>				
As at 31 March 2023	5	-	5	-
As at 31 March 2022	14	-	14	-
<b>Derivative financial assets - Currency/Interest Rate Swaps</b>				
As at 31 March 2023	2	-	2	-
As at 31 March 2022	17	-	17	-
<b>Derivative financial Liabilities - Foreign Exchange Forward Contracts</b>				
As at 31 March 2023	9	-	9	-
As at 31 March 2022	2	-	2	-
<b>Derivative financial Liabilities - Currency/Interest Rate Swaps</b>				
As at 31 March 2023	13	-	13	-
As at 31 March 2022	2	-	2	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

## c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

**d) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

Particulars	₹ in crores
	Investments in Equity Shares of Associate
<b>As at 31 March 2022</b>	<b>60</b>
Acquisitions	-
Deletion	-
<b>As at 31 March 2023</b>	<b>60</b>

**e) Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVOCI assets in unquoted equity shares	Transaction multiple approach	Revenue multiple considered	31 March 2023: 3.6 (31 March 2022: 3.6)	5% (31 March 2022: 5%) increase/ (decrease) in the revenue multiple would result in increase / (decrease) in fair value by ₹3.43/ (3.43) crores (31 March 2022: 3.86/ (3.86) crores)

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

**f) Valuation processes**

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the Group are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as on 31 March 2023 and 31 March 2022 are as shown above.

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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## 51. Related Party Transactions

### (A) Name of related party and nature of its relationship:

#### (a) Related parties where control exists

##### (i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding group)

Volcan Investments Limited, Bahamas (Ultimate holding group)

#### (b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

##### (i) Fellow Subsidiaries

Cairn India Holdings Ltd

Sterlite Power Transmission Limited

Vedanta Limited

Hindustan Zinc Limited

Fujairah Gold FZE

ESL Steel Limited

Talwandi Sabo Power Limited

Ferro Alloy Corporation Limited (FACOR)

Avan Strate Inc.

##### (ii) Joint ventures

Sterlite Condu spar Industrial Ltda (50:50 joint venture between Sterlite Technologies UK Ventures Limited and Condu spar Condutores Eletricos Limiteda)

##### (iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)

Mr. Sandip Das (Non executive & Independent Director)

Ms. Kumud Srinivasan (Non executive & Independent Director)

Mr. B. J Arun (Non executive & Independent Director)

Mr. S Madhavan (Non executive & Independent Director)

Mr. Ankit Agarwal (Managing Director)

##### (iv) Relative of key management personnel (KMP)

Mrs. Jyoti Agarwal

Mrs. Ruchira Agarwal

Mrs. Sonakshi Agarwal

Mr. Navin Agarwal

##### (v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)

Universal Floritech LLP (EKMP)

Sterlite Tech Foundation (EKMP)

Pravin Agarwal Family Trust (EKMP)

Runaya Private Limited

##### (vi) Associates

M.B Maanshan Special Cables Co. Ltd

ASOCS Ltd.

#### (c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

##### (i) Key management personnel (KMP)

Mr. Mihir Modi (Chief Financial Officer till October 13, 2022)

Mr. Tushar Shroff (Chief Financial Officer from December 06, 2022)

Mr. Amit Deshpande (group Secretary)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Ultimate Controlling Party

Sterlite Technologies Limited is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (Twin Star). Volcan Investments Limited ('Volcan') holds 100 % of the share capital and 100 % of the voting rights of Twin Star. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Mr. Anil Agarwal is the protector and one of the beneficiaries of the Trust. Twin Star Overseas Limited, Volcan Investments Limited and Anil Agarwal Discretionary Trust do not produce Group financial statements.

## (B) The transactions with related parties during the year and their outstanding balances are as follows:-

		(₹ in crores)									
S. No.	Particulars	Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/ EKMP	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Remuneration	-	-	-	-	15	31	-	-	-	-
2	Sitting Fees	-	-	-	-	0	0	-	-	-	-
3	Commission	-	-	-	-	1	2	-	-	-	-
4	Consultancy	-	-	-	-	-	1	-	-	-	-
5	Dividend (received)/paid	-	-	10	42	0	0	0	0	0	1
6	Sale of investments	-	-	-	-	-	-	-	-	-	43
7	Loans and advances given	-	0	-	-	-	-	-	-	-	-
8	Repayment of loans given	-	-	-	-	-	-	-	-	-	11
9	Loan repaid	-	-	-	-	-	-	-	-	-	10
10	Interest charged on loans	-	-	-	-	-	-	-	-	-	0
11	Interest expense on loans	-	-	-	-	-	-	-	-	-	1
12	Management fees received	-	-	-	-	-	-	-	-	6	10
13	Reimbursement of expenses	-	-	-	-	-	-	-	-	2	0
14	Purchase of goods & services	-	-	-	-	-	-	-	-	238	261
15	Sale of goods & services	6	13	-	-	-	-	-	-	27	9
16	Contributions made for CSR	-	-	-	-	-	-	-	-	8	11
17	Rental income	-	-	-	-	-	-	-	-	0	0
<b>Outstanding Balances</b>											
1	Loans/advance receivables##	3	3	-	-	-	-	-	-	0	1
2	Loans/advance payables	-	-	-	-	-	-	-	-	-	-
3	Interest payable on loans	-	-	-	-	-	-	-	-	-	-
4	Trade receivables	33	42	-	-	-	-	-	-	6	-
5	Other receivables	-	-	-	-	-	-	-	-	16	23
6	Trade payables	-	-	-	-	-	-	-	-	0	30
7	Advance to vendors	-	-	-	-	-	-	-	-	-	-
8	Investment in equity shares, preference shares & debentures	96	92	-	-	-	-	-	-	-	-
9	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114 <sup>^</sup>	114 <sup>^</sup>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

(C) Disclosure in respect of material related party transaction during the year:

		(₹ in crores)		
S. No.	Particulars	Relationship	March 31, 2023	March 31, 2022
<b>1</b>	<b>Remuneration</b>			
	Mr. Pravin Agarwal	KMP	8	10
	Dr. Anand Agarwal	KMP	-	14
	Mr. Ankit Agarwal	KMP	4	4
	Mr. Tushar Shroff	KMP	1	0
	Mr. Mihir Modi	KMP	1	3
	Mr. Amit Deshpande	KMP	1	1
<b>2</b>	<b>Sitting Fees</b>			
	Mr. Sandip Das	KMP	0	0
	Ms. Kumud Srinivasan	KMP	0	0
	Mr. S. Madhavan	KMP	0	0
	Mr. B J Arun	KMP	0	0
<b>3</b>	<b>Commission</b>			
	Ms. Kumud Srinivasan	KMP	0	0
	Mr. S. Madhavan	KMP	0	0
	Mr. B J Arun	KMP	0	0
	Mr. Sandip Das	KMP	0	0
<b>4</b>	<b>Consultancy</b>			
	Mr. Sandip Das	KMP	-	1
<b>5</b>	<b>Dividend (received)/paid</b>			
	Twin Star Overseas Limited	Holding group	10	42
	Vedanta Limited	Fellow Subsidiary	0	1
<b>6</b>	<b>Sale of investments</b>			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	43
<b>7</b>	<b>Loans and advances given</b>			
	Sterlite Condu spar Industrial Ltda	Joint Venture	-	0
<b>8</b>	<b>Repayment of loans given</b>			
	Twinstar Display Technologies Limited	Fellow Subsidiary	-	11
	Twin Star Technologies Ltd	Fellow Subsidiary	-	-
<b>9</b>	<b>Loan repaid</b>			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	10
<b>10</b>	<b>Interest charged on loans</b>			
	Twin Star Display Technologies Limited	Fellow Subsidiary	-	0
	Twin Star Technologies Ltd	Fellow Subsidiary	-	0
<b>11</b>	<b>Interest expense on loans</b>			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	1
<b>12</b>	<b>Management fees received</b>			
	Cairn India Holdings Ltd	Fellow Subsidiary	6	10
<b>13</b>	<b>Reimbursement of expenses</b>			
	Cairn India Holdings Ltd	Fellow Subsidiary	1	-
	Sterlite Power Transmission Limited	Fellow Subsidiary	0	0
<b>14</b>	<b>Purchase of goods &amp; services</b>			
	Vedanta Limited	Fellow Subsidiary	190	223
	Runaya Private Limited	EKMP	48	38
<b>15</b>	<b>Sale of goods &amp; services</b>			
	Sterlite Power Transmission Limited	Fellow Subsidiary	16	9
	Sterlite Condu spar Industrial Ltda	Joint Venture	6	13
	Hindustan Zinc Limited	Fellow Subsidiary	2	-
	Vedanta Limited	Fellow Subsidiary	8	-
<b>16</b>	<b>Contributions made for CSR</b>			
	Sterlite Tech Foundation	EKMP	8	11
<b>17</b>	<b>Rental income</b>			
	Universal Floritech LLP	EKMP	0	0

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## (D) Compensation of Key management personnel of the company

Particulars	March 31, 2023	March 31, 2022
Short term employee benefits	14	23
Long term & Post employment benefits	1	5
Share based payment transaction*	0	3
<b>Total compensation paid to key management personnel</b>	<b>15</b>	<b>31</b>

## (E) Terms and Conditions

- a) Transactions relating to dividends for equity shares were on the same terms and conditions that applied to other shareholders.
- b) All other transactions were made on normal commercial terms and conditions and at market rates.
- c) All outstanding balances are unsecured and repayable in cash.

##Includes interest & expenses incurred and recoverable.

^ Refer note 39 for details

\*Share-based payments include the perquisite value of stock incentives exercised during the year,determined in accordance with the provisions of the Income-tax Act,1961.

## 52. Borrowing Secured Against Current Assets

List of banks to which stock statements are submitted:

Sr No	Bank Name
1	ICICI Bank Ltd.
2	State Bank of India
3	Yes Bank Ltd
4	Axis Bank Ltd
5	IDFC FIRST Bank Ltd
6	Indusind Bank Limited
7	Bank of Baroda
8	RBL Bank Ltd.
9	The Federal Bank Limited
10	IDBI Bank Limited
11	Deutsche Bank AG
12	Union Bank of India
13	HDFC Bank Ltd.
14	Export-Import Bank of India
15	Citi Bank

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns of statements of current assets filed by the Company with banks are in agreement with the books of accounts, except for the following statements in the table below:-

(₹ in crores)

Quarter ended	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
March, 2023	Trade receivables and contract assets	3,527	3,532	(4)	The difference is on account of period end regrouping entries.
December, 2021	Trade receivables and contract assets	2,929	3,162	(233)	The difference is on account of period end regrouping entries.
December, 2021	Inventories	457	349	108	The difference is on account of period end closing entries.
September, 2021	Trade receivables and contract assets	2,991	3,124	(133)	The difference is on account of period end closing entries ₹(195.16) crores and non consideration of related party receivable ₹62.00 crores
September, 2021	Inventories	374	341	33	The difference is on account of period end closing entries.
June, 2021	Trade receivables and contract assets	3,204	3,079	125	The difference is on account of period end regroupings ₹63.09 crores and non consideration of related party receivable ₹62.00 crores
June, 2021	Inventories	449	351	97	The difference is on account of period end closing entries.

## 53. Interests in Joint Venture and Associate

### Joint Venture - Sterlite Condu spar Industrial Ltda

Set out below are the details of Joint venture of the Group which in the opinion of management are material to the Group. The Group has a 50.00 % ( 31 March 2022: 50.00 %) interest in Sterlite Condu spar Industrial Ltda, a joint venture engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Condu spar Industrial Ltda ('Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Current assets	14	37
Non-current assets	7	10
<b>Total Assets (A)</b>	<b>21</b>	<b>47</b>
Current liabilities	19	12
Non-current liabilities	32	45
<b>Total Liabilities (B)</b>	<b>50</b>	<b>57</b>
<b>Net Assets (A+B)</b>	<b>(30)</b>	<b>(11)</b>
Proportion of the Group's ownership	50.00%	50.00%
Carrying amount of the investment	-	-



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Summarised statement of profit and loss of the Joint Venture:

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
Revenue	43	56
Other Income	-	0
Cost of raw material and components consumed	46	39
Depreciation & amortisation	1	1
Finance cost	6	2
Employee benefit	6	6
Other expense	3	10
<b>Loss before tax</b>	<b>(18)</b>	<b>(1)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(18)</b>	<b>(1)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(18)</b>	<b>(1)</b>
<b>Group's share of loss for the year</b>	<b>(9)</b>	<b>(1)</b>
<b>Unrecognised share of profit / (loss) of joint venture</b>	<b>(9)</b>	<b>(1)</b>

As per paragraph 39 of Ind AS 28, the group has not recognised the share of loss of joint venture, as the equity investment in joint venture is reduced to zero. The group will resume recognising its share of profits in the joint venture only after its share of the profits equals the share of losses not recognised.

The group had no contingent liabilities or capital commitments relating to its interest in joint venture as at 31 March 2023 and 31 March 2022.

## Associate group - M.B Maanshan Special Cables Co. Ltd

	March 31, 2023 (₹ in crores)	March 31, 2022 (₹ in crores)
<b>Aggregate carrying amount</b>	<b>36</b>	<b>32</b>
<b>Aggregate amounts of the group's share of:</b>		
Profit from continuing operations	4	5
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>4</b>	<b>5</b>

## 54. Disclosure for Non-Controlling Interests

This information is based on amounts before inter-group eliminations.

Financial information of subsidiaries that have material non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Name of the Company	Principal activity	Effective ownership as on March 31, 2023	Effective ownership as on March 31, 2022	Country of incorporation
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)#	Manufacturing of Optical Fibre	-	25.00%	China
Impact Data Solutions Limited*		-	20.00%	United Kingdom
Impact Data Solutions B.V.*	Data centre network infrastructure design and deployment	-	20.00%	Netherlands
Vulcan Data Centre Solutions Limited*		20.00%	20.00%	United Kingdom
Clearcomm Group Limited	Network integration services	20.00%	20.00%	United Kingdom

\*collectively referred as "IDS Group" and disclosed below. Further, group has sold the investment in Impact Data Solutions Limited and Impact Data Solutions B.V. during the year (refer note 16).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

## Summarised statement of profit and loss for the year ended March 31, 2023:

Particulars	March 31, 2023				March 31, 2022			
	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)
Revenue	-	74	1	101	28	104	-	133
<b>Profit / (loss) for the year</b>	-	(21)	(50)	14	14	(12)	(74)	7
<b>Total comprehensive income</b>	-	<b>(19)</b>	<b>(60)</b>	<b>2</b>	<b>14</b>	<b>(13)</b>	<b>(52)</b>	<b>6</b>
Attributable to non-controlling interests	-	(4)	(15)	1	5	(3)	(13)	1
Dividends paid to non-controlling interests	-	-	(14)	-	-	-	-	-

## Summarised balance sheet as at March 31, 2023 and March 31, 2022:

Particulars	March 31, 2023				March 31, 2022			
	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group** (₹ in crores)	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)
Non current assets	-	48	-	-	-	26	419	45
Current assets	-	41	-	0	-	57	41	76
<b>Total Asset (A)</b>	-	<b>89</b>	-	<b>0</b>	-	<b>83</b>	<b>460</b>	<b>121</b>
Non current liability	-	(49)	-	(0)	-	(38)	13	(13)
Current liability	-	(21)	-	(0)	-	(34)	(198)	(33)
<b>Total Liability (B)</b>	-	<b>(70)</b>	-	<b>(0)</b>	-	<b>(73)</b>	<b>(186)</b>	<b>(46)</b>
<b>Net assets (A+B)</b>	-	<b>19</b>	-	<b>0</b>	-	<b>10</b>	<b>275</b>	<b>75</b>
<b>Accumulated NCI</b>	-	<b>4</b>	-	<b>0</b>	-	<b>2</b>	<b>69</b>	<b>15</b>

\*\* Pertains to Vulcan Data Centre Solutions Limited.

## Summarised cash flows

Particulars	March 31, 2023				March 31, 2022			
	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group** (₹ in crores)	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)
Cash inflow / (outflow) from operating activities	-	(16)	2	1	111	(0)	30	10
Cash inflow / (outflow) from investing activities	-	(5)	(0)	(1)	(89)	(5)	(9)	(0)
Cash inflow / (outflow) from financing activities	-	21	4	-	(22)	2	(25)	(8)
Net increase / (decrease) in cash and cash equivalents	-	0	6	0	0	(3)	(3)	2

\*\* Closing cash and cash equivalents pertains to Vulcan Data Centre Solutions Limited.

## Transactions with non-controlling interests

# During the year, the Group signed a definitive agreement dated June 28, 2022 to acquire balance 25% stake in Jiangsu Sterlite Tongguang Fiber Co. Ltd. (JSTFCL). The Group has completed the acquisition of balance 25% stake in JSTFCL. Consequent to acquisition, the Group is holding 100% equity shares of Jiangsu Sterlite Fiber Technology Co. Ltd (formerly known as JSTFCL). The difference of ₹26 crores between consideration paid and carrying value of non-controlling interest is recognised in other equity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

Particulars	March 31, 2023
Carrying amount of non-controlling interests acquired (A)	40
Consideration paid to non-controlling interests (B)	65
Incidental costs related to acquisition of non-controlling interests (C)	1
<b>Excess of consideration paid recognised in retained earnings within equity (A-B)</b>	<b>(26)</b>

\* During the year ended March 31, 2023, the Group sold its entire stake held in Impact Data Solutions Limited, UK and its wholly owned subsidiary Impact Data Solutions BV and consequently derecognised non-controlling interest of ₹16 crores related to the entities sold during the year.

## 55. Demerger

The Board of Directors of the Company at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company" or "Company") and STL Networks Limited (the "Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Scheme, inter alia, provides for the following:

- Transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged Company to the Resulting Company and consequent issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company; and
- Various other matters consequential or otherwise integrally connected therewith including the reorganisation of the share capital of the Resulting Company.

The equity shares of the Resulting Company are to be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the Company will be issued shares in the Resulting Company in the same proportion as their holding in the Company. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench."

## 56. Previous Year Figures

Further, previous year figures have been reclassified to conform to this year's classification.

As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No: 012754N/N500016

**Neeraj Sharma**

Partner

Membership Number:108391

Place: Mumbai

Date: May 17, 2023

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

**Pravin Agarwal**

Vice Chairman &

Whole-time Director

DIN: 00022096

Place: Mumbai

Date: May 17, 2023

**Ankit Agarwal**

Managing Director

DIN: 03344202

**Tushar Shroff**

Chief Financial

Officer

**Amit Deshpande**

Company

Secretary

# FORM AOC-1 - PART A

## Statement Containing Salient Features of The Financial Statement of Subsidiaries / Associate Companies / Joint Ventures as Per Companies Act, 2013

S. No.	Name of Subsidiary	Country of Incorporation	Reporting currency	Exchange rate (INR)	Share Capital	Reserve & Surplus	Total Liabilities	Total Assets	Investment	Turnover (Gross Revenue)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Holding
1	Speedon Network Limited	India	INR	NA	1.55	(26.34)	48.53	23.74	0.02	5.71	(10.47)	-	(10.47)	-	100.00
2	Sterilite Telesystems Limited	India	INR	NA	0.02	(0.02)	-	-	-	0.01	0.21	-	0.21	-	100.00
3	Elitecore Technologies (Mauritius) Limited	Mauritius	MUR	1.80	0.14	0.75	0.18	1.07	-	-	0.06	-	0.06	-	100.00
4	Elitecore Technologies Sdn Bhd.	Malaysia	MYR	18.62	-	17.94	3.55	21.49	-	-	0.56	-	0.56	-	100.00
5	Sterilite Global Ventures (Mauritius) Limited	Mauritius	USD	82.17	198.46	69.54	0.80	268.80	179.40	-	64.17	-	64.17	-	100.00
6	Jiangsu Sterilite Fiber Technology Co. Ltd. (Effective-05-Dec-2022) (formerly known as Jiangsu Sterilite Tongguang Fiber Co. Ltd.)	China	RMB	11.95	154.52	(4.87)	332.18	481.83	-	56.91	(70.94)	(4.36)	(66.58)	-	100.00
7	Sterilite Technologies UK Ventures Limited	UK	GBP	101.65	0.04	(95.33)	229.23	133.94	19.14	99.75	(62.87)	(11.37)	(51.50)	-	100.00
8	Sterilite Tech Holding Inc.	America	USD	82.17	-	(3.94)	41.52	37.58	-	-	(1.14)	-	(1.14)	-	100.00
9	Sterilite Technologies Inc	America	USD	82.17	-	107.01	1,338.96	1,445.97	-	2,328.71	108.83	22.95	85.88	-	100.00
10	Sterilite Conduspar Industrial Ltda	Brazil	BRL	16.23	19.14	(48.75)	50.42	20.81	-	43.37	(17.93)	-	(17.93)	-	50.00
11	Sterilite (Shanghai) Trading Co. Limited	China	RMB	11.95	115.43	6.46	5.50	127.39	65.49	10.39	1.59	0.14	1.45	-	100.00
12	Sterilite Innovative Solutions Limited	India	INR	NA	0.05	(0.06)	0.02	0.01	-	-	-	-	-	-	100.00
13	STL Digital Limited	India	INR	NA	0.05	(22.43)	125.02	102.64	-	65.37	(29.67)	(7.57)	(22.10)	-	100.00
14	Sterilite Tech Cables Solutions Limited	India	INR	NA	0.05	255.99	366.46	622.50	-	1,154.95	289.37	50.20	239.17	-	100.00
15	Impact Data Solutions Limited <sup>1</sup>	UK	GBP	101.65	-	-	-	-	-	-	-	-	-	-	80.00
16	Impact Data Solutions BV <sup>1</sup>	Netherlands	EUR	NA	NA	-	-	-	-	-	-	-	-	-	80.00
17	Vulcan Data Centre Solutions Limited	UK	GBP	101.65	-	0.04	0.06	0.10	-	-	-	-	-	-	80.00
18	Metallurgica Bresciana S.P.A.	Italy	EUR	89.44	56.18	72.55	432.51	561.24	12.48	799.18	55.30	15.21	40.09	-	100.00
19	PT Sterilite Technologies Indonesia	Indonesia	IDR	0.01	2.22	(1.23)	-	0.99	-	-	(0.14)	-	(0.14)	-	100.00
20	Sterilite Technologies DMCC	United Arab Emirates	AED	22.37	0.10	21.81	815	30.06	-	0.37	1.25	-	1.25	-	100.00
21	Sterilite Technologies Pty. Ltd.	Australia	AUD	55.56	-	2.00	23.35	25.35	-	17.98	1.47	0.44	1.03	-	100.00
22	STL Optical Interconnect S.p.A.	Italy	EUR	89.44	0.87	(24.47)	273.67	250.07	245.82	-	(918)	-	(918)	-	100.00
23	Optotec S.p.A.	Italy	EUR	89.44	31.31	73.67	89.54	194.52	-	170.77	11.52	2.53	8.99	-	100.00
24	Optotec International S.A.	Switzerland	CHF	NA	NA	-	-	-	-	-	-	-	-	-	100.00
25	STL Edge Networks Inc.	America	USD	82.17	-	1.68	8.30	9.98	-	-	-	-	-	-	100.00
26	STL Networks Limited	India	INR	NA	0.05	(0.03)	0.03	0.05	-	-	(0.02)	-	(0.02)	-	100.00
27	STL Tech Solutions Limited, UK	UK	GBP	101.65	4.13	(4.04)	2.69	2.78	-	-	(3.93)	-	(3.93)	-	100.00
28	STL Digital Inc. (USA)	America	USD	82.17	-	2.63	15.96	18.59	-	18.41	3.32	0.69	2.63	-	100.00
29	STL Tech GmbH <sup>2</sup>	Germany	EUR	89.44	-	-	-	-	-	-	-	-	-	-	100.00
30	STL Optical Tech Limited <sup>3</sup>	America	USD	82.17	-	-	-	-	-	-	-	-	-	-	100.00
31	STL Network Services Inc., US <sup>3</sup>	America	USD	82.17	-	-	-	-	-	-	-	-	-	-	100.00
32	STL Solutions Germany GmbH	Germany	EUR	89.44	0.22	(2.49)	3.98	1.71	-	-	(1.58)	(0.50)	(1.08)	-	100.00
33	STL UK Holdco Limited, UK	UK	GBP	101.65	25.75	(919)	111.00	127.56	110.82	-	(9.35)	(1.78)	(7.57)	-	100.00
34	Clearcomm Group Limited, UK	UK	GBP	101.65	-	(719)	61.24	54.05	-	73.70	(20.70)	(3.93)	(16.77)	-	80.00
35	ASOCS <sup>3</sup>	Israel	USD	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1171%
36	MB Maanshan Special Cable Limited	China	RMB	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.40
37	Manshaan Metallurgica Bresciana Electrical Technology Limited <sup>3</sup>	China	RMB	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	40.00%
38	STL Digital UK Limited <sup>3</sup>	UK	EUR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100%

1 The Company sold its stake in these companies effective October 4, 2022

2 This entity was closed effective October 18, 2022

3 These entities are not considered for consolidation as there are no transactions or are immaterial.

Note: The amounts disclosed above are individual subsidiaries standalone financial statements and without considering any consolidation adjustment.

## FORM AOC-1 - PART B

### Statement Pursuant to Section 129(3) of The Companies Act, 2013 Related to Associate Companies and Joint Ventures

S. No.	Name of Associate / Joint Ventures	Sterlite Condu spar Industrial Ltda	MB Maanshan Special Cable Limited
1	Latest Balance Sheet date	31-03-2023	31-12-2022
2	Shares of Associate/Joint Ventures held by the Company on the year end		
a	Number	NA	NA
b	Amount of investment (At face value)	19.14	12.44
c	% of holding	50.00	40.00
3	Description of how there is significant influence	By way of onwershhip	By way of onwershhip
4	Reason why the associate / joint venture is not consolidated	Equity Method Of Accounting (Refer IND AS 28)	Equity Method Of Accounting (Refer IND AS 28)
5	Networth attributable to shareholding as per latest audited Balance sheet	(29.61)	NA
6	Profit/Loss for the year	(17.93)	11.00
a	Considered in consolidation	(8.97)	4.40
b	Not considered in consolidation	(8.97)	6.60

1. Names of associate or joint ventures which are yet to comemnce operations:- Nil

2. Names of associate or joint ventures which have been liquidated or sold during the year:- Nil

#### For and on behalf of the Board of Directors of Sterlite Technologies Limited

**Pravin Agarwal**  
Vice Chairman &  
Whole-time Director

**Ankit Agarwal**  
Managing Director

**Tushar Shroff**  
Chief Financial Officer

**Amit Deshpande**  
Company Secretary

Place: Mumbai

Date: May 17, 2023

# CORPORATE INFORMATION

## Board of Directors

Anil Agarwal  
Pravin Agarwal  
Ankit Agarwal  
Sandip Das  
Kumud Srinivasan  
S. Madhavan  
B.J. Arun

## Chief Financial Officer

Tushar Shroff

## Company Secretary

Amit Deshpande

## Leadership Team

Ankit Agarwal

### Managing Director

Tushar Shroff

### Group Chief Financial Officer

Paul Atkinson

### CEO - Optical Networking Business

Praveen Cherian

### CEO - Global Services Business

Raman Venkatraman

### CEO - STL Digital

Dr. Badri Gomatam

### Group Chief Technology Officer

Anjali Byce

### Group Chief Human Resources Officer

Manish Sinha

### Group Chief Marketing Officer

Manuj Desai

### Chief Information Officer

Akanksha Sharma

### Global ESG Head

## Bankers

ABSA Bank  
Axis Bank  
BANCA NAZIONALE DEL LAVORO  
Bank of Baroda  
Citibank NA  
CTBC Bank Co. Ltd.  
DBS Bank  
Deutsche Bank AG  
Emirates NBD Bank (P.J.S.C)  
Export-Import Bank of India  
HDFC Bank  
ICICI Bank  
IDBI Bank  
IDFC First Bank  
Indusind Bank  
INTESA SPA  
Qatar National Bank (Q.P.S.C.)  
RBL Bank  
Shinhan Bank  
State Bank of India  
The Federal Bank  
UNICREDIT  
Union Bank of India  
Yes Bank

## Registered Office

4th Floor, Godrej Millennium,  
Koregaon Road 9, STS 12/1,  
Pune-411001, Maharashtra

## Locations

Australia, Belgium, Brazil, China, Columbia, France, Germany, India, Indonesia, Italy, Korea (the Republic of), Ivory Coast, Malaysia, Mauritius, Mexico, Netherlands, Philippines, Saudi Arabia, Russia, SEA, Singapore, South Africa, Spain, Sweden, Taiwan, AE, UK, USA

## Registrar and Transfer agents

Kfin Technologies Limited, (Unit - Sterlite Technologies Limited)  
Selenium Tower B, Plot Nos. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad 500 032, India

**Toll Free No.** 1800 309 4001

**E-mail:** einward.ris@karvy.com

## Imprints

### Editorial

Khushboo Chawla, Shaily Rai Sinha

### Brand

Manish Sinha, Rohit Goyal, Khushboo Chawla, Himanshu Gaurav, Shaily Rai Sinha

### Project Management

Gunjan Jain, Khushboo Chawla, Shaily Rai Sinha

### Management Discussion and Analysis

Pankaj Dhawan, Sriram C R

### Financial Discussion and Analysis

Maitreya Yadav, Vinay Sharma

### Risk Management

Manish Bhansali

### Corporate Social Responsibility & Sustainability

Akanksha Sharma, Louette Pai, Kush Jha

### Business Responsibility and Social Responsibility Report

Akanksha Sharma, Louette Pai, Kush Jha

### Directors' Report and Corporate Governance Report

Amit Deshpande, Mrunal Dixit, Gauri Walwadkar, Palash Mutha

### Financials

Maitreya Yadav, Shivam Shelke, Vinay Sharma, Yogesh Deshpande

### Project Sponsors

Ankit Agarwal, Tushar Shroff, Manish Sinha

# 3900 EMPLOYEES 30+ NATIONALITIES 1 COMPANY



We are 3900 employees strong, present across 4 continents and 25 nations today. At our workplace, we value a culture that is inclusive, collaborative, and fast-paced.



**Optical  
Networking**



**Global  
Services**



**Digital and  
Technology Solutions**



**STL**

[www.stl.tech](http://www.stl.tech)

Concept and design by Report Yak  
([contact@reportyak.com](mailto:contact@reportyak.com))





## STERLITE TECHNOLOGIES LIMITED

CIN - L31300PN2000PLC202408

Regd. Office: 4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001 Maharashtra, India

Email - [secretarial@stl.tech](mailto:secretarial@stl.tech); Website – [www.stl.tech](http://www.stl.tech); Phone: +91 20 30514000; Fax: +91 20 30514113

### NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting (“AGM”) of the members of Sterlite Technologies Limited will be held on Friday, August 11, 2023 at 9.00 A.M. (IST) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following businesses:

#### ORDINARY BUSINESS:

1. a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and the Auditors thereon.
- b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of the Auditors thereon.
2. To declare Dividend of ₹1/- (50%) per Equity Share for the financial year ended March 31, 2023.
3. To appoint a Director in place of Mr. Anil Agarwal (DIN 00010883), Chairman and Non-Executive Director who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. **To approve re-appointment of Ms. Kumud Srinivasan as an Independent Director for a second term of two consecutive years**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), and the Rules made there under, read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof, for the time being in force], Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, **Ms. Kumud Srinivasan (DIN 06487248)**, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of two consecutive years with effect from May 22, 2023 upto May 21, 2025, on such remuneration as detailed in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** any Director of the Company and the Company Secretary be and are hereby severally authorised to file the necessary forms with the Registrar of

Companies and to do all such acts, deeds, things, as may be necessary to give effect to this resolution.”

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

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

“**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], approval of the Company be and is hereby accorded to payment of remuneration of ₹110,000/- (Rupees one lakh ten thousand only) plus applicable taxes, and reimbursement of actual travel and out-of-pocket expenses, if any, to Mr. Kiran Naik, Cost Accountant (Registration Number 10927) for conducting the audit of the cost records of the Company for the Financial Year 2023-24.

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

6. **To consider approval of alteration in the Articles of Association of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14, 71, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rule 18(3)(e) of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 23(6) of the Securities and Exchange Board of India (the “SEBI”) (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993, as amended from time to time, and all other applicable provisions, if any, and of the Companies (Incorporation) Rules, 2014, and SEBI Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time in force), all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and subject to such other consent(s)/ permission(s)/sanction(s), as may be required, on the approval of the Board of Directors, consent of the Members of the Company be and is hereby accorded to alter the existing Articles of Association of the

Company, by inserting new clause 93 under the heading Board of Directors as mentioned below and re-numbering the subsequent clauses of the Articles of Association:

*“Clause 93: Debenture trustees, on behalf of the debenture holders, shall have a right to recommend and appoint and nominate in writing a Director on the Board of Directors of the Company (hereinafter referred to as the “Debenture Trustee Nominee Director”) in the event of:*

1. *two consecutive defaults in payment of interest to the debenture holders; or*
2. *default in creation of security for debentures; or*
3. *default in redemption of debentures.*

*The right to appoint the Debenture Trustee Nominee Director shall be exercised by the debenture trustees as per the statutory guidelines as may be applicable from time to time.*

*The Debenture Trustee Nominee Director appointed pursuant to above clauses shall neither be liable to retire by rotation nor shall be required to hold any qualification shares.”*

**RESOLVED FURTHER THAT** the Board of Directors (the “Board” which term shall be deemed to include any Committee thereof) of the Company be and are hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers conferred upon the Board by this resolution to any person or persons, to execute required documents, deeds, writings and to settle any questions/doubts/queries/difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to this end and intent that they shall be deemed to have given their approval thereto expressly by the authority under this resolution.”

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

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

**“RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(a), 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 (“**Companies Act**”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the provisions of the Memorandum of Association and the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (“**Stock Exchanges**”) on which the equity shares having face value of ₹2/- each of the Company (“**Equity Shares**”) are listed, the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, as amended (the “**FEMA**”), including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, Foreign Exchange Management (Debt Instruments) Rules, 2019, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, as amended, the extant Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, (the “**Debt Listing Regulations**”), the Reserve Bank of India Master Directions on Foreign Investment in India, 2018 and subject to other applicable rules, regulations and guidelines issued by the Ministry of Corporate Affairs (“**MCA**”), the relevant Registrar of Companies, Securities and Exchange Board of India (“**SEBI**”), Reserve Bank of India (“**RBI**”), Government of India (“**Gol**”), Stock Exchanges and/or any competent statutory, regulatory, governmental or any other authorities, whether in India or abroad (herein referred to as “**Applicable Regulatory Authorities**”), from time to time and to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any or all of them while granting any such approvals, permissions, consents and/or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any committee thereof which the Board may duly have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution), consent, authority and approval of the Members of the Company, be and is hereby accorded to the Board and the Board be and is hereby authorised to create, offer, issue and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons, including employees, as may be permitted) with or without green show option, such number of Equity Shares and equity linked instruments, including convertible preference shares, non-convertible debt instruments along with warrants, fully convertible debentures, partly convertible debentures, and/or any other securities convertible into Equity Shares (including warrants or otherwise), Global Depository Receipts (“**GDRs**”), American Depository Receipts (“**ADRs**”), Foreign Currency Convertible Bonds (“**FCCBs**”), (all of which are hereinafter collectively referred to as “**Securities**”) or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in one or more foreign currencies in the course of international and/or domestic offerings, in one or more foreign markets and/or domestic markets, through public and/or private offerings and/or rights offering and/or by way of Qualified Institutions Placement (“**QIP**”), or any

combination thereof, through issue of prospectus and/or preliminary placement document, placement document and/or other permissible/requisite offer documents to any eligible person, including Qualified Institutional Buyers (“QIBs”) as defined under the SEBI ICDR Regulations in accordance with Chapter VI of the SEBI Regulations, or otherwise, including foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Securities of the Company or not (collectively called the “Investors”), as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate consideration of up to ₹1,000 crores (Rupees One Thousand crores only) (inclusive of such premium as may be fixed on such Securities) at such time or times, at such price or prices, at a discount or premium to market price or prices, as permitted under applicable laws and in such manner and on such terms and conditions including security, rate of interest etc. and any other matters incidental thereto as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of other categories of Investors at the time of such creation, offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with book running lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and/or to be appointed by the Board, in foreign currency and/or equivalent Indian Rupees as may be determined by the Board, or in any convertible foreign currency, as the Board in its absolute discretion may deem fit and appropriate (the “Issue”).

**RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations:

- (a) the allotment of the Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of passing of the special resolution by the Members or such other time as may be allowed under the SEBI ICDR Regulations from time to time;
- (b) the Securities shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted under the SEBI ICDR Regulations;
- (c) the relevant date for the purpose of pricing of the Securities shall be the date of the meeting in which the Board decides to open the QIP and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations;
- (d) no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall not be less than two, where the issue size is less than or equal to ₹250 crores and five, where the issue size is

greater than ₹250 crores, in accordance with Chapter VI of the SEBI ICDR Regulations;

- (e) in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with non-convertible debentures to QIBs under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board (or relevant committee thereof) decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures or any other date in accordance with applicable law and such Securities shall be issued at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations; and
- (f) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations.

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

- (a) rights to the existing members to whom the offer is made to renounce, the Equity Shares being offered, in favour of any other person(s);
- (b) the persons to whom the Equity Shares are being issued shall be entitled to apply for additional Equity Shares in the Rights Issue;
- (c) the manner in which allotment of the additional Equity Shares, if any, shall be made in the proportion to be decided by the Board at its discretion;
- (d) the Equity Shares so created, offered, issued, and allotted shall rank *pari-passu* in all respects with the existing Equity Shares of the Company except for payment of dividend which will be pro-rata from the date of allotment and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company;
- (e) the Board may dispose of the unsubscribed portion in such manner as it may think most beneficial to the Company;
- (f) all monies received out of Rights Issue shall be transferred to a separate bank account maintained by the Company for the purpose of the Rights Issue;
- (g) the Company shall utilize the monies received pursuant to the Rights Issue upon a confirmation from the lead manager(s) to the bankers by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed, in accordance with the

provisions of the SEBI ICDR Regulations and other applicable laws;

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

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

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event the Company is making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing members;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, if and as required, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

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

**RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board

decides to open the issue of such Securities in accordance with the Depository Receipts Scheme, 2014 (including any amendment or replacement/substitution thereof) and other applicable pricing provisions issued by the Ministry of Finance.

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

**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

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

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue or allotment of Equity Shares and/or Securities or instruments representing the same, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities, on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the private placement offer letter, information memorandum, draft prospectus, prospectus, the draft offer document,

abridged prospectus, offer letter, offer document, offer circular, preliminary placement document or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) (the “**Transaction Documents**”) (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the “**Ancillary Documents**”) as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds mentioned herein as they may deem necessary in connection with the issue of the Securities in one or more tranches from time to time and matters connected therewith.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead managers, underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, escrow agents and all such agencies as are or may be required to be appointed, involved or concerned in the issue and allotment of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements,

memoranda, documents, etc. with such agencies.

**RESOLVED FURTHER THAT** the Board of Directors or person(s) as may be authorized by the Board, be and is/are hereby severally authorized to do all such acts, deeds, matters and things as it may be considered necessary, desirable or expedient including to resolve and settle any questions and difficulties that may arise in connection with the proposed creation, offer, issue and allotment of the Securities (including in relation to the issue of such Securities in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may *suo moto* decide in its absolute discretion in the best interests of the Company.

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

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

**Amit Deshpande**  
General Counsel and Company Secretary

Date: May 17, 2023

Place: Pune

#### **NOTES:**

1. The Ministry of Corporate Affairs ('MCA') vide its various circulars issued from time to time have permitted the holding of the Annual General Meeting through VC/OAVM facility ('AGM'), without the physical presence of the members at a common venue till September 30, 2023. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the relevant MCA Circulars, the Twenty Fourth AGM of the Company is being conducted through VC/OAVM, and does not require physical presence of members at a common venue.
2. In terms of the Circulars, since physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members is not be available for this AGM. However, corporate members are entitled to appoint authorised representatives under section 113 of the Act to attend and participate at the AGM through VC/OAVM and cast their votes both, by way of remote e-voting and voting electronically at the meeting. Corporate members are required to send a scanned copy (PDF/JPG Format) of

its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to [secretarial@stl.tech](mailto:secretarial@stl.tech)

3. The Company has availed the services of KFin Technologies Limited, (KFin) Registrar and Transfer Agent of the Company, as the authorized agency for conducting of the AGM through VC/OAVM and providing e-voting facility. Detailed instructions for e-voting and procedure for joining the AGM through VC/OAVM are annexed to this Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Institutional Investors, who are members of the Company are encouraged to attend and vote at the Twenty Fourth AGM of the Company.
6. In compliance with the aforesaid circulars, the Notice of the AGM and Annual Report are being sent only

through electronic mode to the Members whose e-mail addresses are registered with the Company or the Depository Participant(s). The Notice and Annual Report for FY 2022-23 will also be available on the Company's website [www.stl.tech](http://www.stl.tech), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin at <https://evoting.kfintech.com>

7. The deemed venue for the Twenty Fourth AGM shall be the Registered Office of the Company at 4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001
8. Members who have not registered their e-mail address or registered an incorrect email address and in consequence Notice of the AGM and Annual Report could not be serviced, may also temporarily get their email address and mobile number registered with KFin, by clicking the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx> for sending the same. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail at the e-mail id [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) for obtaining the Notice of the AGM and Annual Report by email/physical copy.
9. The Register of Members and Share Transfer Books will remain closed from Wednesday, August 9, 2023 to Friday, August 11, 2023 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
10. If Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended March 31, 2023 is approved at the AGM, payment of such dividend will be made within a period of 30 days from the date of declaration as under –
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Tuesday, August 8, 2023.
  - b) To all Members in respect of shares held in physical form as per the details provided to the Company by Kfin on or before the close of business hours on Tuesday, August 8, 2023.
11. As per the Listing Regulations and pursuant to SEBI Circular dated April 20, 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants/demand drafts will be despatched to the registered address of the members who have not updated their bank account details.  
In order to receive dividend/s in a timely manner, Members are requested to register/update their complete bank details:
  - a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents; and
  - b) with KFin, if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.
12. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants or on the portal of KFin, which can be accessed at <https://ris.kfintech.com/form15>. For details, Members may refer to the "Communication on TDS on Dividend Distribution" being sent with this Notice of AGM.
13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, NECS, ECS mandates, power of attorney, change of address/name/email address(es), etc. to their Depository Participant only and not to Kfin. Changes intimated to the Depository Participant will automatically get reflected in the Company's records which will help the Company and Kfin to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise such changes, if any, to KFin.
14. SEBI, vide its circular dated January 25, 2022, mandated listed companies to issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold share certificates in physical form are advised to dematerialise their holdings. Members holding shares in physical form are advised to avail the facility of dematerialization by contacting a Depository Participant of their choice.
15. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
16. Pursuant to section 72 of the Act read with SEBI circular dated November 03, 2021 and clarification circular dated December 14, 2021 and circular dated March 16, 2023, members holding shares in physical form are advised to update their nomination details in prescribed form SH-13 (nomination form), SH-14 (Cancellation or variation of nomination) or Form ISR-3 (Declaration to opt out). These forms can be downloaded from the website of the Company at [www.stl.tech](http://www.stl.tech) under the Investors tab and KFin <https://ris.kfintech.com/clientservices/isc/>.
17. Updation of PAN, KYC, and nomination details- SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD- 1/P/CIR/2023/37 dated March 16, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details. As per the said Circular, the folios wherein any one of the said document/ details are not updated on

or after October 01, 2023 shall be frozen by the RTA and member will not be eligible to lodge grievance or avail service request form from the Company or KFin. Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from April 01, 2024, upon registering the required details. After December 31, 2025, the frozen folios shall be transferred by the Company to the administering authority under the Benami Transactions (Prohibition) Act, 1988 and or Prevention of Money Laundering Act, 2002.

If a shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, the Shareholder may submit the same in the prescribed form. Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before September 30, 2023, failing which their trading accounts shall be frozen for trading and demat account shall be frozen for debits.

The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN, KYC, and nomination details. The necessary forms in this regard have been made available on the website of the Company at [www.stl.tech](http://www.stl.tech) and its RTA at <https://ris.kfintech.com/clientservices/isc/>. Accordingly, the members are advised to register their details with the RTA.

18. Non-Resident Indian Members are requested to inform KFin, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to Investor Education and Protection Fund ("IEPF") of the Central Government, established under Section 125 of the Act. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all the shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority.
20. The Company has been maintaining, inter alia, the following statutory registers in electronic form at its registered office at 4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001:
  - i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
  - ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible for inspection through electronic mode, which shall remain open and be accessible to any member during the continuance of the meeting.

The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2014-15, from time to time to IEPF. The Company has been sending reminders to members before transfer of such dividend(s) to IEPF.

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023 are uploaded on the website of the Company and can be accessed through the link [https://www.stl.tech/latest\\_disclosure.html](https://www.stl.tech/latest_disclosure.html). Members who have not so far encashed their dividend warrants for the years from 2015-16 to 2022-23 may approach KFin, for payment thereof, to avoid transfer as per the dates mentioned below:

Dividend for the year	Due Date for Transfer to IEPF
2015 – 16	October 6, 2023
2016 – 17 (Interim)	December 9, 2023
2016-17	August 10, 2024
2017-18	August 2, 2025
2018-19	August 23, 2026
2019-20	October 7, 2027
2020-21	October 2, 2028
2021-22	October 2, 2029
2022-23	September 17, 2030

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

21. An Explanatory Statement pursuant to Section 102 (1) of the Act, relating to the Special Businesses to be transacted at the meeting is annexed hereto.
22. Certificate from Secretarial Auditors of the Company certifying that the ESOP Scheme 2010 of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will also be available for inspection by the members through electronic mode.
23. As required under the Listing Regulations, and Secretarial Standard 2 on General Meetings, details in respect of Directors seeking re-appointment at the AGM, are separately annexed hereto.
24. All documents referred to in the above Notice and Explanatory Statement will be available electronically for inspection for Members between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the voting results. Members seeking to inspect such documents can send an e-mail to [secretarial@stl.tech](mailto:secretarial@stl.tech)
25. Since the AGM is being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.

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

**Amit Deshpande**  
General Counsel and Company Secretary

Place: Pune  
Date: May 17, 2023

## DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE AGM

*Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings  
(Particulars as on April 1, 2023)*

Name of the Director	Mr. Anil Agarwal	Ms. Kumud Srinivasan
<b>DIN</b>	00010883	06487248
<b>Date of Birth</b>	September 07, 1952	February 7, 1960
<b>Date of first appointment on the Board</b>	October 30, 2006	May 22, 2018
<b>Experience including expertise in specific functional area / Brief Resume</b>	Mr. Anil Kumar Agarwal founded the Sterlite Group in 1979. In over three decades, the Group, under his leadership and with his strategic guidance, has grown into a pioneering global company. His entrepreneurial style of identifying and turning around companies has led the Group's expansive and profitable growth. He is also known for his commitment to ensuring that the growth and profitability of the Group aids the eradication of poverty through development initiatives within the communities in which the Group operates. Mr. Agarwal has over 40 years of entrepreneurial and business experience.	Ms. Kumud Srinivasan is Vice President and Director of Non-Volatile Memory Fab Manufacturing and Automation Systems at Intel Corporation. She has spent 30 years at Intel in US, leading multiple global functions, prominent ones being R&D for technology manufacturing, industrial automation and Internet of Things for manufacturing facilities. From 2012 to 2016, she served as President for Intel India.
<b>Justification for choosing for appointment as Independent Director</b>	NA	Ms. Kumud Srinivasan is a very strong technology leader with valuable experience in the US, China and India. Her experience in key industry domains including Internet of Things, R&D, manufacturing and semi-conductors is invaluable to the Company and its customers globally.
<b>Remuneration last drawn</b>	Nil	As mentioned in the Corporate Governance Report
<b>Remuneration proposed to be paid *</b>	Nil	As per Item No. 4 of the Notice of this meeting read with explanatory statement
<b>Terms and Conditions of Appointment/ Re-appointment</b>	He is proposed to be re-appointed as Non-Executive Director, liable to retire by rotation.	As per Item No 4 of the Notice of this meeting read with explanatory statement, she is proposed to be re-appointed as an Independent Director for a period of 2 years from May 22, 2023 upto May 21, 2025, not liable to retire by rotation.
<b>Directorships in other Companies (Excluding Foreign Companies)</b>	1. Vedanta Limited 2. Anil Agarwal Foundation	Nil
<b>Memberships/Chairpersonships of other companies **</b>	Nil	Nil
<b>Listed entities from which the Director has resigned in the past three years</b>	Nil	Nil
<b>No. of shares held in the Company (including shareholding as a beneficial owner)</b>	Nil***	Nil
<b>Relationship with other Directors/KMPs</b>	Brother of Mr. Pravin Agarwal, Vice Chairman and Whole-Time Director	Nil
<b>No. of Board Meetings attended during the year</b>	01	07
<b>Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.</b>	NA	The NRC had identified, amongst others, strength in the areas of research & development and technology and automation for manufacturing as the skills and capabilities for the role. Ms. Kumud Srinivasan is a global thought leader and has deep insights and exposure in the areas of research and development. Considering her educational background and rich experience Ms. Kumud meets the requirements as laid down by the NRC.
<b>Disclosure of Interest</b>	Save and except for Mr. Anil Agarwal being an appointee and Mr. Pravin Agarwal, Brother of Mr. Anil Agarwal, none of the Directors and Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution.	Save and except for Ms. Srinivasan being an appointee none of the Directors and Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

\* Excluding sitting fees for attending meetings

\*\* Chairpersonship and membership of audit committee and stakeholders' relationship committee are considered. Committee positions held in Sterlite Technologies Limited have been excluded.

\*\*\* Sterlite Technologies Limited is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (TSOL). Volcan Investments Limited (Volcan) holds 100 percent of the share capital and the voting rights of TSOL. Volcan is a holding company, 100 percent beneficially owned and controlled by the Anil Agarwal Discretionary Trust (Trust). Conclave PTC Limited (Conclave) is the trustee of the Trust and the sole registered shareholder of Volcan. TSOLs shares are beneficially owned by Volcan which may be deemed to be beneficially owned by the Trust, of which Mr. Anil Agarwal is the protector and with effect from October 16, 2014, one of the beneficiaries.



## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

### ITEM 4

Members of the Company, in the AGM held on June 26, 2018 had approved appointment of Ms. Kumud Srinivasan as an Independent Director for a period of five years from May 22, 2018 upto May 21, 2023. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meetings held on May 17, 2023, approved the re-appointment of Ms. Kumud Srinivasan as an Independent Director of the Company for a second term of two years with effect from May 22, 2023 to May 21, 2025 based on the skills, experience, knowledge and report of her performance evaluation. The re-appointment is subject to the approval of the members at this AGM by way of a Special Resolution. She will not be liable to retire by rotation.

Ms. Kumud Srinivasan has given consent to act as a Director on the Board of the Company in form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"). The Company has received a notice in under Section 160 of the Act from a member proposing candidature of Ms. Srinivasan for the office of Independent Director, to be appointed as such under Section 149 of the Act. The Company has received declaration from Ms. Srinivasan to the effect that she meets the criteria of independence as provided in the Act and the Listing Regulations and that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority.

A brief profile of Ms. Srinivasan is given as a part of the Annual Report.

Ms. Srinivasan will be entitled to receive remuneration by way of sitting fees for attending the Meetings of the Board and the Committees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board/Committee meetings. Further, subject to the provisions of the Act & Listing Regulations, she will also be entitled to commission as per the recommendation of the Nomination & Remuneration Committee and the Board.

In accordance with the provisions of Section 149 of the Act read with Schedule IV thereto, the appointment of Independent Directors requires approval of the Members. Further, as per Regulation 17(1C) of the Listing Regulations approval of members for appointment or re-appointment of a person on the Board of Directors is required to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier, and as per Regulation 25 (2A) re-appointment of an Independent Director shall be subject to the approval of Members by way of a special resolution. Accordingly, the re-appointment of Ms. Srinivasan as an Independent Director requires approval of the Members by way of a special resolution.

In the opinion of the Board, Ms. Srinivasan fulfills the conditions specified in the Act and the Rules thereunder and the Listing Regulations and is independent of the Management. Copy of the draft letter for her re-appointment setting out the terms and conditions, is available for inspection by members at the Registered Office of the Company and also displayed on the website of the Company, <https://www.stl.tech/>

Save and except for Ms. Srinivasan being an appointee none of the Directors and Key Managerial Personnel (KMP) of the

Company and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the re-appointment Ms. Kumud Srinivasan as an Independent Director as set out in Item No. 4 for the approval of the members by way of a Special Resolution.

### ITEM 5

Upon the recommendation of the Audit Committee, the Board of Directors has approved appointment of Mr. Kiran Naik, Cost Accountant as Cost Auditor to conduct the audit of cost records of the Company for the Financial Year 2023-24, at a remuneration of ₹110,000 (Rupees one lakh ten thousand only) plus taxes as applicable and reimbursement of actual travel and out of pocket expenses.

In terms of Section 148 of the Act read with Rule 14 of Companies (Audit and Auditors) Rules 2014, as amended from time to time, remuneration payable to the Cost Auditor is required to be approved by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financially or otherwise, in the proposed resolution. The Board recommends the resolution set out at Item No. 5 of the Notice to the Members for their approval by way of Special Resolution.

### ITEM 6

Pursuant to the Regulation 23(6) and Regulation 2(1)(r) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Company is required to alter its Article of Association (AOA), on or before September 30, 2023, by including a clause with respect to appointment of a director on the Board of the Company as nominated by Debenture Trustee in i) two consecutive defaults in payment of interest to the debenture holders; or ii) default in creation of security for debentures; or iii) default in redemption of debentures as mentioned in Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, in respect of Company's listed Non-Convertible Debentures.

Further, in case of occurrence of any of the above-mentioned defaults, the Company shall appoint a director as nominated by Debenture Trustee within one month from the receipt of nomination from the debenture trustee.

Accordingly, it is proposed to alter the existing AOA of the Company. The Board of Directors of the Company at its meeting held on May 17, 2023 approved alteration to the existing AOA of the Company, subject to the approval of the Members of the Company.

Further, as per the provisions of Section 14 of the Companies Act, 2013, any alteration in the AOA requires approval of the members of the company by way of passing special resolution.

A copy of the revised AOA of the Company will be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Holidays between 2:00 p.m. and 5:00 p.m. up to the date of the AGM.

The Board recommends the resolution set out in Item No. 6 of the Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in the special resolution set out in Item No. 6 of the Notice.

## ITEM 7

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

In order to enable the Company to raise funds through a public issue and/or private offering and/or rights offering and/or qualified institutions placement or any combination thereof, the approval of the Members is hereby sought for the proposal to create, offer, issue and allot equity shares of the Company of face value of ₹2/- each ("Equity Shares") and equity linked instruments, including convertible preference shares, non-convertible debt instruments along with warrants, fully convertible debentures, partly convertible debentures, and/or any other securities convertible into equity shares (including warrants or otherwise), global depository receipts ("GDRs"), American depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs") (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, to eligible investors, whether they be holders of Equity Shares or not, as may be decided by the Board in its discretion and permitted under applicable laws, for an aggregate consideration of up to ₹1,000 crores (Rupees One Thousand crores only) or equivalent thereof, in one or more foreign currency(ies).

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

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

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

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

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

The proceeds of the proposed issue of Equity Shares shall be utilized for incurring capital expenditure on expansion projects, payment of outstanding dues, repayment or prepayment of borrowings, funding inorganic growth opportunities, and other general corporate purposes including working capital requirements, brand building and strengthening of existing manufacturing capabilities, including expenses and maintenance of plants and machineries and research and development, as may be required.

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

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

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

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

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

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

**Amit Deshpande**

General Counsel and Company Secretary

Date: May 17, 2023

Place: Pune

## INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING

- i. Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI Listing Regulations. Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFintech on all resolutions set forth in this Notice.
- Further, the facility for voting through electronic voting system will also be made available at the Meeting (“Insta Poll”) and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.
- ii. In terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The members who have cast their vote by remote e-voting may also attend the Meeting through VC/OAVM but shall not be entitled to cast their vote again at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as “INVALID”.
- v. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.
- The remote e-voting facility will be available during the following voting period:
- Commencement of remote e-voting: 10:00 a.m. on Tuesday, August 08, 2023
  - End of remote e-voting: 5:00 p.m. on Thursday, August 10, 2023
- The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFintech upon expiry of the aforesaid period.
- vi. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being Friday, August 04, 2023. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Friday, August 04, 2023 only shall be entitled to avail the facility of remote e-voting/e-voting during the meeting.
- vii. Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he/she is already registered with KFintech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.
- viii. In case of Individual Members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual members holding securities in demat mode.
- ix. The Board of Directors has appointed Mr. B Narasimhan, Proprietor BN & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440), or failing him, Mr. Venkataraman K, Practicing Company Secretary (Membership No. ACS 8897 and Certificate of Practice No. 12459) as a Scrutinizer to scrutinize the remote e-voting and Insta Poll process in a fair and transparent manner.
- x. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser’s Report and submit the same to the Chairman or a person authorized by him, who shall countersign the same. The scrutinizer shall submit his report to the Chairman or a person authorised by him in writing, who shall declare the result of the voting. The result of e-voting will be declared within two working days of the conclusion of the AGM and the same, along with the consolidated Scrutiniser’s Report, will be placed on the website of the Company: [www.stl.tech](http://www.stl.tech) and on the website of KFin at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the stock exchanges.
- xi. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

### PROCEDURE FOR LOGIN FOR E-VOTING AND ATTENDING AGM THROUGH VC/OAVM FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.

Details on Step 1 are mentioned below:

**Login method for Individual shareholders holding securities in Demat mode is given below:**

Type of members	Login Method
Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")	<ol style="list-style-type: none"> <li>1. <b>User already registered for IDeAS facility:</b> <ol style="list-style-type: none"> <li>I. Open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>IV. Click on Bank Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> </li> <li>2. <b>User not registered for IDeAS e-Services:</b> <ol style="list-style-type: none"> <li>I. To register, open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>II. Select "Register Online for IDeAS "Portal or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>III. Proceed with completing the required fields</li> </ol> </li> <li>3. <b>By visiting the e-Voting website of NSDL:</b> <ol style="list-style-type: none"> <li>I. Open <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>V. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>
Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")	<ol style="list-style-type: none"> <li>1. <b>Existing user who has opted for Easi/Easiest</b> <ol style="list-style-type: none"> <li>I. Click at <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi.</li> <li>III. Login with user ID and Password</li> <li>IV. After successful login of Easi / Easiest, Option will be made available to reach e-voting page</li> <li>V. Click on e-voting service provider name to cast your vote</li> </ol> </li> <li>2. <b>User not registered for Easi/Easiest</b> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a>.</li> <li>II. Proceed with completing the required fields.</li> </ol> </li> <li>3. <b>By visiting the e-Voting website of CDSL</b> <ol style="list-style-type: none"> <li>I. Visit at <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide Demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress.</li> </ol> </li> </ol>
Individual Shareholders (holding securities in Demat mode) login through their depository participants	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode - for any technical issues related to login through Depository i.e. NSDL and CDSL, shareholders are advised to contact on below helpdesk numbers:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 or 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**I) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- i. Initial password is provided in the body of the e-mail
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Sterlite Technologies Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen

signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizers through email at [narasimhan.b8@gmail.com](mailto:narasimhan.b8@gmail.com) or at [venkatk1960@gmail.com](mailto:venkatk1960@gmail.com) and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STL\_EVENT No.'

- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

**A. Voting at e-AGM**

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

**B. Instructions for members for attending the e-AGM**

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting

through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from Saturday, August 5, 2023 to Monday August 7, 2023. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "How It Works" tab placed on top of the page.
- viii. Members who need technical assistance before or during the e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.

**Procedure for Registration of email and Mobile: securities in physical mode**

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37, dated March 16, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

**OTHER INSTRUCTIONS**

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfin. On successful login, select 'Speaker Registration' which will opened from Saturday, August 5, 2023 to Monday, August 7, 2023. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM as appropriate for smooth conduct of the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfin. On successful login, select 'Post Your Question' option which will opened from Saturday, August 5, 2023 to Monday, August 7, 2023.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFin Website) or, at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFin's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, August 4, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting. Event Number+Folio No. or DP ID Client ID to 9212993399
    - 1. Example for NSDL:
    - 2. MYEPWD <SPACE> IN12345612345678
    - 3. Example for CDSL:
    - 4. MYEPWD <SPACE> 1402345612345678
    - 5. Example for Physical:
    - 6. MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).