September 1, 2020

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

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

Sub: Submission of Annual Report of the Company for FY 19-20

Ref: Regulation 34 of the Listing Regulations

Dear Sir / Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we submit copy of Annual Report of the Company for the Financial Year 2019-20 as approved at the Annual General Meeting of the Company held Monday, August 31, 2020 at 3.00 p.m. IST through Video Conferencing/ Other Audio Visual Means.

Kindly take this on your record and acknowledge the same.

Yours faithfully,

For **Sterlite Technologies Limited**

A.V. Deshpande

Amit Deshpande
Company Secretary (ACS 17551)

Enclosure: As above

STL 25
YEARS OF OPTICAL FIBRE

Integrating. Enabling. Leading.

Sterlite Technologies Limited
Annual Report 2019-20

www.stl.tech

Forward-looking and Cautionary Statement

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

In this report

Strategic Overview

Governance Reports

Financial Statements

Behold the future

STL is an Integrator of Digital Networks

With 25 years of experience in optical fibre, STL is enabling telcos, cloud companies, and enterprises harness the full potential of networking technologies by connecting everyone everywhere.

Chairman's Message

The future of Digital Networks has arrived

Anil
Agarwal
Non-Executive Chairman

Dear Shareholders,

It is with great pleasure that I bring to you the Annual Report of STL - Sterlite Technologies Limited. During FY20, STL launched end-to-end solutions and delivered value to customer segments globally to firmly solidify its position as a leading integrator of digital networks.

The digital connectivity reached greater heights last year, accelerated even further by the global lockdowns, and led to technological breakthroughs that have the potential to transform humankind. These breakthroughs are a result of high-capacity networks backed by deep fibreisation and network value chain. STL is leading this front by integrating digital networks for customers – global telcos, cloud companies, large enterprises, and citizen networks.

Enabling digital inclusion for millions

STL's continuous pursuit of transforming lives with digital networks only grew further in the last financial year. Through strategic collaborations and initiatives, the Company has enabled the digital inclusion of millions of people worldwide.

In India, STL connected holy caves of Amarnath from Pahalgam as well as Baltal to provide 4G services to everyone during the pilgrimage. STL delivered a comprehensive network design for Mahanet, an initiative to bring digital connectivity in the state of Maharashtra. Garv, the rural-connectivity platform of STL, is using the power of technology to provide a multitude of community-centred services in many Indian villages. STL was also recently awarded the mandate to create a high-speed rural broadband network from Telangana Fibre Grid Corporation Ltd. (T-Fiber) to provide affordable and high-speed broadband connectivity to 6 million rural citizens in Telangana, India.

In South Africa, STL partnered with Frogfoot to provide Fibre To The Home (FTTH) infrastructure, enabling affordable, reliable broadband connectivity to up to 20,000 homes and lower income groups in the Protea Glen East and West areas of the South African township of Soweto.

Strengthening the power of Digital

STL is working with large enterprises to build and modernise their digital networks, enabling them to leverage the technologies of future. The Company is tirelessly working on Varun, a project to develop the Indian Navy's communications network.

This next-gen network would link multiple Indian naval sites and India-administered islands, along with setting up of a highly secure data centre ecosystem. In another large scale project, STL also connected 16 Indian Army sites in Kashmir, India for national security purposes.

STL also recently transformed Kakinada, a city in Andhra Pradesh, India, into a smart city with technologies for mobility, situational awareness, traffic control, smart lighting, public safety and security.

Navigating a pandemic

Towards the end of FY20, we came across a global pandemic that transformed the way we live, work, and interact. COVID-19 created a cloud of uncertainty surrounding several socio-economic aspects across the globe. While we continue to navigate the pandemic, I am extremely pleased to see the way STL has been responding to the crisis.

The Company undertook all necessary steps to ensure the safety and wellbeing of its people. STL continued to interact with its customers and partners and ensured its promises were delivered on time.

While employee wellbeing and customer engagement were STL's priorities during the crisis, I am glad to share with you that the Company went above and beyond their call of duty to help the community. From creating disinfectants in-house to organising online awareness sessions for thousands of people through Project Savdhaan, STL made sure it became a valiant soldier in the fight against COVID-19.

Building networks of the future

With the spread of COVID-19, the Internet connectivity has become the lifeline for billions of people around the world. Also, emerging technologies such as artificial intelligence, machine learning, and 5G are now being adopted everywhere. This presents us with a perfect opportunity to truly transform everyday living by delivering smarter networks.

I am extremely excited for STL to play a role in building this future! I look forward to your continued support and encouragement in this journey – to become world's leading integrator of digital networks.

Letter to the Shareholders

STL is ready for a decade long network creation cycle

Dear Shareholders,

We are delighted to share that FY20 was a milestone year for STL. The Company was able to record its highest ever revenue of ₹ 5,154 crores and maintain a solid order book of over ₹ 10,000 crores with diversified global wins.

FY20: A Transformative Year for STL

This year saw STL taking giant strides towards becoming a leading integrator of digital networks for its customers. This was due to the Company's sharp focus on innovation, strategic investments and collaborations, and key account management. At the same time, STL continued to maintain its intensity towards environmental sustainability for a better world beyond tomorrow.

New global wins built a robust order book for STL across all customer segments—global telcos, cloud companies, citizen networks and large enterprises—and key deals included T-Fiber for rural broadband in Telangana, Telekom Albania digital transformation and multi-million dollar contracts in India, Europe and the Middle East

Strategic transformation to solutions-driven account-based organisation with end-to-end solutions that integrate optical interconnect products, virtualised access products, network software products and system integration services. This has expanded the total addressable market, including large-scale transformational projects

Leading a Strong Ecosystem for Next-Gen Solutions

The technology landscape is changing fairly quickly and networks will have to be ready to adapt to the rapid evolution. STL has made key investments and collaborations to enhance its expertise to provide future-ready network solutions.

STL invested in Cloud and Data Centre technologies with acquisition of Impact Data Solutions (IDS), a UK-based company that provides infrastructure for hyperscale data centres. The acquisition solidified STL's position in the cloud and data centre markets, as well as giving it access to two of the top global cloud providers.

The Company strengthened its capabilities in 5G network rollouts by investing in ASOCS Ltd., a pioneer in virtual Radio Access Networks (vRAN) and a provider of fully virtualised base station solutions for enterprises and telco networks.

Over the last year, STL assembled a strong ecosystem of partners in hardware manufacturing, cloud computing and academia. STL partnered with VVDN Technologies Pvt. Ltd. for design and manufacturing 'Make in India 5G' solutions, and technology advancements with IIT Chennai. STL also partnered with VMware, a leading innovator in enterprise software, to deliver 5G Access Solutions for telcos and large-enterprise customers. This ecosystem is a true testament to Atmanirbhar Bharat.

Innovation is in STL's DNA

STL aims to create world-class solutions that can provide next-generation connected experiences. Last year, STL launched 4 End-to-end solutions, including Opticonn for integrated Optical Connectivity and Netmode, for overall network upgrade and modernisation. It also added 93 global patents to its credit, taking the total tally to a very impressive 358* as of FY20.

STL Academy is also playing a key role in nurturing knowledge and innovation. The Academy is working tirelessly to create a certified talent pool of smarter network professionals. STL also undertakes several initiatives where it collaborates with startups and innovators to brainstorm and come up with breakthrough technologies to handle digital network needs of the future.

Zero Waste to Landfill

STL's commitment to sustainable manufacturing recently won us a 'Zero Waste to Landfill' Certification by Intertek (US), a leading Total Quality Assurance provider to industries worldwide. The Company's manufacturing plants in India—Rakholi and Dadra, Silvassa and Shendra, Aurangabad—became the world's first integrated Optical Fibre Cables, Speciality Cables, and Optical Fibre manufacturing facilities to win the international certification.

*376 global patents till this annual report publishing date

Pravin
Agarwal

Vice Chairman and Whole-time Director

Dr. Anand
Agarwal

Group CEO and Whole-time Director

Extensive recycling programmes were implemented in all STL facilities where the by-products generated are recycled for industries that can further use them as inputs for their manufacturing processes. These sustainability initiatives have also ensured proactive action towards global issues like water management and climate change.

FY21: The Future Beholds a Permanent Shift towards Digital

We are witnessing a paradigm shift towards digital in every walk of life. Technology adoption has found a new momentum during the COVID-19 crisis where new normal now includes virtual ways to work, interact and entertain. As the world adapts to these changes, we are seeing substantial shifts in usage patterns and traffic in five key ways:

a) from predominantly entertainment to enterprises and cloud use cases

b) from download only to symmetric uploads and downloads – boosted by video conferencing

c) from asynchronous to real-time use cases, requiring instantaneous response time

d) from office networks to ever increasing home networks usage

e) an increase in traffic by 60-70% in the past few months

The businesses are also identifying the right mix of virtual collaboration tools to be able to work with employees and partners. The digital strategies have been revamped and new investments are being made to adapt to the changing needs to employees, customers and partners.

358

Patents as part of portfolio, creating world-class solutions that can provide next-generation connected experiences

Zero Waste to Landfill

Certification by Intertek (US), a leading Total Quality Assurance provider to industries worldwide.

An Exceptional Opportunity: Emergence of Next-Gen Digital Network

The impact of exponential data consumption rise and advent of 5G and other emerging technologies on STL's customer segment is significant.

Global telcos are looking at hyper-scale networks that are denser, deeply fiberised and software-defined with computing at the edge. It is estimated that telcos will invest $1.1 trillion in their networks globally in the next five years and ~80% (~$800 billion) will be in 5G.

Enterprises are also looking to strengthen or modernise their digital networks to ride new-age applications for real-time situational awareness and faster decision-making.

Cloud companies are looking to advance their data centre hyperscale connectivity to come up with comprehensive solutions for communication, collaboration and business process, while ensuring security and privacy.

Citizen networks are making heavy investments in expanding the broadband footprints to drive Internet penetration to nearly 50% global population that is still digitally disconnected.

The next generation of networks are shifting towards network densification, edge compute, open source and virtualisation. We are at the center of this massive digital transformation, and we have a great opportunity to deliver the Next-Gen Digital Network - by being the world's leading integrator of digital networks.

Thank you, shareholders, for your ongoing support and we assure you we will continue to strive to transform everyday lives by delivering smarter networks.

Innovating for Next-Gen Technologies

STL, a leading global integrator of digital networks, has innovation, technology and transformation at its core. The Company's capabilities and solutions span all network layers from Optical Interconnect, Virtualised Access Solutions to Network Software and System Integration. STL is constantly innovating in the field of digital networks, thereby creating unique value for its customers, shareholders, communities and the nation at large.

DIGITAL NETWORKS AS A FOUNDATION

Designing and integrating digital networks is at the very core of STL's business. The Company is partnering with governments, defence and telecom companies to create transformational impact in areas such as digital inclusion, homeland security and next-gen telecom networks.

Defence-grade smart networks

With STL's success in delivering an intrusion-proof network (Project NFS - Network for Spectrum) for the Indian Army, it is now building a highly resilient, secure, converged and modern MPLS network for the Indian Navy. This network will strengthen India's naval defence capabilities, as well as homeland security and lay the foundation for a digitally supreme Indian Navy.

Nation-wide rural connectivity

BharatNet, one of the most critical step towards Digital India, aims to provide on-demand, affordable broadband connectivity to 250,000 Gram Panchayats across the country. With STL's technology-led network rollouts using innovative applications such as drone-based surveys, augur drilling, robotic ducting and blowing, the Company is creating transformational impact through projects such as MahaNet and T-Fiber. These digital inclusion initiatives reach 50+ million rural Indians over 80,000 kms of optical fibre network and will pave the way to rural growth and prosperity.

Next-gen telecom networks

STL's journey to make India the world's largest data consuming nation brought it to a key client who wanted to roll-out a hyperscale fibre network that would lay the foundation for future technologies such as 5G, Industry 4.0 and smart homes. The Company's solution designed and built for the client the world's first deeply fiberised carrier grade exabyte network spanning 25,000 fkm and took fibre to over 20,000 homes with speed and simplicity.

250,000
Gram Panchayats provided on-demand, affordable broadband connectivity under BharatNet

50MN+
Rural Indians impacted under digital inclusion initiatives

NETWORK SOFTWARE AS A KEY VALUE ENABLER

STL's Network Software products bring greater agility and scalability to help telcos gain definitive edge in challenging markets.

Decongest networks seamlessly

With a huge number of devices connected to cellular networks and most of the world working from home during the COVID-19 pandemic, cellular network bandwidth was severely choked. STL introduced dSmartMobility, its smart WiFi offloading solution, as a trial offer for the Europe region. dSmartMobility seamlessly decongests networks while helping gain meaningful insights from strategic locations with advanced edge analytics.

dSmartMobility

Seamlessly decongesting networks during the COVID-19 pandemic

Build an online marketplace fit for 5G

As the industry undergoes massive transformation and with 5G bringing in unique opportunities that render traditional models obsolete, a digital marketplace model holds the key to unlock potential. Telcos have to rapidly adopt new business models that allow the flexibility to perform real-time content changes, and launch product offerings and promotions quickly. Recently, STL's digital marketplace solution was implemented as a Proof of Concept in one of Japan's largest e-commerce players. The Company's continued focus on creating value for telecom companies is spurring a wave of innovative software offerings for our customers.

DATA CENTRES AS A BUILDING BLOCK

Next-generation data centres to power network use cases of tomorrow.

Data centre space is evolving at a rapid pace and consumption paradigms such as on-demand, multi-cloud and new imperatives such as densification and energy efficiency are changing the way data centres are being designed and built. With STL way of design and execution, the Company is focused on creating next-gen data centres. Its differentiated capabilities include design, end-to-end build-outs and networking, and interconnect services. With STL's capability acquisition of Impact Data Solutions, UK, it has made headway into key areas like containment and inside data centre connectivity.

STL is a trusted technology partner to two of the world's leading cloud companies for their hyper-scale data networks. One of its clients wanted to set up a top tier data centre infrastructure within stringent budget and delivery timelines. The Company's experience in design consulting and installing hyperscale data centres across 2,500+ data centre projects, enabled it to deliver a purpose-engineered solution spanning data centre set-up and hot & cold aisle containment services, including seamless onboarding on client's colocation facilities.

2,500+

Projects as part of the Company's experience, in terms of design consulting and installation of hyperscale data centres

Driving Business Value Optically

The Internet connectivity has become the 4th basic need of humankind. Optical Interconnect solutions form the backbone that connects people, homes and businesses around the world.

With 25+ years of experience in optical fibre innovation, STL's end-to-end connectivity solutions build tomorrow's network infrastructure through reliability, scalability, flexibility and manageability.

OPTICAL INTERCONNECT

Essential technology for high-bandwidth data connections.

Global data usage is growing at unprecedented rates and the global COVID-19 situation has accelerated this further. As cities go into lockdown and working from home becomes the norm data traffic is becoming more distributed and traffic patterns more symmetric leading to new enterprise and consumer use cases. This new connectivity dependent reality needs solutions driven by the convergence of wired and wireless networks - all powered by high capacity optical digital networks.

As a global leader in optical interconnect solutions, we leverage our fully backward integrated value chain to offer customised solutions that deliver comprehensive value to our customers. In FY20, our research teams spread across the 4 innovation centres, developed cutting-edge technology products for our customers across the globe.

This year, we also started our state-of-the-art production facility at Dadra for fibre termination products, ODF shelves and closures.

25+
Years of experience as a leading solutions provider for optical networks

4
Innovation centres to design and develop cutting-edge technology products

STELLAR™ - WORLD'S 1ST LEGACY NETWORK COMPATIBLE G.657.A2 FIBRE

STL is ready to enter the next-gen ultra-high definition future with its Stellar fibre.

By leveraging expertise in advanced photonics, material science and precision manufacturing, STL innovation has brought a solution that adapts to the lightning pace of change. We have set a new benchmark in product innovation with Stellar the world's first installer's fibre, a fibre that bends like magic and blends like magic. It is easy to deploy; integrates seamlessly with legacy networks and is future-ready. It helps in easier, faster rollouts that save time and money.

Stellar is a revolutionary product that not only turns the economics for dense and deep fiberisation in favour of ISPs and telecom operators but also addresses deployment challenges, making the solution an installer's delight.

Stellar

World's first installer's fibre, easy to deploy; integrates seamlessly with legacy networks and is future-ready

TUFFbit - SOLUTION FOR ALL INDUSTRIAL NETWORKING NEEDS

A range of outdoor cabling solutions with customised designs for different environmental conditions.

During FY20, STL achieved another milestone with the launch of TUFFbit range of structured cabling solutions designed for specialised outdoor LAN applications.

The advent of Industry 4.0 has revolutionised industrial networks with an ever increasing number of connected devices. In such a scenario, Ethernet in a challenging industrial environment requires more rugged connectors and cables.

TUFFbit provides customised cable design to fit different field conditions, meeting project-specific application requirements. With unique protection layers, TUFFbit is the ideal choice for a range of outdoor applications, including plant automation, transportation, city surveillance and WiFi hotspots.

Customised

Cable design to fit different field conditions, meeting the project-specific application requirements

Best suited

For outdoor applications, including plant automation, transportation, city surveillance and WiFi hotspots

Transforming Lives at Scale

Amidst COVID-19, STL's priority was to ensure the wellbeing of its ecosystem: employees, customers and partners. It was one of the first companies in India to announce Work from Home.

The Company sent out continuous customer communications to build transparency and set expectations on fulfilling commitments. Through improvised use of technologies and establishing key partnerships with different organisations, STL is doing its best to help the society at large. It created PPE gear in our plants and spread awareness among people through Garv, its innovation-led digital kiosk, and other initiatives like Project Savdhaan.

As we continue to navigate the pandemic, STL has prepared a strategy to move forward without letting its guard down when it comes to safety of everyone in its ecosystem. While many of STL's people continue to Work from Home, the Company has re-opened its plants while making sure it follows the Company's 3S model - Safety first, Social distancing, Strict adherence to local guidelines.

STL ACADEMY: CREATING THOUSANDS OF TECH LEADERS FOR TOMORROW

The last financial year saw STL Academy taking large strides in growing its outreach to more professionals as well as ecosystem partners, and created several milestones.

STL signed a Memorandum of Understanding (MoU) with Common Services Centres (CSC) Academy in October 2019 to skill 1,00,000 Village Level Entrepreneurs (VLEs) across the country in Optical Fibre Network.

To build trained and certified fibre ecosystem, STL Academy organised F-Tech 2.0, an online workshop on fibre optics on 22nd and 23rd October 2019 in Bhopal, Madhya Pradesh. Over 10,000 students from various engineering colleges across Madhya Pradesh participated in the event. In March 2020, STL Academy won the coveted Asia Book of Records for conducting F-Tech 2.0, the largest online workshop on optical fibre technology in Telangana. Conducted in association with T-Fiber, TASK and CMR Group of Institutions, the workshop was broadcast from CMR College in Hyderabad, with over 40,000 students from 45+ engineering colleges participating.

10,000+
Students from various engineering colleges across Madhya Pradesh participated in F-Tech 2.0, Bhopal

Asia Book of Records
Won by STL Academy for conducting F-Tech 2.0, the largest online workshop on optical fibre technology in Telangana

STL GARV: SHAPING THE DIGITAL LIFE OF RURAL INDIA

STL Garv, a rural-connectivity platform of STL, is using the power of technology to bridge the gap between urban and rural India. The last financial year saw Garv making digital inroads through numerous initiatives:

- Enrolled students under PMG DISHA programme to improve the digital literacy
- Enrolled people under state governments' employment exchange programme
- Issued Ayushman Bharat Card
- Provided basic digital services like electricity bill payment, mobile recharge, DTH recharge
- Helped people in applying for Karz Maafi Yojna
- Started the services of providing goods through Amazon
- Conducted primary health check-ups
- Applied successfully for the scholarship of students
- Alotted PM Kissan Cards to people, helping them to directly benefit from the Central Sector scheme
- Helped people in applying online for government jobs

Board of Directors

Creating sustainable value for business

Anil
Agarwal

Pravin
Agarwal

Dr. Anand
Agarwal

A.R.
Narayanaswamy

Anil Agarwal

Non-Executive Chairman

Anil Agarwal founded the Group in 1976. In over three decades, the Group, under his leadership and with his strategic guidance, has grown into a pioneering global conglomerate with a world-class portfolio of large, diversified, structurally low-cost assets. 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.

Pravin Agarwal

Vice Chairman and Whole-time Director

Pravin Agarwal is the Vice Chairman and Whole-time Director of STL, and the Non-Executive Chairman of Sterlite Power Transmission 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 the Company's continued growth momentum. He is an astute businessman and a leader with almost four decades of experience.

Dr. Anand Agarwal

Group CEO and Whole-time Director

Dr. Anand Agarwal has been the CEO of STL since 2003. Under his leadership, the Company has grown from a leading provider of optical fibre to an industry-leading integrator of digital networks. He serves as a Whole-time Director on the Board of STL. A PhD in Materials Engineering from Rensselaer Polytechnic Institute and BTech from IIT Kanpur, he is a hands-on technologist on advanced photonics and programmable networks. He was honoured with the prestigious 'Pathbreaker of the Year' award in 2019 at the Telecom Leadership Forum for transforming India's digital infrastructure. He is a firm believer in empowering and transforming lives through innovations in technology. He envisions to enable affordable internet for India by building next-gen digital networks and under his leadership, STL has established an ecosystem for Make in India 5G solutions. He joined STL in 1995, and this year marks his 25th work anniversary with the Company.

A.R. Narayanaswamy

Non-Executive and Independent Director

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

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

Sandip
Das

Arun
Todarwal

Kumud
Srinivasan

Pratik
Agarwal

Sandip Das

Non-Executive and Independent Director

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, Advisor to a UK-based investment company, a reputation management firm Astrum, besides consulting for international banks and investment companies. He was formerly the MD & CEO of Reliance Jio, Group CEO and Executive Director of Maxis Communications Berhad, Malaysia and CEO & Board Director of Hutchison Essar Telecom, India (Orange, Hutch). He holds a BE degree in Mechanical Engineering from NIT Rourkela, an MBA in Marketing from Faculty of Management Studies (FMS), University of Delhi and an Advanced Management Program degree from Harvard Business School.

Arun Todarwal

Non-Executive and Independent Director

Arun Todarwal is a fellow member of the Institute of Chartered Accountants of India and has been practising as a Chartered Accountant for more than 40 years. He is a Managing Partner of Arun Todarwal & Associates LLP. During his years of practice, he has handled various professional assignments, including management consultancy, statutory audits, internal audits, management and systems audits, due diligences, taxation, international taxation, etc. in India, Dubai and several other countries. He is well-versed in tax matters and has travelled abroad on several occasions to deliver talks on Indian taxation. He has carried out professional assignments in more than 25 countries. He is also the Global Chairman of IAPA, an association of Chartered Accountants in more than 75 countries. He is an independent director in several companies.

Kumud Srinivasan

Non-Executive and Independent Director

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

Pratik Agarwal

Non-Executive Director

Pratik Agarwal is a Non-executive Director of the Company and is the Managing Director of Sterlite Power Transmission Limited. A Wharton graduate and an MBA from London Business School, he has over 10 years of experience in building core infrastructure assets in India. He founded the Group's infrastructure business in 2009 and built it up to levels where it now has significant investments in ports, power transmission and broadband networks. He is the Chairman of Confederation of Indian Industry (CII) core committee on Transmission, and also in the Advisory Board of India Brazil Chamber of Commerce (IBCC).

Executive Leadership

Leading with experience and foresight

Dr. Anand **Agarwal**

Anupam **Jindal**

Ankit **Agarwal**

KS **Rao**

Dr. Badri **Gomatam**

Dr. Anand Agarwal

Group CEO and Whole-time Director

Recognising the exponential growth in data consumption and shifts in the global technology landscape, Anand has navigated STL from an optical connectivity company to an industry-leading integrator of digital networks. A PhD in Materials Engineering from Rensselaer Polytechnic Institute and B.Tech from IIT Kanpur, Anand is a hands-on technologist on advanced photonics and programmable networks. He is a firm believer in empowering and transforming lives through innovations in technology. He joined STL in 1995, and this year marks his 25th work anniversary with the Company.

Anupam Jindal

Group Chief Finance Officer

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

Ankit Agarwal

CEO, Connectivity Solutions

As a deep believer in Innovation and Customer-first approach, Ankit leads the Connectivity Solutions Business in developing next-gen solutions to address the evolving network and communication opportunities of our clients. He plays a crucial role in STL's global expansion; he helped establish STL's presence in over 100 countries and executed Joint Ventures, Mergers & Acquisitions and Greenfield projects across Brazil, China and Italy.

KS Rao

CEO, Network Services and Software

KS Rao heads STL's Network Services and Software business unit. Under his leadership STL expanded into digital infrastructure projects in segments like Defence, Citizen Networks, Smart Cities & Telcos. He is also spearheading STL's foray into disruptive software technology products in areas such as customer/partner management, customer care & billing, network operations and wireless & spectrum management. Under his leadership STL successfully delivered mega projects like Navy Communication Network and Mahanet. He is also incubating newer businesses like Data Centre and Enterprise IoT.

Dr. Badri Gomatam

Group Chief Technology Officer

A photonics expert, Badri leads core research in optical communications products and network solutions. With a view on emerging network technologies, Badri guides the Company's technology vision. Under his leadership, the Company today has over 370 patents to its credit. Badri has an MS and Ph.D. from the University of Massachusetts, Amherst, and a BS from the Birla Institute of Technology. He joined STL in 2011.

Our leadership team brings immense global, functional and management expertise, enabling us to respond to challenges and tap into emerging opportunities effectively.

Gaurav **Basra**

Manish **Sinha**

Anjali **Byce**

Akanksha **Sharma**

Nischal **Gupta**

Gaurav Basra
Chief Strategy Officer
With significant international consulting experience, Gaurav works closely with the leadership team to develop long-term strategies for growth. He has 25 years' experience in corporate strategy development and transformation, innovation management and investment portfolio management at Booz & Company, Lucent Technologies, Nokia, Siemens and Mobily. He has an engineering degree from the University of Pune and an MBA from Imperial College, London.

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

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

Akanksha Sharma
Head CSR and Sustainability
STL is committed to the community, and Akanksha spearheads the Company's vision for Social Impact and Sustainability. She drives a portfolio of community programs that contribute towards transforming everyday living of many lives. She also leads the Sustainability portfolio of the Company and is building organisational capabilities on Responsible Business Practices across the value chain. Akanksha brings extensive experience in the Social Impact space from diverse organisations such as UNICEF, Jubilant Food Works and Vedanta. Post her MBA, she has done an advanced program from Harvard Business School.

Nischal Gupta
Chief Transformation Officer
Given his global experience in business transformation, Nischal drives STL by inseminating best of breed processes, technology platforms, data science techniques including AI/ML concepts and strategy execution. He joined STL in 2017.

Advisory Board

Leveraging trusted insights

STL's Advisory Board includes eminent industry leaders from the global telecom and data networking industry who guide our decision-making.

Sandip
Das

Sandip Das

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, Advisor to a UK-based investment company, a reputation management firm Astrum, besides consulting for international banks and investment companies. He was formerly the MD & CEO of Reliance Jio, Group CEO and Executive Director of Maxis Communications Berhad, Malaysia and CEO & Board Director of Hutchison Essar Telecom, India (Orange, Hutch). He holds a BE degree in Mechanical Engineering from NIT Rourkela, an MBA in Marketing from Faculty of Management Studies (FMS), University of Delhi and an Advanced Management Program degree from Harvard Business School.

BS
Shantharaju

BS Shantharaju

BS Shantharaju has over 15 years of experience as CEO across four large enterprises. He retired as CEO of Indus Towers, the world's largest telecom tower company with an estimated valuation of $12 billion. He was also the CEO of New Delhi International Airports, where he led the organisation's transformation post privatisation. As Managing Director of Gujarat Gas Company (then subsidiary of British Gas), he led it to a major growth trajectory. He was also the Chief Financial Officer for India and Country Managing Director for Bangladesh of SmithKline Pharmaceuticals Limited. He is a qualified accountant, has an MBA degree from the International Management Institute, New Delhi and is an alumnus of London Business School. He was among the final shortlisted candidates for the CNBC Asia Business Leader Award in 2005. He has also been a speaker at various leadership forums, including at Harvard Business School.

Many skills

Many cultures

Many views

One company

Awards and Accolades

Recognitions that make us proud

Awards recognise the impact of our efforts. STL takes pride in innovation, people initiatives, industry best practices, and sustainability measures. We are honored to be recognised for our success as we continue our journey.

Telecom Leadership Forum Award

Golden Peacock

CII-ITC Sustainability Award

Telecom Leadership Forum Award

STL bagged three awards at the Telecom Leadership Forum (TLF) 2020 for LEAD360 large-scale fibre rollout approach, dTelco digital platform for communication service providers and STL Garv, a digital access point for villages, which enables access to multiple digital infrastructure and services for rural communities.

The key highlight of TLF 2020 was Dr. Anand Agarwal, Group CEO, STL being honoured with the prestigious 'Pathbreaker of the Year' for pioneering and path-breaking achievements in the telecom industry.

The jury comprised eminent leaders from the telecom industry and was chaired by Aruna Sundarajan, Former Secretary, DoT.

Golden Peacock

STL received the Golden Peacock Award, one of the country's most prestigious, for creating new benchmarks in the sector and going beyond statutory, ethical and sustainable compliances.

The applications were adjudged by an eminent jury under the Chairmanship of Justice M. N. Venkatachaliah, former Chief Justice of India, Chairman, National Human Rights Commission of India and National Commission for Constitution of India Reforms.

CII-ITC Sustainability Award

For the second time in three years, STL won the coveted CII-ITC Sustainability Award for 'Excellence in CSR'. This award is one of the country's most credible honours and celebrates changemakers who persistently strive to integrate CSR and Sustainability into their business excellence frameworks.

The assessment is done in three phases - desk assessment, site visit by a team of four independent assessors and finally a jury assessment. The entire grading is based on the European Foundation for Quality Management (EFQM) Excellence Framework, which is a widely used quality management tool.

STL 25
YEARS OF OPTICAL FIBRE

Make Digital Ubiquitous

₹10,000CR
Strong order book
- ₹5,154 crore in revenue
- 35% revenue from exports

358
Global patents
- 5G Research programs with IIT
- Partnership with Open Innovation Network, MIT, Rutgers

50M
fkm optical fibre capacity
- 4 innovation Centres
- 7 Global Production Facilities

ZERO
Waste to landfill certified
- 100% Recyclable Packaging Material
- STL Garv - the rural connetivity platform
- STL Academy - trained more than 1.5x

30+
Nationalities of people
- 3.1k+ Associates
- Great Place to work Certified

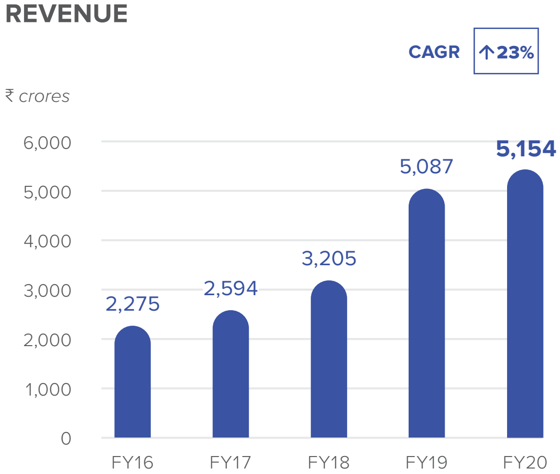
stl.tech

Financial Highlights

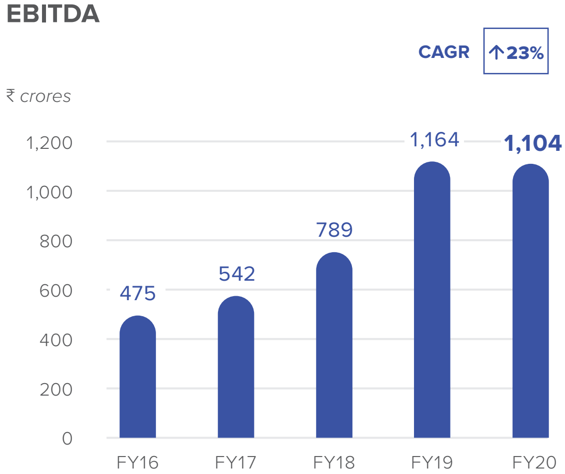
Sustaining strong momentum

Guided by our purpose, we are building on our strong fundamentals to deliver into sustained and shared progress for all stakeholders. We are sharpening our financial resilience, to ensure that the business remains nimble, agile-footed and empowered to tap into emerging opportunities.

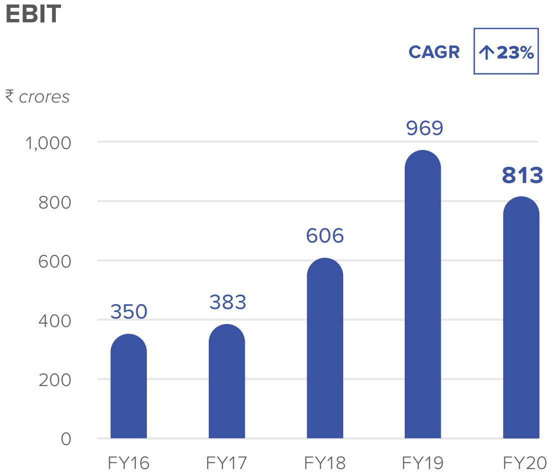
REVENUE



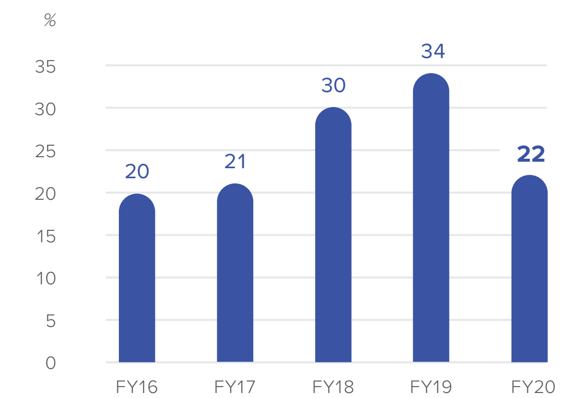
EBITDA



EBIT



ROCE



	Unit	FY16	FY17	FY18	FY19	FY20
Consolidated Numbers						
Gross Revenues	₹ crores	2,275	2,594	3,205	5,087	**5,154**
Growth	%	NA	14	24	59	**1**
EBITDA	₹ crores	475	542	789	1,164	**1,104**
EBIT	₹ crores	350	383	606	969	**813**
PBDT	₹ crores	357	419	685	1,058	**883**
PAT (After minority interest)	₹ crores	154	201	334	563	**472**
Capital Employed	₹ crores	1,791	1,844	1,993	2,845	**3,770**
Diluted EPS		3.82	4.98	8.25	13.83	**10.64**
Net Revenues	$ million	320.4	365.3	451.4	716.5	**726.0**
EBITDA	$ million	66.9	76.4	111.1	163.9	**155.4**
EBIT	$ million	49.3	54.0	85.4	136.5	**114.6**
PBDT	$ million	50.2	59.1	96.5	149.1	**124.3**
PAT (After minority interest)	$ million	21.7	28.4	47.1	79.3	**66.5**
Ratios						
Return on Capital Employed	%	19.5	20.8	30.4	34.1	**21.6**
EBITDA Margin	%	20.9	20.9	24.6	22.9	**21.4**
EBIT Margin	%	15.4	14.8	18.9	19.0	**15.8**
PBDT Margin	%	15.7	16.2	21.4	20.8	**17.1**
PAT Margin	%	6.8	7.8	10.4	11.1	**9.2**
Effective Tax Rate	%	29.0	15.4	26.5	32.2	**20.5**

Conversion Rate 1 US$ = 71

The numbers reported above in this section are before considering exception item.

Financial Discussion and Analysis

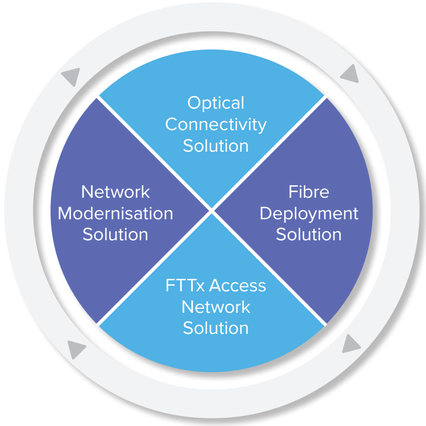
Positioned for stable growth

The world is moving towards more technological advancement day by day. We can see now that 5G mobile is now commercially available across global markets and it is estimated that by 2025, 20% of all connections will be on 5G.

Along with 5G roll outs, operators are also focusing on strengthening the existing networks. Further, there is a surge in the internet traffic by 30-40% and in the cloud demand as more amount of work is done from remote places nowadays. This is expected to grow further and change the way of working across the globe.

To grab these opportunities, STL is re-organising its business, expanding its portfolio of four offerings and developing end-to-end solutions for its customers. These four solutions are STL's go-to-market approaches, which bring together an integrated approach to solve customer problems.

INTEGRATED APPROACH TO SOLVE CUSTOMER PROBLEMS



The Company also sowed the seeds of future growth with the launch of the next generation of solutions. STL entered partnerships with VMware as well as IIT Madras. It acquired IDS Group, which is a data-solutions company based out of the UK and made an investment in ASOCS, which is a virtual radio access network company based out of Israel. The Company has also launched new product named 'Stellar' the industry's first universal fibre. This leading-edge innovation from STL's optical connectivity solutions guarantees best-in-class data transfer, negligible data loss even with high-fibre bends and compatibility with all fibres in use.

The increase in focus on 5G rollouts by Telcos,and strengthening of the existing network and a shift towards digitisation by non-telco companies will create an enormous amount of opportunity for STL in the global market.
The Company will leverage its global presence and strong portfolio offerings to provide end-to-end solutions to customers.

Financials at a glance

₹ in crores

Particulars	2019-20	2018-19	Growth Y-o-Y
Gross revenue	**5,154**	5,087	1%
EBITDA (Before exception)	**1,104**	1,164	-5%
PAT (After minority interest before exception)	**472**	563	-16%
PAT (After minority interest)	**434**	563	-23%
EBIDTA margin (%)	**21%**	23%	
EPS (Diluted) (₹)	**10.64**	13.83	-23%
Net profit margin (%)	**9%**	11%	
ROCE (%)	**22%**	34 %	

Gross revenues

STL recorded highest-ever revenues of ₹ 5,154 crores during the year under review, registering marginal growth year-on-year. The revenue growth was secular, driven by all business units. Export revenue for the year was ₹ 1,779 crores. India, Europe and China now account for more than 90% of the Company's revenues.

Profitability

FY20 was a transformative year for STL. The Company acquired new customers, including large deal wins globally and transformed itself to a solutions-driven, account-based organisation. There is marginal decrease of 5% in earnings before interest, tax, depreciation and amortisation (EBITDA) before exceptional item from ₹ 1,164 crores in FY19 to ₹ 1,104 crores in FY20. In terms of percentage, this translated into an EBITDA margin of 21% in FY20 which is 146 basis points lower than FY19, mainly on account of decrease in global demand and reduced prices of the fibre.

The Company's interest cost has increased from ₹ 105 crores in FY19 to ₹ 221 crores in FY20. The increase is mainly due to capital expansion during the current and previous year and acquisition of IDS group and investment in ASOCS.

The depreciation for the year was ₹ 290 crores compared to ₹ 195 crores in the previous year. The increase in depreciation was mainly due to capitalisation of expansion projects executed during the current and previous year.

Tax expenses for the year were ₹ 109 crores, implying tax rate of 21% compared to ₹ 278 crores in FY19 with tax rate of 32%. Effective tax rate is lower on account change in tax rate as per the announcement of Finance Ministry of the Government of India.

The net profit after tax after minority interest before exception item for the year thus is ₹ 472 crores, compared to ₹ 563 crores for last year showing decrease of 16% year-on-year.

The exception item pertains to amount of duty payable under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS). During the current year, the Company has made an application under SVLDRS, for settlement of the disputed excise matter of ₹ 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at Supreme Court, and also some other litigations under Central Excise Act, 1944 and Chapter V of Finance Act, 1994 which were pending as of June 30, 2019. Based on the provisions of SVLDRS, Management has determined the duty payable in respect of all matters offered for settlement under the scheme and accordingly recognised expense of ₹ 50.71 crores in the current year.

Dividend

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

Balance sheet

in times

Particulars	2019-20	2018-19
Net debt (₹ in crores)	**1,970**	1,733
Debt equity ratio	**0.97**	0.96
Debtors turnover ratio	**3.30**	3.70
Inventory turnover ratio	**11.40**	8.60
Interest coverge ratio	**4.99**	11.00
Current ratio	**0.95**	1.20
Return on net worth	**21%**	32%

Gross Block and Capital Work-in-progress

The Company has been expanding its facilities to 50 million fkm for optical fibre and 33 million fkm for cable to meet the increase in demand in its telecom sector. The expansion of optical fibre is completed. As a result of this, gross block increased from ₹ 3,875 crores as on March 31, 2019 to ₹ 4,533 crores as on March 31, 2020.

The capital work-in-progress stood at ₹ 133 crores at the end of FY20 as against ₹ 419 crores at the end of FY19.

Borrowings, Cash and Bank Balance

The gross debt of the Company increased from ₹ 1,918 crores as on March 31, 2019 to ₹ 2,201 crores as on March 31, 2020. The total cash and bank balance, coupled with current investments at the end of FY20, was ₹ 478 crores as against ₹ 334 crores at the end of FY19.

The net debt increased from ₹ 1,733 crores as on March 31, 2019 to ₹ 1,970 crores as on March 31, 2020, mainly due to capacity expansion projects, acquisition of IDS group and investment in ASOCS. The Net Debt-Equity ratio of the Company stood at 0.97 as at end of FY20 as compared to 0.96 a year ago.

Working capital

₹ in crores

Particulars	March, 2020	March, 2019
Inventories	**452**	590
Trade receivables	**1,563**	1,357
Current investment	**233**	100
Cash & bank balances	**245**	234
Others including loans & advances	**1,312**	1,653
Total current assets (A)	**3,805**	3,934
Total current liabilities (B)	**2,714**	3,185
Working capital (A-B)	**1,091**	749

Current ratio of the Company stood at 0.95 times in FY20 against 1.2 as at end of FY19.

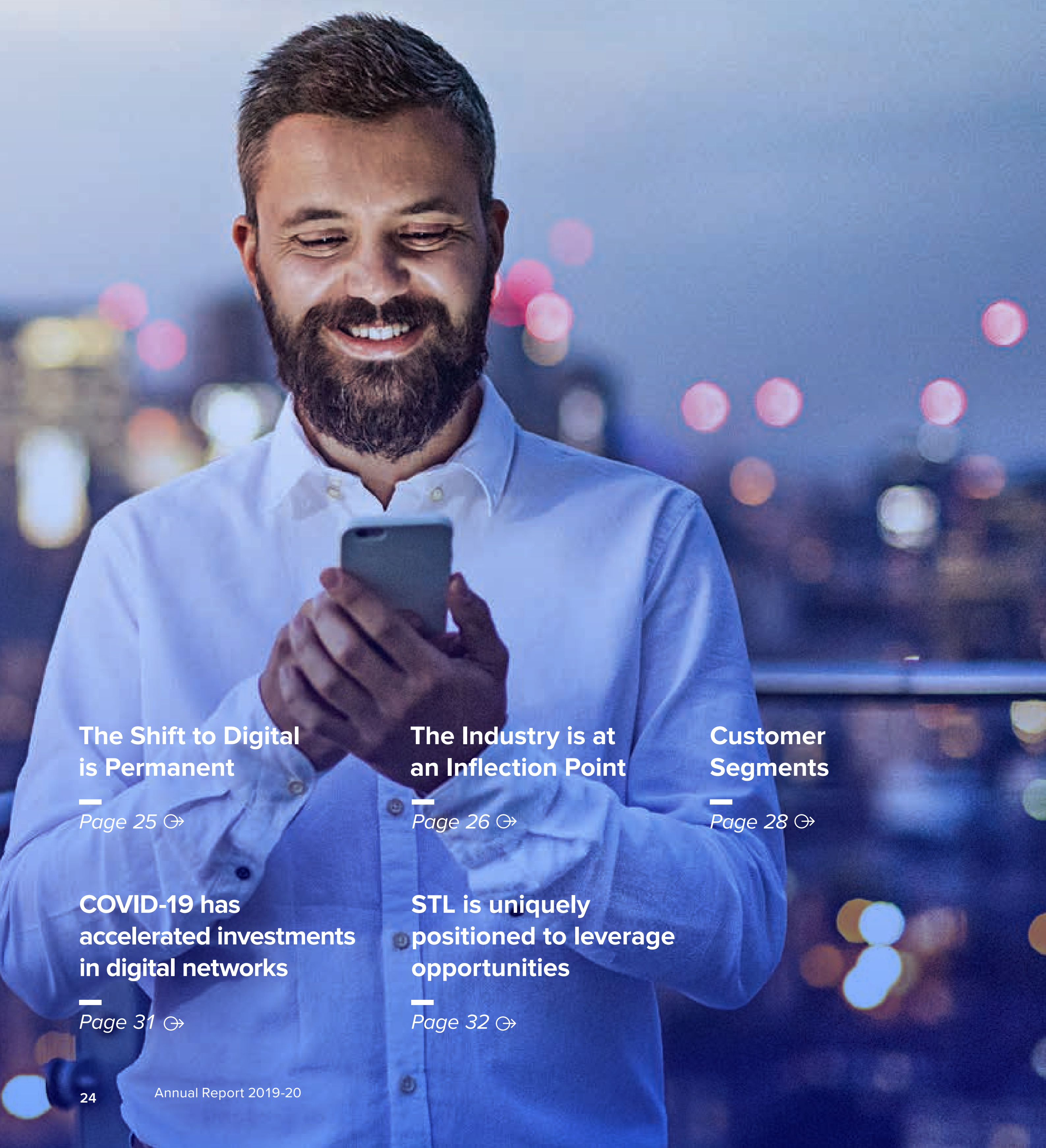
Return on Capital Employed (ROCE) and Capital Structure

The ROCE in current financial year declined to 22% as against 34% a year ago and ₹ 3,993 crores was employed in business as on March 31, 2020 as against ₹ 3,548 crores as on March 31, 2019.

Total equity of the Company as on March 31, 2020 stood at ₹ 2,023 crores against ₹ 1,815 crores as on March 31, 2019.

Management Discussion and Analysis

Unlocking Digital Infrastructure for transforming humankind



The Shift to Digital is Permanent

Global data creation and consumption is on an ever-increasing curve and this is evident in how new experiences and applications are being exposed to consumers and how enterprises are unlocking newer business opportunities informed by data and analytics. In the near future, smart sensors and connected devices will be built in to almost everything—appliances, cameras, doors, cars and manufacturing equipment—just to name a few and all will be generating humongous amounts of data.

The global pandemic has made the shift to digital permanent. For the majority of organisations across the globe, digital disruption is no longer a concern but the new normal. The Internet and data are now so all-pervasive and ubiquitous that it can be safely considered as the fourth utility, alongside water, gas and electricity. At no time in recent history, has this been more evident than in the recent COVID-19 pandemic, where the interconnectedness and resiliency of data networks have been the limelight and has enabled the shift to remote working. In the medium to long term, as the world emerges from this crisis, the Company anticipates that some of these shifts in mindset and behavioural changes will carry on. The onus will be on telecom sector companies, ancillaries, OEMs and government agencies to keep innovating and ensuring the world remains increasingly more interconnected.

5 MACRO SHIFTS DRIVING NETWORK USAGE

TRAFFIC SHIFTING TOWARDS ENTERPRISES AND CLOUD

- Enterprise data consumption has significantly increased from predominantly entertainment to enterprises and cloud use cases

SYMMETRIC TRAFFIC

- The data usage which used to be mostly asymmetric is becoming symmetric with uploads and downloads
- User traffic is both upstream and downstream boosted by video conferencing

INCREASE IN TRAFFIC

- Increase in network traffic globally by 60-70%
- Significant amount of this traffic from enterprise applications like video conferencing, collaboration tools
- Increase usage of web based applications on the cloud

LOW LATENCY REQUIREMENT

- More enterprise applications are moving to cloud, requiring instantaneous response time

USAGE PATTERNS SHIFTED

- The data consumption patterns have shifted to residential localities amid an upsurge of home internet and video streaming services, resulting in network congestion

Surge in annual data use globally

According to a recent report by International Data Corporation (IDC), global annual data traffic is expected to reach ~10 ZB by 2025 (where 1 ZB equals to 1 trillion GB) on the back of several factors.

95%
Of total data traffic consituted by 4G, across all categories

11GB ↑14X
Current monthly data usage per user

Source: India Mobile Broadband Index 2020

Domestic data use trends

- Post introduction of 4G services in 2016, total data traffic increased 44 times (2015—2019) which is one of the highest in the world
- 4G constitutes over 95% of total data traffic across all categories
- Monthly data usage per user has increased ~14 times over the last four years (800 MB to 11 GB)
- More than 30+ OTT platforms in India, Indians access OTT platforms 12.5 times per week and consume 70 minutes per day

GLOBAL IP TRAFFIC GROWTH
Zettabytes

Source: International Data Corporation (IDC)

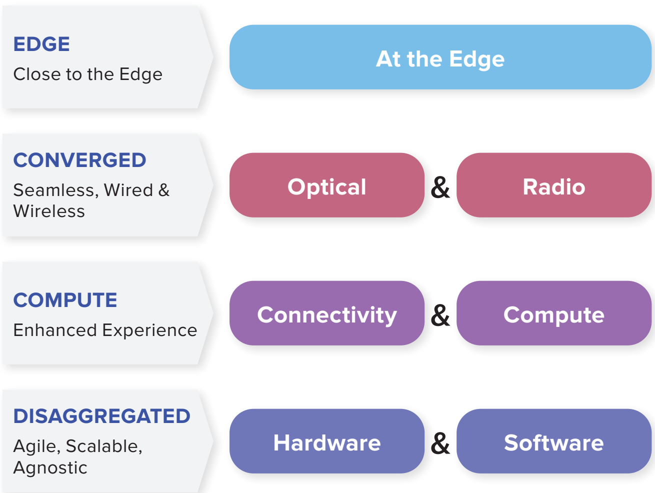
Management Discussion and Analysis

The Industry is at an Inflection Point

As remote working becomes the new norm, the demand for data connectivity continues to grow exponentially. The current digital infrastructure is not primed to manage this sudden spike in web traffic, so a completely new architecture is evolving – the next-gen digital network. These networks will be built in a fundamentally different way by bringing together four specialised technological confluences:

- wired and wireless
- software and hardware
- connectivity and compute
- open source – all at the edge of the network

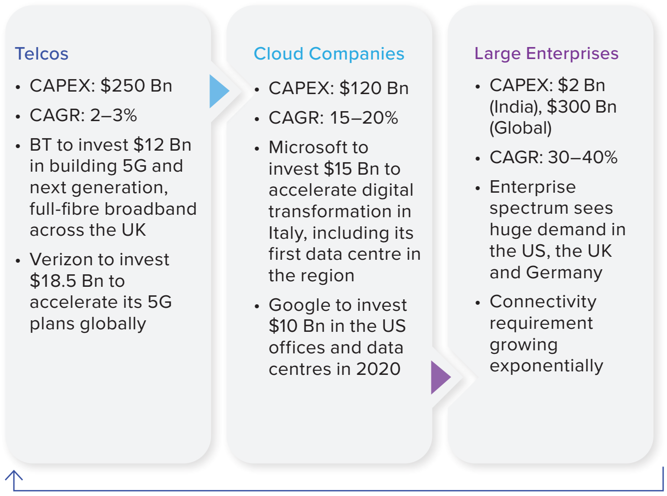
This network will bring the scale and quality to bring affordable internet to the world.



Digital service providers and cloud companies globally have accelerated their investments in developing these next-gen digital networks.

Significant network creation beyond telcos

Telcos will dominate network capex but importance of Cloud Companies and Large Enterprise segment is increasing due to high growth



Network creation by large enterprises

A strong trend that is observed is the creation of private networks by enterprises. Today, growing demand for coverage, speed and reliability for mission-critical processes/devices, combined with technological innovations such as IoT devices and AR/VR applications, is pushing many enterprises to consider 5G private networks and explore the new possibilities they offer.

The major hot zones for deployment of 5G private networks would include:

- Ports, airports, and similar logistics hubs
- Factories and warehouses
- Private office spaces, campuses, greenfield installations

Major private network projects across the world

- Ericsson and Telefonica Germany are collaborating with Mercedes-Benz to build a private 5G network for a new production facility in southern Germany
- Ericsson and Canadian private network provider, Ambra Solutions, recently provided a private LTE solution for connectivity to a mining company – Agnico Eagle at one of their mining sites in Quebec, Canada. The private network enables connectivity at a depth of 3 km underground

Network creation by data cloud companies

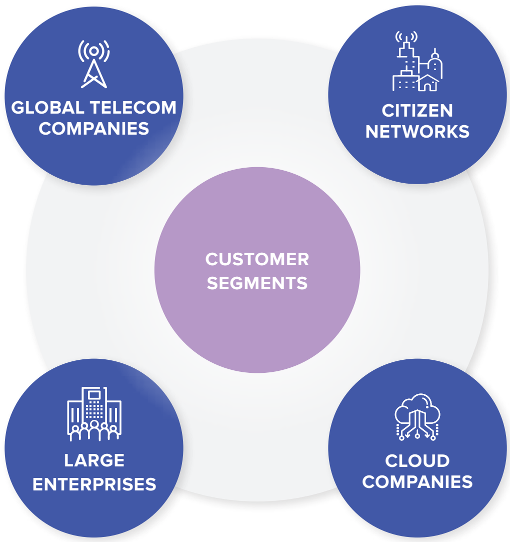
Global content providers are deploying huge amounts of fibre between massive data centres to maintain their aggressive pace of innovation and to keep up with the multiplication of bandwidth they are seeing on a yearly basis. Data centre network build is moving from incremental growth to step function growth phase.

Hyperscale data centres have been growing at a historic rate over the past six years, with the number of hyperscale data centres tripling since 2013. Currently, there are more than 500 hyperscale data centers in the world and this market is expected to grow at a CAGR of ~24% over the coming five years.

500+
Hyperscale data centres in the world currently

Management Discussion and Analysis

Customer Segments



Global telecom companies

Telecom global capex had been plateauing in the wake of completion of 4G rollouts. However, operators worldwide may now have to contend with the next wave of capex infusion driven by aggressive 5G rollout plans and FTTH rollouts.

Telecos across key economies are investing in 5G

- China has been a trailblazer in embracing 5G. While 5G was launched only in November 2019, the three operators (the state-owned China Mobile, China Unicom and China Telecom) in the country have already signed more than 40 million 5G subscribers. All three operators have aggressive 5G rollout plans for the year and they have recently (April 2020) awarded contracts worth more than $10 billion for 5G
- Verizon (USA) has gone live with 5G in parts of 31 cities using ultra-high-speed, low-area mmWave technology
- T-mobile (Germany) has launched 5G selectively and is following a 'full layer cake' strategy as their 5G customers can tap in to low-band 5G, mid-band 5G and mmWave 5G airwaves
- Vodafone UK launched its 5G service in July 2019 in seven cities. As of today, Vodafone offers 5G in 41 cities
- South Korea, one of the earliest movers in 5G has reached a 5G penetration of 9.67%, representing the highest penetration rate around the globe and acquired ~6 million subscribers. The South Korean government announced that the country's three major telecom carriers (SK Telecom, KT and LG Uplus) had agreed to invest $3.4 billion in their 5G networks during the first half of this year

Telcos may in future also have to fend off competition from web giants like Microsoft, Google and Facebook as they are launching their own connectivity propositions, via own build networks or through virtual platforms. For instance, Microsoft has been working with operators on integrating edge computing capabilities with 5G networks with Azure cloud services. Alphabet has 'Google Fi', which is basically a Mobile Virtual Network Operator (MVNO). Facebook has launched Terragraph 5G networks and is providing gigabit connectivity in pilots and trial runs.

Another notable trend in this space continues to be sustained interest of incumbent telcos and infrastructure companies in build out of FTTH networks. The industry is seeing massive FTTH rollout initiatives like Open Reach, City Fibre, Virgin Media Gigabit plan, Open Fibre, Deutsche Telekom Fibre-to-the-Curb (FTTC) rollout plans and others. The industry is also increasingly witnessing a trend of rural broadband build being championed/ subsidised by government schemes.

Another prominent trend in this space is the move towards virtualisation. The adoption of Network Functions Virtualisation (NFV) or Software-Defined Networking (SDN) will require Communication Service Providers (CSPs) to increase their spending on data centre systems to support virtualised network functions.

Citizen networks

High-speed broadband networks that enable the rapid exchange of information and knowledge are crucial for economic growth. Nowadays, these networks are as important for our economic and social development as utilities like electricity, road and rail networks, etc. Rural areas stand to gain, especially from broadband and the opportunities it offers. Access to a high-speed broadband infrastructure provides a basis for innovative broadband services offering high economic returns, e.g. in the eWork, eGovernment, eHealth and eLearning sectors.

As such, governments across the globe are focused on investing in/subsidising network build outs (especially FTTH) in rural areas.

Governments undertake rural area digital network investments globally

- The UK government has promised to invest £5 billion to help spread 'gigabit-capable' broadband Internet Service Provider (ISP) networks to the hardest-to-reach 20% of the country, i.e., rural and non-metropolitan areas
- Federal Communications Commission (FCC), USA announced $20.4 billion Rural Digital Opportunity Fund. This funding would be used over a period of 10 years to provide gigabit connectivity to rural areas
- Government of India launched ambitious National Broadband Mission (with investments of up to ₹ 7 lakh crore) to provide broadband access to all Indian villages, fibreisation of towers (from 30%–70%) and enhancing tower density

Cloud companies

Cloud companies are continuing to invest heavily, building massive hyperscale data centres. As per estimates, there are more than 500 hyperscale data centres in the world today with 150 more on the way.

Notable investments in hyperscale data centres:

- Equinix, Inc., a global interconnection and data centre company, and GIC, Singapore's sovereign wealth fund, have entered into a partnership deal to form a joint venture to develop and operate hyperscale data centres in Japan
- Google has opened new data centres in Northern Virginia and Tennessee in 2019, and broken ground for future campuses in Texas, Ohio and Nevada. It had plans to invest $13 billion in new data centre campuses in 2019. The Company now has 19 data centre campuses around the globe, with 11 in the US, five in Europe, two in Asia-Pacific region and one in South America.
- Amazon has plans to plough $1.6 billion and stand up two data centres in Hyderabad, India
- China's biggest cloud computing provider, Alibaba Cloud, will invest a whopping $28.2 billion in cloud infrastructure and the construction of data centres over the next three years as it prepares to help digital transformation efforts in a post-pandemic world

Edge computing

While hyperscale build is not showing any signs of slowdown, another appreciable trend that has emerged recently is edge computing. The rapid growth of data-hungry applications and IoT-related data, along with the continued growth in Content Delivery Network (CDN) traffic, is certain to result in robust demand for edge data centre services. Edge computing is expected to be an $18 billion business by 2022. Several telcos and cloud companies have already made forays into edge computing. Telcos specifically see a synergy in bundling edge data centre build with 5G deployment.

$18 Bn
Expected size of edge computing business by 2022

Telcos focus on edge computing

- Microsoft launches Azure Edge Zones. These are meant to bring that consistency to applications that need to run at the edge for extremely low latency
- AT&T is deploying Edge and 5G together (working with cloud service providers to add edge compute technology into network centres as they are upgrading them for 5G deployment
- Verizon is rolling out 5G edge computing architecture that will allow AWS developers to build digital applications at the edge of Verizon's 5G network. This is being trialled in Chicago

Management Discussion and Analysis

Large Enterprises

Defence forces

There is a great deal of focus on network build and modernisation in India’s defence forces. Of particular interest in this context is the institution of Office of Chief of Defence Staff (CDS) with the aim to integrate the operations of the three forces i.e. Indian Army, Indian Air Force, and the Indian Navy. With approval of the CDS, India will also have joint military commands to bring jointness in operations, logistics, transport, training, support services, communications, repairs and maintenance. STL believes that this could be a catalyst for:

- Bringing defence forces existing communication network to similar level of maturity
- Driving interoperability in the upcoming network upgradation projects
- Consolidation of IT infrastructure to enable effective joint operation requirement
- Increased readiness to cyber warfare through enhanced network security

India’s defence forces has prioritised network modernisation of its Navy, Army, Air Force and Border Security Force, all building secured digital networks. Total IT/ITES budget annual budget for network modernisation is in the range of ₹ 12,000 crores according to our estimates.

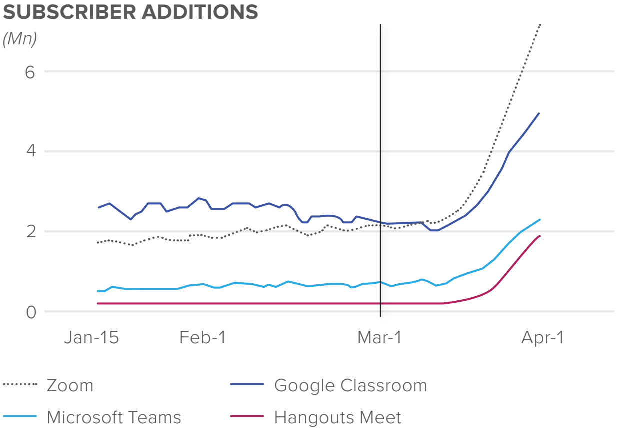
STL works extensively with the defence forces today, but any enterprise—big or small, public or private—that needs a private network is the Company's prospective customer. For instance, we are seeing significant network creation by Railways and by companies in Power & Utilities sector as well

COVID-19 has accelerated investments in digital networks

Over the last couple of decades, the Internet connectivity has become the lifeblood of global economies, fuelling innovation and technological advancement. Amidst COVID-19, the need for ubiquitous connectivity increased exponentially. As remote working became the new norm, data consumption increased globally with education services, healthcare, entertainment and so on.

SUBSCRIBER ADDITIONS

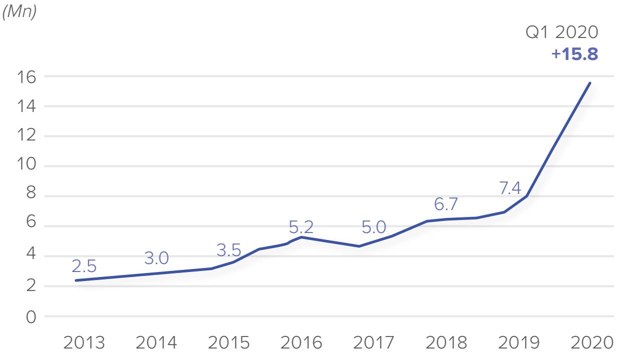
(Mn)



Source: Apptopia

NETFLIX NET SUBSCRIBER ADDITIONS

(Mn)



Source: Apptopia

While the synchronised 'Great Lockdown' impacts most industries globally, the telecom sector will be among the least affected. Even as CY20 spending will take a hit, it is expected that there will be a strong revival of spending in CY21 (driven by FTTH and 5G capex).

Operators had committed significant capex outlay for 5G. While the spread of COVID-19 has raised concerns, large operators are still going ahead with these commitments such as:

- 5G spending in China has started again and the top three telcos of the country have come out with multi-billion-dollar 5G contracts
- Japan launched its 5G network in March 2020

There is a slew of Fibre-to-the-x (FTTx) rollout projects with massive funding that are currently underway, including Open Reach; City Fibre; UK Government's gigabit connectivity funding of $5 billion; FCC's funding of rural digital opportunity of $20.4 billion; Virgin Media's gigabit connectivity rollout and many more.

Data centre demand and usage is also clearly surging. Data centres will benefit in the wake of new norms (WFH, OTT, video conferencing) and 'forced adoption' by laggards (like the government, retail and others).

- Google Q1 cloud revenues up 52% compared to last year
- Microsoft Q3 revenue in the Intelligent Cloud segment—which includes Azure—rose 27%. Overall cloud revenue grew by 59%

This in turn has led to hyperscale players increasing spend on new data centres, like

- Amazon Web Services, has applied for fast-track planning permission to build three more data centres in Northern Virginia
- Chinese company, Alibaba revealed that it will invest ¥200 billion ($28.26 billion) in its cloud computing division over the next three years

As a result of social distancing, home confinement and remote working policies that many governments have adopted as part of the Great Lockdown, there has been a massive surge in usage of Information and Communications Technology (ICT) services.

WORK-RELATED PLATFORMS

Teams
Number of daily active users has grown by 38% (from 32 million to 44 million in March 2020)

Zoom
26.9 million new mobile app downloads in March 2020

Slack
The growth rate for new paid customer base doubled from February 1, 2020 to March 18, 2020

Cisco Webex
22-times increase in traffic to/from Japan, Singapore and South Korea

Nord VPN
Global use increased by 165%

ENTERTAINMENT

Facebook
Total messaging traffic has increased by 50% and video calling traffic has doubled in some markets

Netflix
Subscriber base increased by 9.6% in one quater (1Q 2020)

TV
TV viewing could increase by 60% during the COVID-19 lockdown

WhatsApp
76% increase in time spend on WhatsApp in Spain

Online gaming
The average number of counter Strike players increased by more than 20% during March 2020

TELECOM OPERATIONS

AT&T USA
The number of Wi-Fi calling minutes increased by 82% during weekends

BT UK
Traffic on fixed network climbed by as much as 60% compared to normal weekdays

Vodafone
Mobile data traffic increased by 50% in some markets

Telecom Italia
Internet traffic increased by over 70% since Italy went into lockdown

Management Discussion and Analysis

STL is Uniquely Positioned to Leverage Opportunities

The entire world is at the cusp of a digital transformation in the backdrop of COVID-19 with not just large but even small and medium enterprises increasingly coming to terms with the new reality of work from home. As such residential establishments are witnessing increased consumption of digital media, online gaming, and video conferencing. The demand for fast and uninterrupted data connection has put STL in a unique position. With core capabilities in Optical Interconnect, Virtualised Access Solutions, Network Software and System Integration, STL is the industry's leading end-to-end solutions provider for global digital networks. STL intends to bring 5G, FTTx, enterprise IoT and many more applications to urban and rural populations across the world in the immediate aftermath of COVID-19.

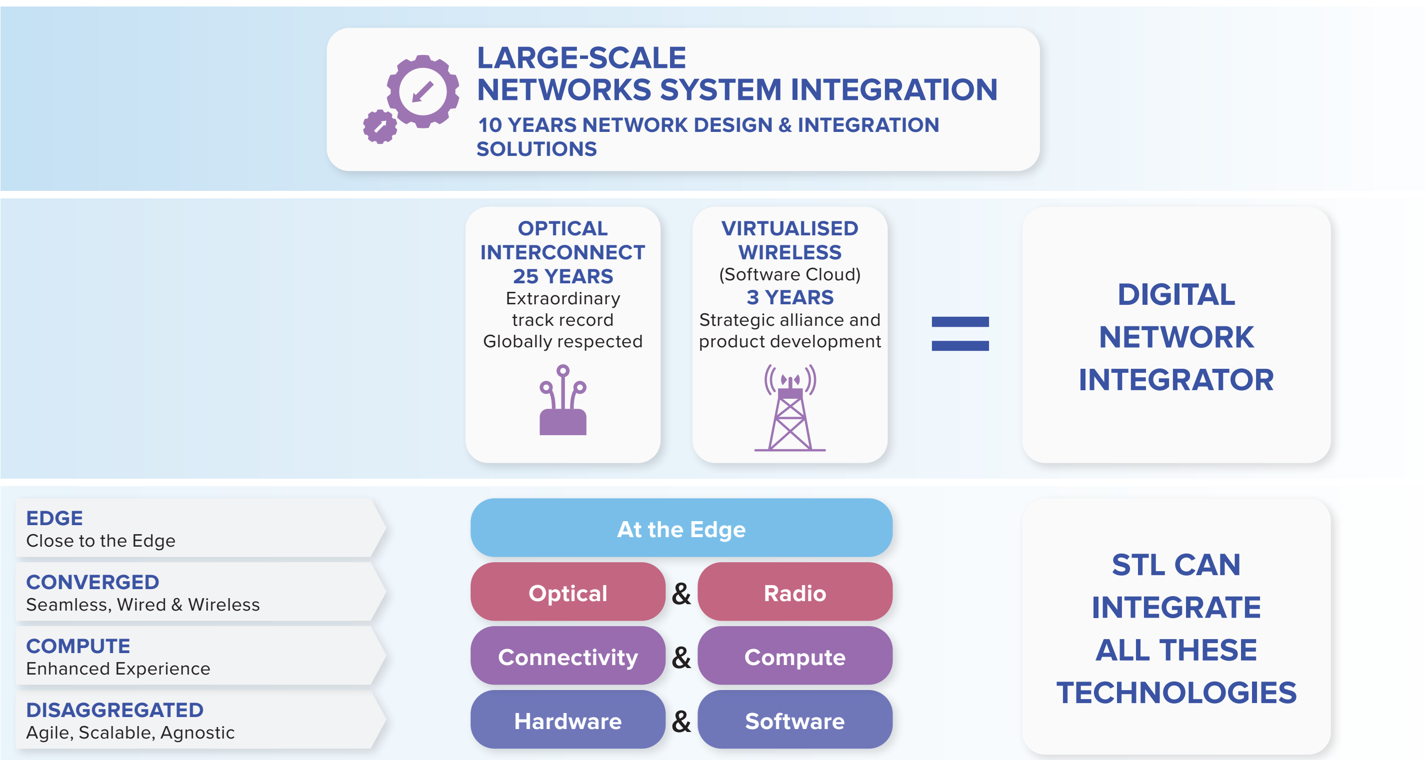
STL is the only company in the world to have unique capabilities across all layers of the network – from photonics and material science-based precision manufacturing to algorithmic design, ultra-fast deployment, AI analytics and programmable networks.

STL has systematically built unique capabilities over the last 25 years—optical connectivity, large-scale digital network integration and virtualised wireless capabilities. With this unique value proposition, the Company is gaining global prominence as a leading integrator of digital networks.

Every year there is a sharp increase in per capita usage of data across the globe. This surge in data is leading to expanding capex investments by telecom companies globally. Post COVID-19, data growth (5G, Edge Network creation, FTTH rollouts and rural connectivity) will drive dense and deep fibre networks with multiple end points and low latency. Hyperscale and edge data centres built by cloud companies, government and private enterprises – campus connectivity, 4G/5G intelligent mobility, data centres, IoT, Industry 4.0, smart grid and e-health, among others will complement the capex investment by telecom companies in a big way. This new pool of investment is required by the cloud companies like Amazon, Google and Microsoft for creating massive hyperscale data centres. For enterprises like defence, railways, oil & gas etc. the capex investment will come from their need for network modernisation. The federal and state governments, on the other hand, will continue to invest in creating network for ensuring digital inclusivity for the unconnected areas.

Most analysts believe that there will be a reduced capex spend from telecom companies immediately after the pandemic subsides. However, there is almost complete unanimity in the assertion that the capex will increase fast and at steady pace after that. The rest of STL's customer segments have all projected robust capex growth to address the increased data demand.

WORLD-CLASS UNIQUE SET OF CAPABILITIES



Key Account Management

STL's competitive advantages include deep customer engagement, wide product portfolio and a global and agile supply chain. The Company understands unique requirements of customers and offers solutions customised to their needs. To reinforce customer centricity, STL strategically transformed to solution-driven Account Based Organisation (ABO) embodying the main tenets of Key Account Management (KAM). The Company intends to forge depth in partnerships by having focused customer engagement while presenting a single face to the customer. STL believes that customers will also find much greater value as they will have an opportunity to appreciate synergies across the Company's focused business offerings.

Large-Scale complex integration

STL's network and system integration business has witnessed a sustained increase in the business in the last five years. Led by technology, superior design, and execution capabilities, STL's System Integration team is on a mission to transform the network design and deployment landscape. Over the years, the Company has enhanced its system integration capability both organically and inorganically to enter new geographies and to get a larger share of the capex investments from customers. With multiple capability enhancements in the last year, STL is uniquely positioned to address deep fibreisation, 5G rollout and increased data centre demand resulting from the COVID-19 pandemic.

Ecosystem partnerships and investments to strengthen offerings

Future digital networks shall be simple, open sourced, hardware and software disaggregated and virtualised. Enterprises as a new customer segment will emerge with a lot of applications and simple network requirements. Open and software-defined networks need next-generation innovation that will enable the entry of new players with no legacy to defeat the incumbents and deliver a low-capex, high-performance digital network. Recognising this opportunity, STL started developing virtualised access solutions through organic and inorganic investments. In addition, STL forged deep partnerships with the startup community, tech institutions, and collaborated with open source companies. STL continues to look at capability acquisitions and collaboration with start-ups and academia, to serve customers better.

Management Discussion and Analysis

Technology-led integrated end-to-end solutions

With its enhanced capabilities and deep expertise, STL brings together best-in-class offerings. Our services portfolio includes right from integrated silicon to fibre; modular customised kit; innovative cable design in the passive layer to end-to-end designing and building network within the services layer; and the next-gen OSS/BSS and open sourced-virtualised access within the software layer, thereby creating a unique company in the world, which provides end-to-end integrated digital network solutions.

STL's customers are evolving and so are its solutions to serve them. The Company combines its four portfolio offerings – Optical Interconnect, System Integration, Access Network and Network Software to create integrated end-to-end solutions that address the requirements of its customers.

END-TO-END SOLUTIONS

opticonn – Optical Connectivity
- Product suite design
- Fibre and cables
- Interconnect
- Logistics

for all network topologies

LEAD 360° – Fibre Deployment
- Large scale design
- Fibre rollout
- Activation
- Management

for core network

FTTx mantra – FTTx Access Network
- Design for scale, latency, agility
- Rollout, activation
- Programmable open orchestration

for fibre access network

netmode – Network Modernisation
- Comprehensive network redesign
- Future readiness
- Transport, compute, security

for enterprise network

PORTFOLIO OFFERINGS

- Optical Interconnect Products
- System Integration Services
- Access Network Products
- Network Software Products

AN EXAMPLE OF AN INTEGRATED E2E SOLUTION: FTTX MANTRA

Customer Problem Statement

To connect fibre to the premises
- In least time
- At lowest cost
- Having a long network life
- Delivering data at night speed regardless of accessibility issues

Network Software Products
Virtualised Access Products
Optical Interconnect Products
System Integration Services

FTTx mantra
BSS | dTelco
PODS: OSS (MANO), ONT (CPE), Virtualised OLT, White Box
OFC with Micromodule
Stellar Fibre
Design | Deploy | Manage

Innovation-driven diverse technology talent

STL's employees are at the core of its efforts to create a world with next-generation connected experiences that transform everyday living. Fondly known as STLers, its talented and diverse workforce thrives in a work culture built on diversity, equality and inclusion. More than 3,000 STLers from over 30 nationalities are driven to build technologies that would define future networks. The Company's journey of 25 years of optical fibre business could not have been possible without the contribution of each and every STLer. Over 100 STLers have been working with the Company for more than two decades and have played a major role in STL becoming a leading integrator of digital networks. Their talent, dedication and commitment reaffirms STL's vision of transforming everyday lives through key account management based approach, and deep focus on technology innovation and customer engagement.

STL'25
YEARS OF OPTICAL FIBRE

Sterlite Technologies Limited

Celebrating 25 years of optical fibre for high quality digital networks

STL, an integrator of digital networks, with 25 years of experience in optical fibre is enabling telcos, cloud companies and enterprises harness the full potential of networking technologies by connecting everyone everywhere.

Optical Interconnect
Virtualised Access
Network Software
System Integration

stl.tech

Leadership Team

Global talent with deep expertise

Jitendra **Balakrishnan**

Sandeep **Dhingra**

Rajesh **Gangadhar**

Shantanu **Kulkarni**

Ben **Parker**

Pankaj **Priyadarshi**

Venkatesh **Murthy**

Aldo **Santus**

Balram **Sharma**

Phill **Coppin**

Samuel **Leeman**

Technology innovation

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

Sandeep Dhingra
Network Software and Services
Sandeep is focused on driving innovation to enable faster growth in a rapidly changing architecture with SDN, NFV, Cloud, IoT and 5G. Sandeep has held leadership positions in CISCO systems, IBM, and Huawei. He has several US patents to his name for innovations in network health, architecture and analytics.

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

Shantanu Kulkarni
Network Software
Shantanu heads STL's Technology Unit, responsible for product management & marketing, and B/OSS product suite development. He has over two decades of experience in the telecom domain. Before STL, he was leading the R&D division of Amdocs India.

Ben Parker
IDS Group
Ben has spent 20 years in the IT & Data Centre industry working for FTSI 250 companies in sales & directorship positions. He is also a founder of Vulcan Global, a Data Centre product-specific manufacturing company.

Digital Transformation and Global Supply Chain

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

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

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

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

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

Samuel Leeman
Product lifecycle management - Optical Interconnect
Sam has over two decades of leadership experience in Product Development, Product Management, and Business Development in the telecom industry. He has worked with multiple telecom operators worldwide, leading from the front to develop renowned TCO solutions.


Richard **Eichhorn**


Girish **Gupta**


Rahul **Puri**


Abhishek **Sandhir**


Saurabh **Kumar**


Tilemachos **Koulouris**


Navin **Sharma**


Pankaj **Aggarwall**


Radheshyam **Soni**


Sushil **Agarwal**


Binod **Balachandra**


Mohit **Mathur**

Navin Sharma
Connectivity Solutions
A chartered accountant from ICAI, Navin leads finance for connectivity solutions business across India, Italy, China & Brazil. His other areas of expertise are taxation, due diligence, structuring & external reporting.

Sushil Agarwal
Network Services Operations
With three decades of experience in leadership roles with government and public sector, Sushil specialises in strategic planning and business development. Before STL, he has worked with Indus Towers, Uninor and Aircel.

Pankaj Aggarwall
Network Services and Software
Pankaj Aggarwall joined STL in 2008 as Plant Finance Head. A chartered accountant by profession, he leads finance for Network Services and Software Business. His focus area is to drive predictable financial growth for the business.

Binod Balachandra
Optical Interconnect Operations
Over 18 years of experience in the communication domain, Binod is leading the passive connectivity solutions team. He is a certified CFHP and FTTx OSP design professional with experience in designing.

Radheshyam Soni
Network Software
Radheyshyam is a business head, driving the business accountability of network software business. Prior to this he was a vice president at Amdocs.

Mohit Mathur
Transformation
With over two decades of experience in business transformations across industry domains, Mohit leads the Digital Business for Transformation at STL. He has experience in technology, process, product management, thought leadership & knowledge consulting.

Deep Customer Engagement

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

Girish Gupta
India Business Development
With almost 20 years of experience with STL and after working on multiple functions, Girish is leading India Business development. He represents STL and is the face of the Company for Tier-1 telcos.

Rahul Puri
MEA Business Development
Rahul heads STL sales in APAC, Middle East & Africa region for the connectivity solutions business. He has around 20 years of experience in technology and telecom and has earlier worked with Apple, Samsung, LG, and Airtel.

Abhishek Sandhir
Europe Business Development - Connectivity Solutions
A technology enthusiast, Abhishek leads STL in Europe, Middle East, and Africa. He has completed his masters from the University of Oxford, and before joining STL, he worked with Reliance Communications.

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

Tilemachos Koulouris
Europe Business Development – Network Software
Tilemachos has 22 years of international experience in the technology, media, and telecoms market. During the past two decades, he has been working closely with global CSPs, consulting and helping clients on their digitalisation transformation strategy & execution.

Risk Management

Fortifying the business against uncertainties

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

STL works proactively to identify and monitor the most significant risks through its ERM process. The purpose of this process is to minimise surprises, improve decision-making for the Company to achieve its strategic, financial, compliance and operational objectives and actively work to reduce the impact and likelihood of identified risks.

Risk Management Architecture

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:

Board of Directors

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

Risk Management Committee

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

Chief Risk Officer

Developing and ensuring implementation of the ERM policy.

Risk Champions

Ensuring that risks are considered in all decision-making process and to adhere to mitigation plans developed for each risk thereby.

ERM GOVERNANCE FRAMEWORK

Risk Management Activities

Governance Framework

ERM Activities

Risk management includes activities relating to identification, assessment,
response, and monitoring and reporting of risks.

Risk Identification

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

- Strategic Risks
- Operational Risks
- Financial and Reporting Risks
- Compliance Risks

The risk assessment also includes 'business interruption risk' caused by COVID-19 pandemic.

Risk Management

Business Interruption Risk (COVID-19)

COVID-19 has resulted into unprecedented level of uncertainty and business interruption (impacting supply chain, restriction on movement of goods and people, prolonged lockdown and closure of manufacturing and economic activities), which have negatively impacted the global GDP growth. The Company has proactively put in place a Business Continuity Plan with clear focus on:

1. Employee and eco-system safety
2. Customer commitment and fulfilment
3. Cash-flow planning/managing liquidity
4. Preparedness for quick restart

While the impact of COVID-19 pandemic on the industry and the Company's outlook may not be assessed precisely, STL continues to review, as the situations evolves and implement necessary risk mitigation strategies.

Strategic Risks

Strategic risks are inherent to an industry in which we operate. They are analysed and mitigated through strategic actions on markets and customer offering, investment in R&D and product innovation, business model, etc. STL periodically assesses strategic risks to the successful execution of its strategy and its impact on financial performance, effectiveness of organisational structure and processes, retention and development of high-performing talent and leadership.

Geo-political and Economic Risk

The Company 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 that affect the demand for its offerings. STL is closely monitoring the development on world events and taking pro-active actions to minimise the potential negative impact.

Industry Risk

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

Customer and Competition Risks

The market is competitive with few barriers to capacity expansion by existing players. Globally, most of the contracts are finalised through the competitive bidding process, therefore, product pricing become an important factor. While the Company dominates in this segment, it does not have much pricing power due to low global market share. STL is expanding its capacity and continuing to focus 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 organisational strategies to be able to benefit from these opportunities and safeguard against potential threats. STL has implemented solution driven 'Account Based Organisation' with four end-to-end solutions—Optical Connectivity (opticonn), Fibre Deployment (Lead 360), FTTx Access Network (FTTx Mantra) and Network Modernisation (netmode)—to be the preferred partner of choice for its customers.

Product Portfolio and Innovation Risks

There is a risk that the Company may be unable to develop new products and solutions, which can proactively meet customer's unmet needs. In a fast-changing world, a new technically improved variant of the product or solution by STL's competitor could put its prospects at risk. To minimise the impact of these risks and pursue new opportunities, STL continues to invest in new technologies and capabilities through ecosystem partnerships 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, it also aims to execute value-creating Mergers and Acquisitions (M&A), to further develop its technology-led end-to-end solutions.

Operational Risks

Operations risks can negatively impact the operations of STL. These risks are related to people, policies, procedures, IT systems affecting the product and service delivery to its customers. One of the focus areas is to transform STL's business through processes, platforms and analytics. The Company has 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.

Talent Management Risk

STL's ability to successfully implement its strategy and deliver value and growth is highly dependent on the Company's organisational structure, ability to attract, develop, engage and retain best professional talent with a focus on diversity. STL has undertaken significant steps in building capabilities and talent pipeline for the future. It implemented an agile and high performing team, which includes implementation of a customer-centric 'Account Based Organisation'. In addition, it has built a future talent pipeline through a structured succession planning process for the Top 40 critical roles in the Company. STL also rolled out a Hi-Potential programme for Top 25 Young Talent to accelerate their development and build young leaders. To build the capability index of STL on critical future skills, it rolled out an organisation-wide development programme on critical thinking and structured problem-solving. STL has invested in an e-learning platform to imbibe a learning culture, enabling its talent to upskill and reskill themselves through self-paced programmes.

Service Delivery Risk

The Company is undertaking various large-scale end-to-end projects. STL has implemented strong project management frameworks, which are supported by digital tools and applications. Despite this, there is a risk that it may not be able to complete its projects within the contractually agreed timelines, which can result in penalties and in a remote scenario, 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 smooth functioning 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 customers can also impact STL's planning and fulfilment of the orders. There is also a risk of a single or limited source for a few input materials. STL has implemented digital tools like SAP Integrated Business Planning (IBP) for scenario-based planning and forecasting and SAP-ARIBA for end-to-end procure-to-pay process and vendor management. Procurement intelligence and benchmarking is followed to optimise prices and engage with right vendors. Further, to protect against disruptions and volatility in global supply chains, STL is driving initiatives for development of the vendor ecosystem, diversification of sourcing geographies, along with emphasis on local sourcing where possible. Moreover, it is developing a network of logistic service providers, global and local distribution centres, which augment STL's manufacturing facilities and delivery network to help it reach faster to customers.

Cyber Security Risks

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 and availability of IT systems. The Company has implemented a depth in defence approach to manage and control these risks which include 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, and processes. During the last two years, STL has implemented many solutions around the emerging threats with significant improvement in its security posture in all domains, including endpoint, network, cloud, data etc. It continues to assess the risk and invest in evolving security architecture to further strengthen its capabilities in managing cyber security risks.

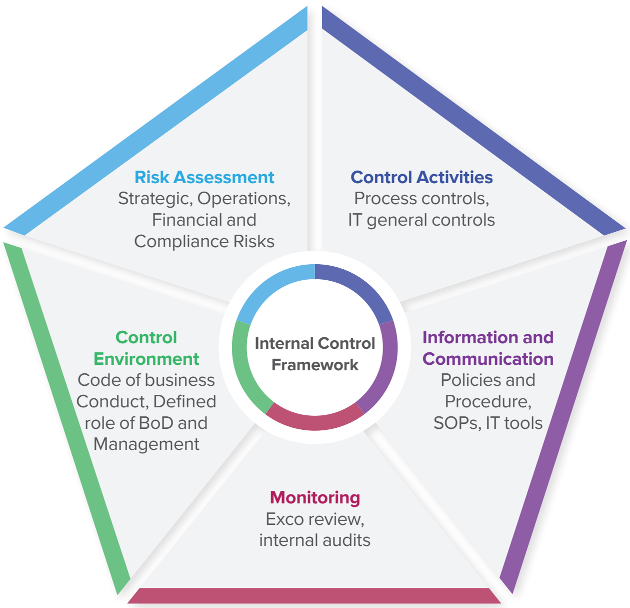
Risk Management

Financial and Reporting Risks

Financial risks include challenges like 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 our financial position.

Financial Reporting Risk

Ineffective internal control over financial reporting may not provide the desired true and fair view of the financial position and business performance. STL maintains robust Internal Financial Control (IFC) to ensure that reporting is complete, transparent and free from material weaknesses. The system for internal control is based on integrated framework issued by Committee of Sponsoring Organizations 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, STL 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

STL 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 and long term. STL works with a healthy mix of long-term and short-term debt. Further, in response to COVID-19 pandemic, it has performed scenario-based testing and ensured that the Company has enough liquidity to navigate in the current crisis. In addition, STL has also implemented strict measures to manage working capital, which includes re-negotiating payment terms with its vendors, pacing of capex and arranging additional debt facilities.

Commodity Risks

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

Interest Risks

STL is exposed to interest rate fluctuations in both domestic and foreign-currency borrowings. It uses a judicious mix of Rupee and foreign currency borrowing within the stipulated parameters to mitigate the interest-rate risk. This also helps to have a lower blended interest rate. The interest rate for Rupee borrowing is largely linked to Mumbai Inter-Bank Offer Rate (MIBOR) and the rate is linked to prevailing US Dollar London Inter-bank Offered Rate (LIBOR) for foreign currency borrowings.

Foreign Currency Risks

The Company's policy is to hedge all long-term foreign-exchange risks as well as short-term exposures within the defined parameters. The long-term foreign-exchange liability is fully hedged, and hedges are on held to maturity basis.

Within foreign currency, there are two major risk categories: risk associated with the operations of the Company, such as purchase or sale in foreign currency; and risk related to the borrowing of the Company denominated in the foreign currency. STL has a defined and proven policy to manage both kinds of risk, and this is reviewed frequently in the light of major developments in economic and global scenarios.

Counterparty Risks

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

Compliance Risks

Compliance risks result from violations or non-compliance with Laws and Regulations, Code of Business Conduct and Contractual Compliance having material impact on the Company's financial, organisational and reputational standings. STL has a strong compliance management framework.

Risks related to various compliances are identified, assigned to owners and monitored on a periodic basis. Further, a strong whistleblower mechanism has been in place for reporting of non-compliances. STL's whistleblower policy is available on the Company's website (www.stl.tech/Code-of-Conduct-and-Policies). In addition, an external independent internal auditor reviews the compliance management framework, including its operating effectiveness and submit their findings to the Audit Committee.

Risk Assessment

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

Risk Response

Risk response identifies and evaluates possible responses to risk, which includes evaluating options in relations to risk appetite (accept, mitigate or transfer the risks), cost versus benefit of potential risk responses and degrees which a response will reduce impact and/or likelihood. Mitigation plans are finalised and owners are identified and assigned the tasks to implement the plans.

Risk Monitoring and Reporting

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

Responsible Corporate Citizenship

Delivering on our promise of social impact

Working together for a better tomorrow

For STL, FY20 was pivotal, in terms of achievements on account of innovation, eco-friendly operations, creating shared value, leveraging tech and data among several other aspects; all for transforming everyday living and creating a more inclusive world for everyone.

However, none of it would be possible working in isolation. For STL, it has always been about collective effort. It has never been only about its own actions, as no business can achieve the scale of transformation needed alone. During the COVID-19 pandemic STL has demonstrated the efficacy of collective action in reaching out to migrant labourers and tribals across some of the country's remotest villages. These alliances have allowed the Company to ensure timely and essential aid to victims of such pandemics and natural disasters.

The Company has been collaborating with front-runners across its value chain on several environmental, social and governance priorities. This has allowed it to nurture a culture of innovation that enables it to drive circular use of resources better, further its reach to help communities in need, improve the impact it creates and delivers more than what it commits to.

Aligning with Global Goals

The UN Sustainable Development Goals have been the pillars, STL has chosen to base its operational fundamentals on; be it in business, operations, through its supply chain or even its community initiatives.

These universal goals are inter-connected. Improvement in one can lead to dramatic changes in another. The Company has thus integrated them into its everyday work and ensures it has an equally comprehensive strategy to address this universal agenda.

But it is not possible for a business to achieve sustainable growth, in a world afflicted with poverty, gender inequality, inequitable access to healthcare and education, among other essentials. As a corporate, STL believes it has the ability to contribute to the achievement of these common universal goals – not just in terms of its community outreach programmes, but also by ensuring that the processes it employs are comprehensive in terms of ethical, social and environmental criteria. Only when the communities around the Company progress can it attain sustainable growth.

Becoming a signatory to the UN Global Compact, further reinforced STL's commitment to maintaining high standards on human rights, fair labour, anti-corruption and proactive action to conserve the environment.

WE SUPPORT

UN GLOBAL COMPACT

FOCUSING ON WHAT MATTERS

1. Quality healthcare
2. Women empowerment
3. Access to education
4. Environment conservation
5. Employee volunteering
6. Better workplace
7. Better collaboration
8. Better supply chain
9. Energy conservation
10. Zero waste
11. Water positivity
12. Carbon neutrality

The reporting boundaries for the following CSR and Sustainability data covers STL's three manufacturing facilities in Aurangabad (a new manufacturing facility – Gaurav has been added) and two manufacturing facilities in Silvassa.

It does not cover operations outside India and non-manufacturing facilities such as offices in India. The Company has aligned this report with the GRI Standards.

Responsible Corporate Citizenship

Driving change throughout the Value Chain

Stakeholder engagement

Along with doing well and doing good, comes the responsibility to ensure transparency, through disclosures and reporting. The Company goes a step further by ensuring every disclosure and report is substantiated by external assurance and by proof of what it claims as STL's accomplishments. Again, apart from financial and business reporting, the Company also reports on its progress on corporate social responsibility and sustainability. STL communicated its progress on CSR and Sustainability for the first time in 2019 through the UN Global Compact.

At the same time, STL believes that sustainability should not be restricted to only its operations. It should be embedded across the value chain. The Company has identified who its stakeholders are, i.e. organisations and individuals impacted by or who can impact its operations; and ensure regular and continuous dialogue with each of its stakeholder groups across the value chain.

Partnerships, collaboration and knowledge sharing are what can help drive change in a better and more effective way. Therefore, the Company is committed to working closely with not just its customers, but also its suppliers, waste buyers and other partners to ensure collective action capable of driving transformation way beyond just its ecosystem.

At STL, stakeholder engagement is a continuous process, which happens throughout the year and it has well-established mechanisms for implementing it. The Company is engaging with stakeholders through several direct and indirect channels. The feedback received through each of these channels of engagement helps it formulate plans to address the varied needs of each of stakeholder group.

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

Materiality assessment

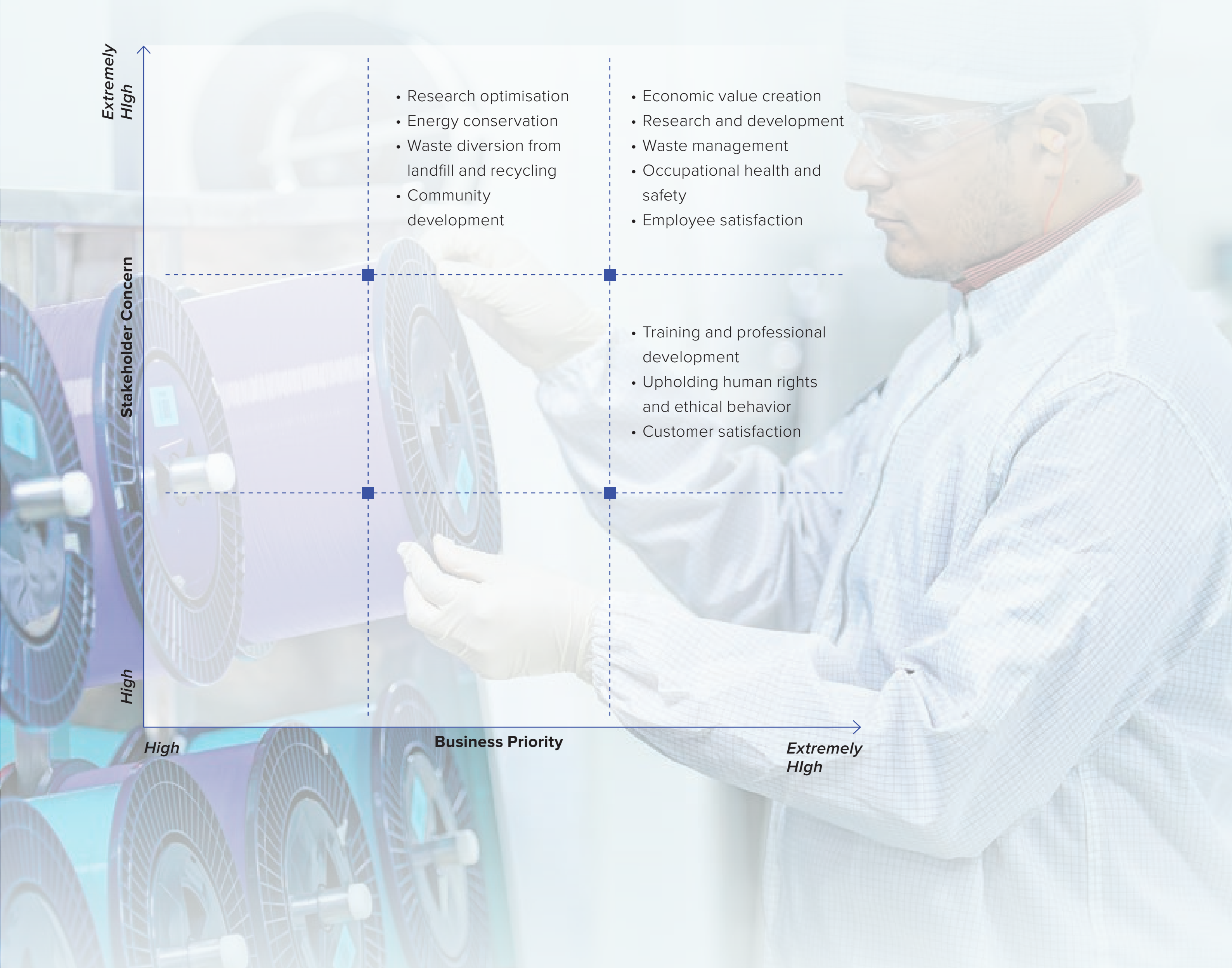
STL engages with its stakeholders based on the feedback received from various forums. It identifies and assesses these requirements and categorises them according to their material aspects. This helps STL prioritise social, governance and environmental issues based on the organisational vision and values, in addition to other business priorities.

Each topic is evaluated in consultation with the process owner and management to assess its relevance, validity and significance.

This process gives the Company the materiality matrix, which helps it in identifying the areas that STL needs to focus on. It also helps ensure clear accountability, specific targets, governance and formulate a clear and time-bound achievement strategy.

During FY20, the Company further aligned each of its material topics with the GRI standards and its indicators. The reporting boundaries have been defined from the materiality assessment and depicted in the GRI index that forms a part of this section.

MATERIALITY MATRIX



Responsible Corporate Citizenship

Transformation starts with STL itself

STL's sustainability mission aims to 'create shared value' for each of its stakeholders and includes every aspect across its entire value chain, including sourcing, product design, manufacturing, storage, transportation, the customer and ultimately its end users. It also looks to address several global goals, including:

While the Company is transforming itself to operate in a more social and environment-friendly way, it recognises that the world's major issues need a collective approach. STL endeavours to work with each of its partners across the value chain to evolve the way businesses are conducted. The Company has been doing so by collaborating with its suppliers, customers and other partners to develop newer and more innovative ways of doing things that help scale and drive progress across economic, social and environmental parameters. Through each of these, it aims to deliver life-changing technologies for communities, reduce its environmental footprint through system-wide approaches, ensure its people are engaged and inspired to drive inclusive growth, stay safe and healthy as well as create sustainable business models that will drive development and progress for communities, along with the organisation.

STL's sustainability goals that it is working to deliver by 2030 are:

- **Water positivity** across locations globally
- **Zero Waste to Landfill certifications** for all manufacturing facilities globally
- **100% products** with **environmental impacts evaluated** from Life Cycle perspective
- **50% reduction** in Carbon Footprint
- **100%** Sustainable Sourcing

STL's leadership plays a crucial role in driving the Sustainability Agenda and oversees implementation, monitoring and progress through a Sustainability Council. This involvement of leadership and defined targets allows the Company to work with stakeholders across its value chain to innovate collectively as well as ensure that they comply with stringent human rights practices, source their raw material sustainably and conduct their operations in an eco-friendly manner.

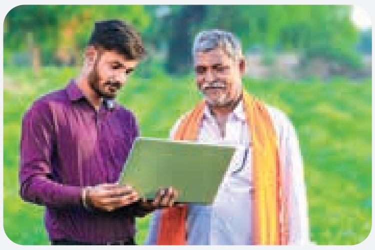
STL'S STRATEGY – CREATING SHARED VALUE

Sustainable sourcing

Connected, transparent and traceable supply chains

Proactively understanding and addressing risks, going beyond compliance

Integrating business with environment



Drivers for business change

Growth of CSR and sustainability reporting

Delivering business for the benefit of all

Propelling local cluster development

STL believes it is its moral duty and essential for generations beyond tomorrow to ensure that the Company uses minimal resources in terms of raw material, and design and produce best-in-class, green and durable products that withstand time and tests of nature; as well as offer the end users world-class experiences. Therefore, it does not just look to reduce energy, other resource usage and waste; but also takes every opportunity to replenish what it uses, recycling and repurposing any waste from manufacturing.

The Company has formulated a comprehensive Environment Policy that guides its processes and governs how they are monitored through an ISO 14001 certified Environment Management System. Through cross-functional teams, STL plans, implements and evaluates ways to reduce the impact its operations have on the environment. Environmental Impact Assessments are also conducted during expansions or when setting up new manufacturing facilities. This helps the Company ensure the high environmental and safety standards it maintains across its facilities is adhered to and any gaps identified are proactively mitigated through requisite action.

Sustainability highlights for FY20 and till date

Building a robust and sustainable supply chain

The extent to which sustainability is embedded into STL's strategy and values is not just determined by responsible manufacturing. How raw materials, packaging, finished products are managed and transported, ensuring a healthy mix of local and global suppliers, innovation and adherence to human rights and other such aspects all form an integral part to creating shared value and ensuring a greener and socially conscious supply chain. Here too, it's about collaboration and STL considers its suppliers in India and across the globe, partners in this endeavour.

Global Standards for Procurement

STL aims to produce best-in-class products that are durable, eco-friendly and offer its customers and end users exceptional experiences. Ensuring this means maintaining the highest standards when it comes to procurement of raw material, as well as meeting stringent international requirements such as: Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations for the products. Every supplier undergoes periodic assessments to ensure they operate sustainably and comply with global standards like the UNGC's 10 principles which STL abides by.

Driving Excellence through Capability Building and Local Collaborations

To deliver world-class products, that do not just meet, but exceed customers' expectations, the Company maintains a mix of national and international suppliers for quality raw materials. However, it understands the risk such a mix poses. Over the past few years, the Company has been closely working with innovative and promising suppliers around its manufacturing locations to reduce this risk and increase its local procurement.

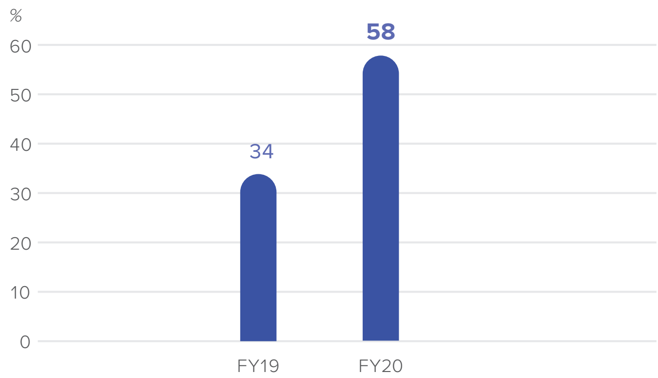
Responsible Corporate Citizenship

The Company believes collaboration facilitates innovation and these partnerships also help the suppliers and surrounding communities progress. STL shares its inputs on quality enhancements, competence augmentation and several other factors through its partner audit programme. Through capacity-building programmes, the Company works together with its suppliers to develop green, reusable packaging material, source durable and disaster-proof raw materials that are capable of withstanding natural calamities and so on. This allows STL to create shared value by facilitating progress and building the competence of local suppliers, diminish its environmental footprint through lowered transportation, lessen the risk from global disruptions as well as save cost and time. By partnering with these suppliers to build their capabilities, it is also able to ensure quality is not compromised while simultaneously creating diversity in the Company's procurement portfolio.

STL has worked together with its suppliers on the following programmes:

- Produce and supply superior quality Fibre Reinforced Plastic (FRP) and wood drums
- Sustainable, User-Friendly, Reliable and Efficient (S.U.R.E) Packaging

LOCAL PROCUREMENT



Contributions to UN SDGs

- Regional development in Silvassa through collaborations with local suppliers for packaging material and non-critical materials
- 58% of raw material by value sourced from local suppliers promoting development in these regions
- Yearly Partner Audit includes Sustainability and Green Initiatives - 7 Supplier Audit conducted in FY 19-20

Focusing on quality & green products

STL produces quality products that are not just good for its customers, but also green and good for the environment. Through Lifecycle thinking, the Company evaluates the impact its product will have on the environment across every stage of development. That includes the extraction of raw materials, manufacturing, transportation, deployment and ultimately end-of-life. Raw materials that have a higher environmental impact have been substituted with eco-friendly ones, innovative designs and light-weighing are all outcomes from these assessments that help make STL's products greener.

In the reporting period, the Company conducted Life Cycle Assessments (LCA) for its products to understand their environmental impact. The process included goal and scope definition, lifecycle inventory covering input and output analysis of mass and energy flows from operations, along the optical fibre cable products value chain, to study the environmental impact of the product from cradle to grave. In addition, a comprehensive Quality, Environment Health and Safety policy guides STL's operations to minimise accidents, spillage and reduce any negative environmental impact.

The Company has also gone on to further look at ways that can improve the customers' experience, as well as enhance the lifespan of products and deployment of the same. Increased durability not only reduces replacements, but ensures scarce resources are not wasted. Hence, STL couples its offerings with trainings and certifications by experts to those deploying or using them. This covers how are products and entire optic fibre networks being laid should be installed, used and maintained to prevent wear-and-tear, as well as any downtime.

Through its Smart City Solutions, STL contributes in building better, greener and safer cities. Its solutions support cities for high-speed data transfer, ensuring efficient information management, better traffic controlling, optimisation of energy consumption and fast emergency service management, among other aspects.

Contributions to UN SDGs

- LCA for 10 optic fibre cable completed in FY20
- Significantly increased access to information and communications technology to provide universal and affordable access to the internet through STL Garv and STL's projects with BharatNet, MahaNet and others reaching out to three villages across Maharashtra, Telangana and Uttar Pradesh
- Improving resource efficiency in consumption and production in an endeavour to decouple economic growth from environmental degradation by developing durable and green products such as Mobilite, Multilite, Olympus Lite cables and others

Aiming to reduce STL's water usage across locations globally

Although STL's manufacturing processes are not water intensive, it still consumes a significant amount of water and hence water management is not just a business priority but features among the Company's top material topics.

With water scarcity becoming a global issue, the Company has invested in advanced technology and monitoring processes that do not just help reduce its usage, but also recycle and reuse wastewater from manufacturing. This has allowed STL to substantially reduce its freshwater intake year-on-year. To ensure STL's intake from nature is minimal, the Company has incorporated a holistic water management approach which includes:

Rainwater harvesting

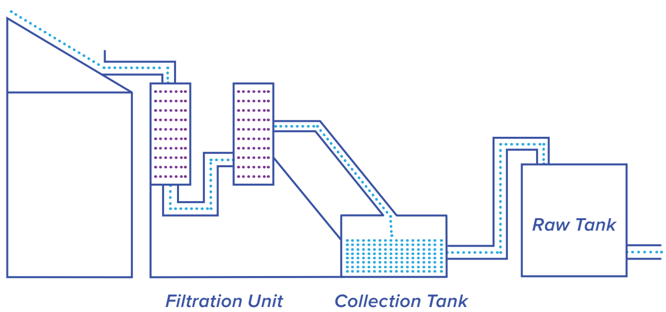
Harvesting rainwater during the monsoons, provides a sustainable option of saving rainwater for future use as well as preventing its wastage due to run-off. With water scarcity as one of India's and now even the world's major challenges, the Company takes up every opportunity to save this precious resource.

A total of five injection type water harvesting structures were setup at STL's Rakholi and Dadra facilities in Silvassa. Old non-functional bore-wells were converted into groundwater recharging structures. Each of these have an hourly recharge capacity of 30 cubic meters (m^3). During FY20, 800 m^3 of rainwater was harvested at Rakholi and ~200 m^3 at Dadra.

In Aurangabad, where water scarcity is rampant on account of it being a drought-prone region, STL completed another rainwater harvesting project with a harvesting potential of 2,400 m^3 per year. Set-up in Waluj, this structure has been designed to use natural gradient reducing the need for electricity for harvesting rainwater and dependency for water from external sources.

The rainwater passes through a filtration unit first, then the filtered water goes to the collection tank. The entire system has been designed to use natural gradient so that rainwater flows to collection tank under the influence of gravity. The filtered water from collection tank is taken to raw water tank from where it is used in the process.

RAINWATER HARVESTING SYSTEM



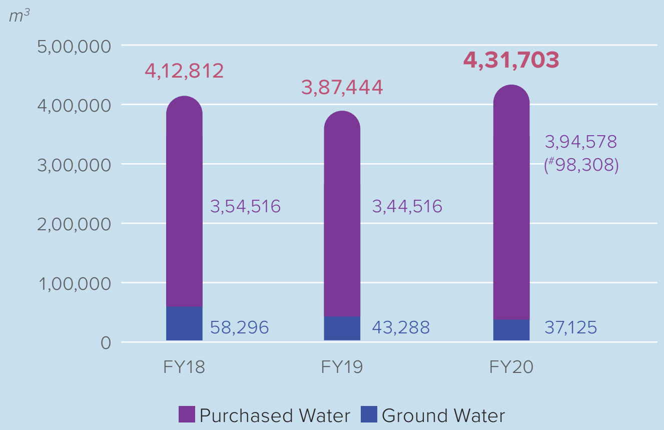
Responsible Corporate Citizenship

Water Conservation

During FY20, STL evaluated its water consumption pattern through an audit across manufacturing locations. This helped the Company identify additional areas of change. Improvements implemented post the audit to monitor and optimise water consumption included:

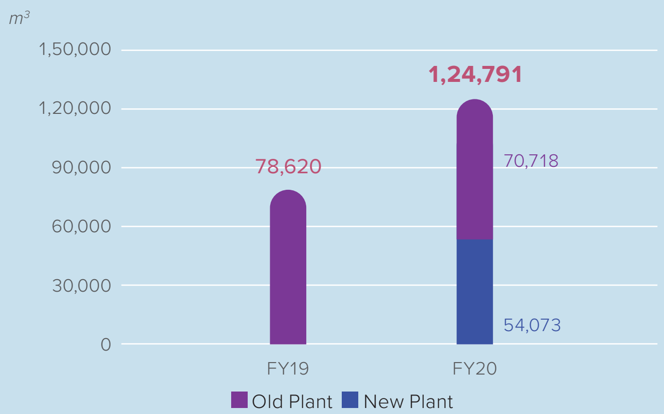
- Introduced water dashboards at plants to monitor water consumption on a daily basis
- Installed an automated dosing system in cooling towers
- Substituted fresh water with recycled water for scrubbing
- Optimised cooling tower blow down
- Optimised Reverse Osmosis (RO) plant
- Incorporated condensate recovery process

WATER CONSUMPTION BY SOURCE*



New Plant

WATER RECYCLED AND REUSED*



*A new manufacturing facility at Shendra was commissioned in FY20, which has resulted in an increase in consumption. To help with a comparative analysis, the new plant metrics have been shown separately.

Contributions to UN SDGs

- Reducing pollution by treating the effluents in effluent treatment plant and evaporating using multiple effective evaporator at Waluj, Shendra, and Gaurav through water treatment facilities and monitoring mechanisms
- During FY20, STL's manufacturing facilities in India have used 4,31,703 m^3 of water. The total water consumption includes value for the new plant – Gaurav included in the reporting boundary in FY20. The Company recycled and reused almost 29% of this during the reporting period
- Investing in technologies like effluent and sewage treatment plants (ETPs and STPs), multi-effective evaporators and others helped the Company reduce fresh water consumption
- While STL recycled and reused over 78,000 m^3 of water in FY19, during FY20, it recycled and reused 1,24,791 m^3 of water
- Rainwater harvested through three structures in Rakholi, two in Dadra and one in Waluj
- Effluent and sewage treatment plants to treat wastewater from manufacturing setup across all three manufacturing units in Aurangabad
- Wastewater that has been recycled is reused within STL's manufacturing premises for horticulture

Facilitating a circular economy

Aiming for Zero Waste to Landfill across manufacturing facilities globally

Waste management is one of the most fundamental ways STL drives its sustainability agenda to reduce its environmental footprint. The Zero Waste to Landfill journey has helped the Company optimise resource consumption, unlock innumerable efficiencies in operations and manufacturing, as well as transition gradually towards a circular economy. While significantly reducing carbon emissions through diversion of waste from landfills, repurposing byproducts and waste, reducing scrap generation and other such initiatives, waste management has also helped STL become the world's first integrated optic fibre and cables manufacturer to receive Zero Waste to Landfill certification for its manufacturing facilities in India during FY20.

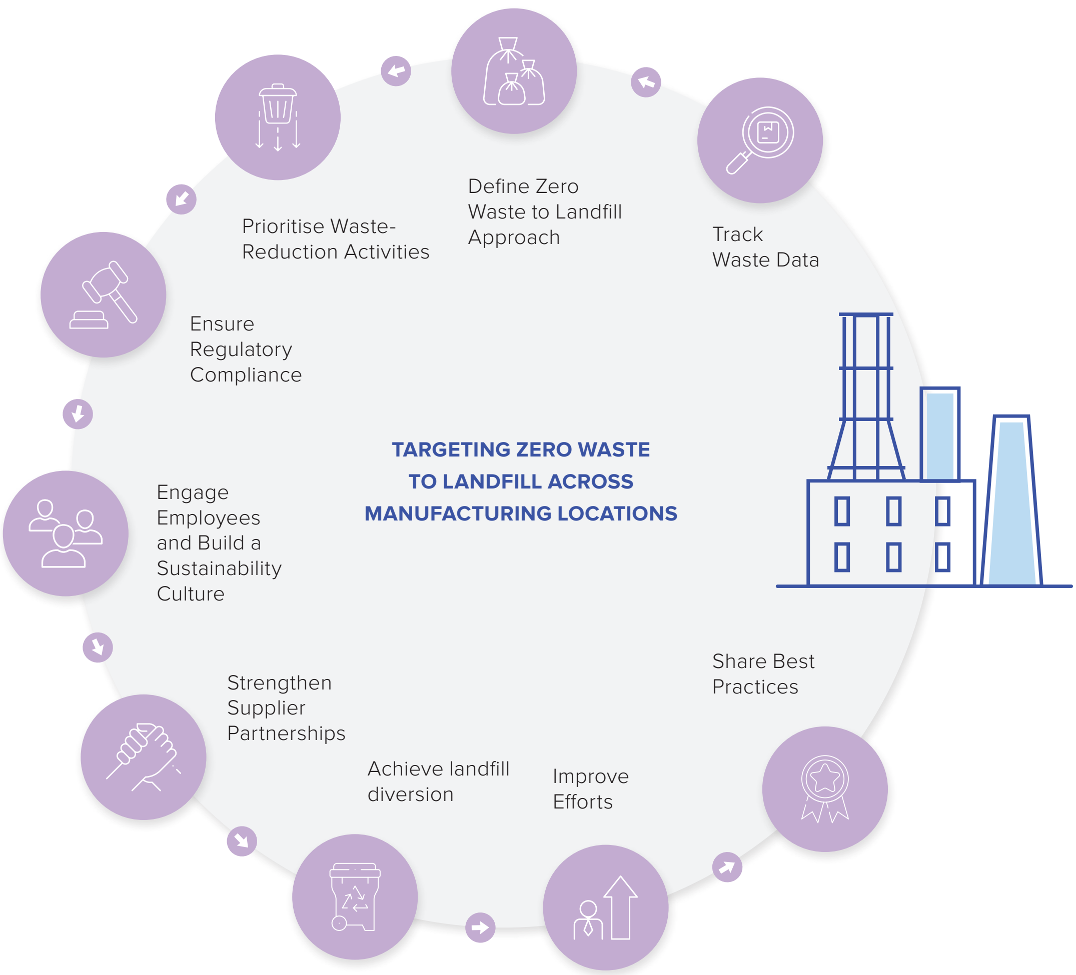
Over the next few years, STL aims to have all manufacturing facilities globally, Zero Waste to Landfill certified.

STL's approach

- Waste reduction at source
- Waste segregation
- Reuse and recycle
- Legal compliance

STL's Shendra manufacturing facility was Zero Waste to Landfill certified by Intertek in FY20 for diverting more than 99.99% waste away from landfills. Its Rakholi facility sustained its Zero Waste to Landfill certification diverting more than 99% of waste, while the Dadra facility was upgraded to a Zero Waste to Landfill unit for diverting over 99% waste in FY20 against 96% in FY19 during which it secured a Near Zero Waste to Landfill certification. Waluj, moved up in terms of waste diverted from landfills from more than 95% in FY19 to over 97% in FY20.

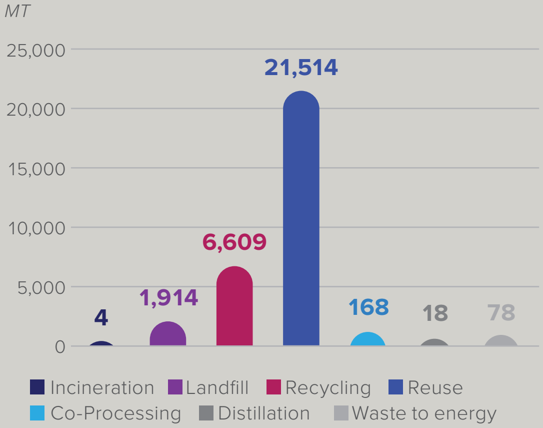
ZERO WASTE TO LANDFILL PROCESS



Responsible Corporate Citizenship

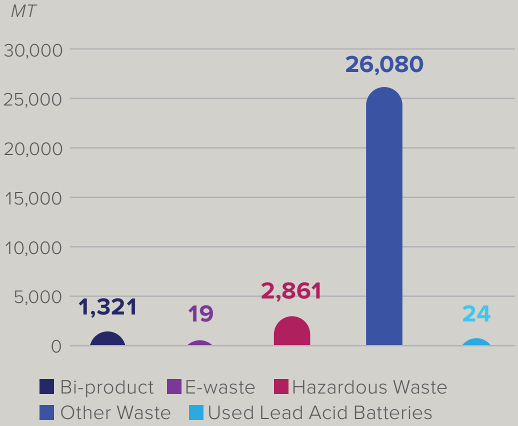
TOTAL WASTE BREAK-UP BY DISPOSAL METHOD FY20

30,306MT

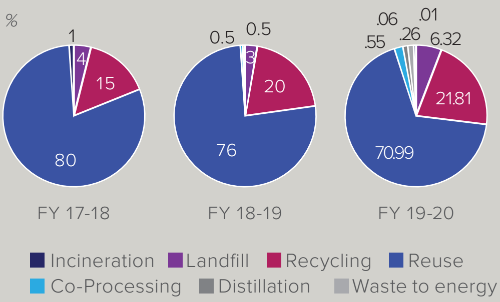


TOTAL WASTE BREAK-UP BY TYPE FY20

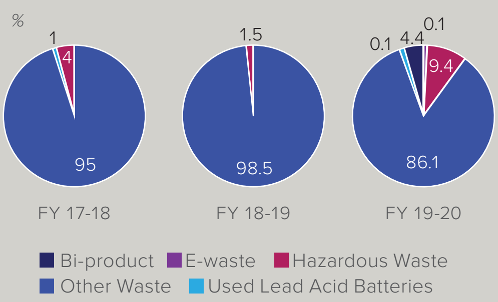
30,306MT



WASTE BREAK-UP BY DISPOSAL



WASTE BREAK-UP BY TYPE



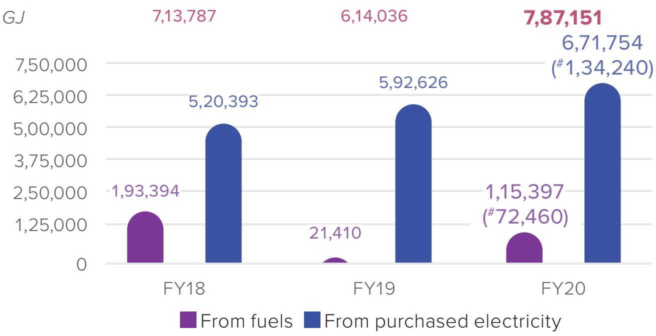
Optimised Energy Consumption

The quantum of energy used for manufacturing operations, make energy consumption a material topic for the Company. This is of course, apart from the fact that use of energy results in subsequent carbon emissions, which in turn adds to the global issue of climate change.

The Company is completely cognisant of the impacts of climate change and increasing carbon emissions, and has been continuously trying to reduce its energy consumption through different projects that include:

- Recovery of residual hydrogen was completed, to be used glass working area. This has led to a saving of 45,000 Nm³/ month and ₹ 5.5 lakhs/month
- The optimisation of auxiliaries in the captive power plant has resulted in a saving of 24.6 tCO_2e/month
- Implementation of closed-loop chemical dosing system by real-time monitoring of parameters has resulted in a saving of 151 tCO_2
- Replacement of metallic fans in cooling towers with the Fibre Reinforced Plastic fan has resulted in a saving of 11.4 tCO_2
- Utilisation of condensate with feed water resulted in a saving of 4.2 lakhs/month. This has also led to a reduction in freshwater demand by 1,500 m³/month.

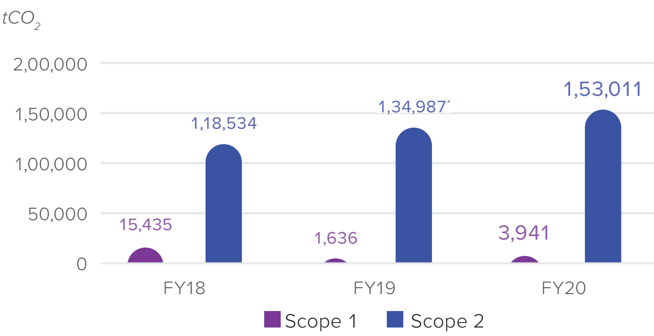
ENERGY CONSUMPTION



New Plant

STL continues to rigorously monitor its carbon emissions and is working towards its reduction. In FY20, scope 1 and 2 emissions were 3,941 and 153,011 tonnes of CO2 equitant, respectively.

CARBON EMISSION*



7,87,151GJ

Total energy consumption in reporting period

*The conversion factor of electricity has been corrected.

*A new manufacturing facility at Shendra was commissioned in FY20, which has resulted in an increase in consumption. To help with a comparative analysis, the new plant metrics have been shown separately.

Contributions to UN SDGs

- Ensured Zero Waste is sent to Landfills at Shendra, Aurangabad and Rakholi and Dadra in Silvassa
- 97% waste generated at Waluj manufacturing facility diverted away from landfills and ensuring Zero Waste to landfill level 2 certification
- Implemented programmes for sustainable consumption and production, through S.U.R.E. packaging, saving 830 MT of plastic, 5,300 MT of carbon emissions and 4,300 MT of wood and paper
- 171 MT of by-products repurposed in FY20
- All waste buyers are assessed as per the requirements of Zero Waste to Landfill certification
- QEHS policy guides STL's safety processes
- Yearly Partner Audit includes Sustainability and Green Initiatives - seven Supplier Audit conducted during FY20
- Redesigning of packaging material helped save 2,076 trees annually
- Value engineering in packing spool covers have helped reduce 23 MT of Polypropylene
- Adopted sustainable practices and integrated sustainability information into STL's reporting cycle through disclosures in its Annual Report & the Communication of Progress on CSR & Sustainability through the UN Global Compact website
- Awareness drives on water conservation and e-waste recycling conducted in FY20 for all employees
- 100% employees of Rakholi, Dadra and Shendra were covered under Zero Waste to Landfill awareness programme. This awareness module covered topics like importance of sustainability, water positive and zero waste to landfill

11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Responsible Corporate Citizenship

Governance at par with global standards

Human Rights & Labour Practices

At STL, its people are its biggest and most valuable assets. Both these aspects are integral to STL's value system and ways of working. The Company is guided by the principles of the United Nations Universal Declaration on Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work as well as the UN Global Compact and ensure the highest standards on human rights, ethical and equitable labour practices are adhered to.

It has a dedicated Human Rights policy covering aspects such as prohibition of forced and child labour, employee, as well as contractors' health and safety, labour standards, diversity and equal opportunity, among others. The policy also guides adherence to labour standards on working hours, working conditions, wages and overtime pay. Further, it ensures fair compensation, opportunity to improve skills and capabilities, safe and healthy working conditions, diversity and equal opportunity and non-discrimination.

This helps the Company positively contribute towards the protection and fulfilment of human and labour rights through its core business, strategic social investments and collective action. The safety and wellbeing of each of STL's employees, labourers and the communities surrounding the Company's operations is paramount.

The Company also facilitates strong employee-management interaction throughout the year. This not only presents employees and workers with the opportunity to ask questions and share their views directly with top management, but they also get to know of STL's plans for growth, increasing diversity across organisation, competency enhancement, professional growth, skill development and several others.

Anti-corruption

The trust of STL's stakeholders has always been a priority for the Company. Transparency, regulatory compliance and a robust code of conduct and ethics policy guide its processes, operations and culture.

The importance of anti-corruption is reiterated to every employee and partner right at the start. For an employee at the joining phase and for partners, it is a part of the Code of Conduct the Company has incorporated into every contract. A whistle-blower grievance mechanism is also in place to allow partners and employees to raise any cases of corruption, bribery, extortion and others to its attention.

Contributions to UN SDGs

- Provision of fair wages to over 1,600 contract labourers according to state regulations
- Ensuring women's full and effective participation with over 15% of STL's workforce comprising women
- Adherence to Sedex Members Ethical Trade Audit (SMETA) guidelines at Rakholi and ILO standards across STL locations
- Taken effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour through inclusion of this clause in all partner contracts
- All facilities are OHSAS 18001 certified
- Ensuring equal opportunity and reducing inequalities of outcome, including by eliminating discriminatory practices and promoting appropriate legislation through effective grievance mechanisms like the Whistle-blower Policy, Code of Conduct, Prevention of Sexual Harassment (PoSH) and others


STL

Responsible Corporate Citizenship

Amplifying impact through co-creation and shared value

The UN SDGs form a fundamental part of how STL conducts its business, as well as plans and implements its community initiatives. They not only provide clear and precise direction on ubiquitous social issues, but also on environmental and governance aspects. This has enabled the Company to put together a framework where social, environmental and financial aspects of business are all prioritised equally. Ethics and social welfare, STL believes are just as essential as a good financial performance and essential for the Company to transform into a sustainable business. Thus, each of its sustainability initiatives are reinforced through community programmes, that do not just drive development, but also look to resolve national and global issues.

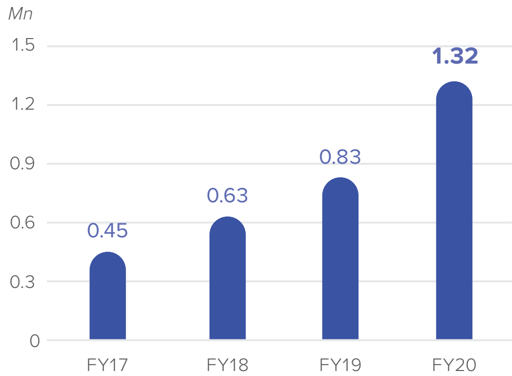
STL's four focus areas were chosen for the fact that each of them has an intrinsic linkage to several other development areas, form part of India's development priorities and are also important global goals. The SDGs are the UN's most ambitious visualisation of sustainable development capable of restructuring progress globally. To deliver on such an ambitious vision, the Company believes it's crucial to not just look at addressing existing issues, but develop sustainable programmes that delve deep into the problem, work with communities and stakeholders to address the root cause and prevent recurrence of the issue.

While working with communities for over a decade, STL has incorporated several learnings and observations from the field to develop more inclusive, tech-driven and sustainable programmes. Community involvement and ownership have been significant contributors to ensuring sustainability of programmes, while technology has helped dramatically enhance the Company's reach across urban, semi-urban and rural India.

During FY20, STL delivered several programmes under each of these focus areas, contributing to achieving regional development, as well as to the global goals. The Company leveraged technology and data to not only receive real-time inputs from its programme locations, but also analyse and improve its interventions proactively. It plans to address the community's needs based on past trends, and reframe its strategies to address different age groups of beneficiaries.

By delivering the smarter networks, STL is known for and together with its transformation enablers – its employees, the Company was able to mobilise communities in a way that ensured progress and development reaches some of the country's remotest villages. **This aided the Company in not just reaching but surpassing the goal of impacting 1 million lives through CSR and volunteering programmes.**

TOTAL LIVES IMPACTED



STL doubled its impact in FY20

4,95,000+
Lives benefitted

5,000+
Lives benefitted through Women Empowerment

3,61,000+
Lives benefitted through Education

1,16,000+
Lives benefitted through Healthcare

8,000+
Lives benefitted through Environment initiatives; planting 2,000+ trees

4,000+
Lives benefitted through Volunteering

Responsible Corporate Citizenship

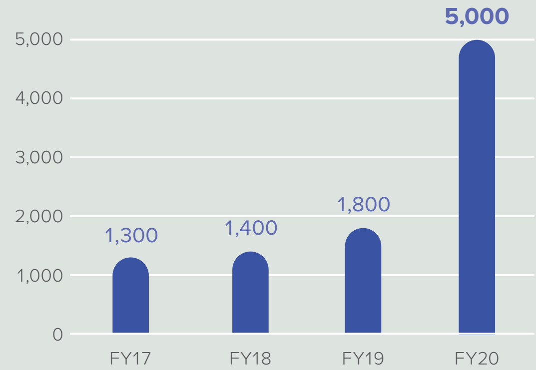
CSR Highlights in FY 19-20 and till date

Women empowerment

Women have the exceptional ability to bring about change that spans across generations due to the various connections they make on a daily basis. However, even today women in rural India, despite their ambition to study, pursue a career or even work do not have the freedom to do so. They are still considered homemakers.

The Jeewan Jyoti Women Empowerment programme, set up in Ambavane, Velhe in Maharashtra in 2014 aimed at changing these notions. While it started with equipping these rural women with vocational skills in tailoring, fashion designing, computers, beauty culture and nursing, during FY20, it helped them drive progress and development for their communities and villages through self-help groups, setup up enterprises through facilitation of micro-financing and even design handicrafts for sale through a newly established production unit.

LIVES IMPACTED



Women have the exceptional ability to bring about change that spans across generations due to the various connections they make on a daily basis.

Through a holistic approach, which incorporates personality development, soft skills and interactions with city folk through mentoring sessions and excursions, these women are transformed into envoys of change. They take responsibility for the change they would like to see in their communities and drive it together with the Jeewan Jyoti programme.

And, STL believes that through these envoys of change the Jeewan Jyoti Women Empowerment programme will further go on to contribute in its own small way towards the targets set under SDG 5 – Gender Equality as well as lead to achieving targets set out in SDGs 1, 3, 4, 8, 10 and 17, which are indirectly impacted through the advancement of SDG 5.

Today, each of these women are not just homemakers, but leaders and role models for the younger girls in their villages. They are looked up to and inspire the need for change in younger generations. Through their progress and ability to help their communities, they have even gone on to change the perception their elders have of working and independent women.

"I'm living my dream today"

Prajakta, 21 years, Velhe, Pune

A wide-eyed, ambitious girl, Prajakta wanted a better future; for herself and her family. Traditions of women being home-makers and not bread-winners weighed her down, but fortunately did not break her spirit. JJWEP helped her explore a whole new world she did not know existed where she was guided on her career choice, taught industry relevant skills and equipped with a personality and a government certificate that helped get her first job at Pune city. After the demise of her father, she has gone on to support her mother and her younger siblings while teaching them how to pursue their dreams. Today, this young lady works as an Assistant Manager with Hinduja Finance in Pune.

12,000+
Lives benefitted till date, through Women Empowerment

Contributions to UN SDGs

- Till date, the programme has provided vocational education and livelihood opportunities to 2,265 women impacting over 11,000 villagers and over 5,000 in FY20
- Among one of the few programmes to provide beneficiaries with transportation facilities from their villages to the programme site
- A total of 1,014 women during FY20 have benefited through the programme
- Empowered women from across over 100 villages across Haveli, Velhe and Bhor Talukas have been covered through the programme till date
- 54% of beneficiaries now earn a livelihood through jobs, small enterprises, self-help groups and their own businesses
- Minimum salary earned by beneficiaries is ₹8,000 per month
- 50 self-help groups initiated to help women earn a livelihood
- Crèche facilities provided to enable young mothers to avail of the vocational course and livelihood opportunities
- 970 women have benefited through healthcare services provided through the programme till date
- 723 have been trained on manging self-help groups and supported in turning them into profit making enterprises
- 16 women self-help groups have been linked to banks for financing them to setup their own businesses; ₹55 lakhs have been disbursed to these women
- The programme has helped spread the need to be digitally empowered through 536 computer course students till date
- 134 students today hold well-paid jobs in administration, hospitals, teaching and private companies while over 400 have their own businesses
- Partnered with MAVIM, a nodal agency of the Government of Maharashtra, Maharashtra State Board of Vocational Education, and Rangsutra to empower women in rural Pune with vocational skills and livelihoods

Responsible Corporate Citizenship

Education

Quality education is fundamental to create sustainable growth and progressive communities. It is a powerful enabler that helps break inter-generational cycles of poverty. Together with an improved quality of life, access to quality education helps equip individuals with knowledge the capability required to develop pioneering solutions to the world's most pertinent issues.

During FY20, STL continued focusing on delivering quality education through ed-tech programmes like Pragyan and Smart Nandghars. Additional investments were made to contribute towards the 'Digital India Mission' by deploying two mobile classrooms in Pune to digitally empower individuals across age groups mainly hailing from the city's slums. Another investment in this area involved leveraging the Company's know-how in connectivity to create digital villages or STLGrams in Aurangabad. Several scholarships and upgradation of school facilities during the year also ensured that deserving children from low-income families get the opportunity to excel. By using technology-driven solutions to make education more interactive and interesting for students, as well as teachers in government and play-schools, STL has helped create the love for learning among children from rural, tribal and semi-urban communities who otherwise lacked access to quality education.

"I was scared to use a computer. The individual attention during the course has helped me overcome that fear"

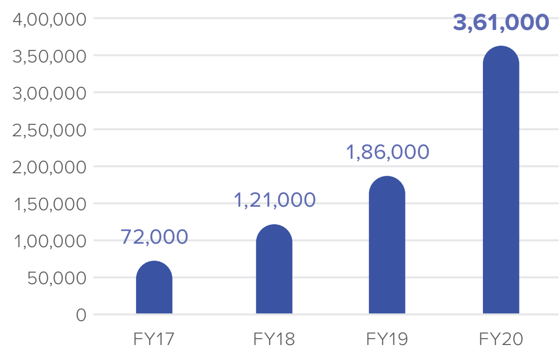
Anita, 42 years,
Khilarewadi, Pune

A member of a Bacchat Gat group at her slum, Anita joined the data entry course along with her friends, despite the fact that using a computer overwhelmed her. But the customised approach used through the digital empowerment programme that focuses on overpowering weaknesses, helped her learn how to handle a computer. Today, Anita is adept at online transactions which she quickly replaced standing in long queues by and also uses her knowledge to help her Bacchat Gat group.

Through STL's digital empowerment programmes, it hopes to spread the need and importance of using digital infrastructure available to youth, home-makers and individuals across age groups to learn, facilitate online transactions, earn their livelihood, as well as ease utility payments methods, among other aspects.

8,16,000+
Lives benefitted till date, through Education

LIVES IMPACTED



Through each of these interventions STL hopes to facilitate a truly inclusive India where ease of access, learning opportunities and equality are warranted, thereby contributing to SDG 4 – Quality Education, while simultaneously impacting SDGs 1, 8, 10 and 17. STL approached SDG 4 in a very comprehensive way to make sure that it addresses not just the requirements of children from underprivileged backgrounds, but also upskills and trains teachers to deliver quality lessons to students in an interesting and engaging way.

Every one of these interventions have helped contribute to achieving this global goal and national priority through the smarter networks. STL is making quality education accessible even at places otherwise distanced due to their location, unavailability of transport facilities, good teachers and so on. It has also ensured that capable students, irrespective of the financial backgrounds are not deprived of opportunities to grow and reach their full potential. The Company partnered with the Brihanmumbai Municipal Corporation and Governments of Rajasthan and Dadra and Nagar Haveli, the Pune Municipal Corporation and Pune City Connect to ensure quality education and digital literacy is accessible to the masses.

Quality education is fundamental to create sustainable growth and progressive communities. It is a powerful enabler that helps break inter-generational cycles of poverty.

Contributions to UN SDGs

- Till date quality education made accessible to over 796,000 students from low-income families through STL's ed-tech programmes and Smart Nandghars
- 1,483 government schools and 1384 teachers and headmasters in Mumbai impacted through STL's Data Support Programme in FY20
- Technology used to make learning and teaching fun during FY20 for 5,700 students in Rajasthan
- Eight Nandghars re-developed in Silvassa for tribal toddlers and further enhanced with solar-powered panels to ensure continuous power supply in FY20
- Till date 640 toddlers provided with a tech-enabled and vibrant environment playschools inculcating in them a love for learning right from the start
- 281 individuals from across age groups digitally empowered through STL's Digital Empowerment Buses during FY20
- Through Pragyan, 500 teachers found a renewed purpose in teaching with the latest tools and tech, trainings and regular tips for making learning fun and interesting
- 1,000 students benefited with uninterrupted power supply through diesel generators installed at municipal schools
- 27 scholarships worth ₹4,20,000 lakhs given to deserving and needy children for higher studies

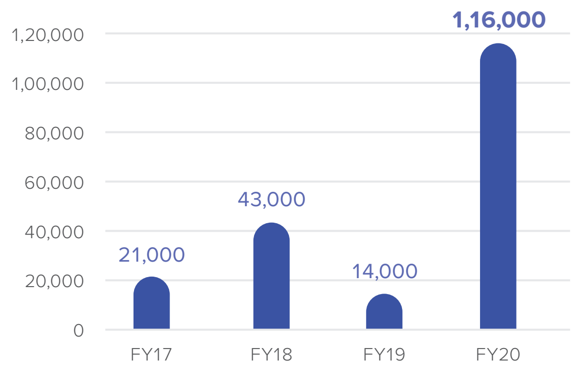
Responsible Corporate Citizenship

Healthcare

Ensuring good health and wellbeing across all age groups is essential to build sustainable communities. It indirectly affects a community's ability to enhance their livelihoods and contribute to achieving several other national and global goals.

During FY20, the Company continued to focus on providing quality healthcare to tribals in Silvassa through the Mobile Medical Unit. This year, it increased its coverage – from 24 locations in FY19 to 36 in FY20. Through real-time data and use of technology, despite these locations being in low-to-no internet network areas, STL was able to customise the health camps in the region ensuring the needs of the various patient age groups were met. The Company also supported 73 surgeries of individuals from low-income families to help them live long and healthy lives.

LIVES IMPACTED



STL even stepped up to provide relief to those affected by the COVID-19 pandemic. Over 10,000 tribals, underprivileged and contract labourers were provided with food and hygiene kits across locations like Silvassa, Lakshadweep, Andaman and Nicobar Island, Gadchiroli, Nagpur, Wardha, Nanded, Hyderabad, Delhi and Mumbai. N95 masks, gloves and PPE kits were provided to over 12,000 health workers to keep them safe. The Jeewan Jyoti Women Empowerment beneficiaries aided police officials and health workers in rural Pune by making 20,000 cotton masks.

Access to quality healthcare should not be a privilege for a few who have the financial capability. It is a necessity and STL believes it should reach every person irrespective of their financial or cultural background or where they live.

Hence, the Company has been working towards contributing to SDG 4 – Good Health & Well-being and has ensured it forms an intrinsic part of every single programme STL implements. This also involves providing nutrition to those in need during times of crisis, thereby indirectly impacting the targets set for SDG 2.

By providing the communities with means to guarantee their health and wellbeing, STL has been ensuring that these remote and poorer sections of society are not left unattended since 2006. Over the years, it has looked at ways to incorporate technology into its programmes, thereby bringing in better and more efficient ways to address hygiene and health issues among patients across different age groups and ensure their health and wellbeing.

4,18,000+
Lives benefitted till date, through Healthcare

"Now I can walk, but one day soon, I hope I can play with my friends."

Pritesh, 5 years, Sidoni, Silvassa

Affected by complications at the time of his birth, Pritesh was unable to use his limbs. Regular physiotherapy and medications at a hospital 20 kilometers away from his village were needed to help him walk again. Being a daily wage earner, his father was unable to afford the high transport and hospital charges. However, continuous medication and physiotherapy exercises prescribed by our MMU doctor has helped Pritesh walk again. Now is he no longer dependent on anyone to move around.

Access to quality healthcare should not be a privilege for a few who have the financial capability. It is a necessity and STL believes it should reach every person irrespective of their financial or cultural background or where they live.

Contributions to UN SDGs

- 2,700 children below 5 years of age provided with medical care in Silvassa during FY20 and over 35,000 since 2006
- Over 1,00,000 women treated through the Mobile Medical Unit till date. Of these 7,158 received quality healthcare in FY20
- 324 tribals treated for tropical diseases like malaria and scabies during FY20
- 1,734 tribals covered through awareness drives on hygiene, prevention of seasonal outbreaks and health camps
- Over 2,900 tribal patients between the age group of 60 and above treated and provided free medicines to ensure their wellbeing during FY20
- Food grains and meals provided to over 10,000 tribals, contract labourers and underprivileged during the COVID-19 lockdown
- Over 1,00,000 lives impacted through distribution of essential supplies, PPE kits, N95 masks, ventilator donations and so on during the COVID-19 pandemic
- Awareness sessions through the Mobile Medical Unit and digital platforms conducted covering over 30,000 individuals across the country

Responsible Corporate Citizenship

Environment

Climate change is today one of the world's most pertinent problems. The vagaries caused by climate change not only have a devastating effect on human life, but also on a country's economies, property, individual health, lead to scarcity of resources, hunger, famines and so on. However, despite the floods and rising sea level, another major result of climate change that is prevalent across the globe has been water scarcity and droughts inevitably leading to famines, loss of livelihoods, landholdings and increased indebtedness.

STL understands both these issues and has thus designed holistic programmes that endeavour to bring about sustainable transformation through behavioural change. The community therefore features not as a beneficiary in the Company's environment programmes, but as an important partner.

During FY20, the Company continued to maintain the green belt developed in Aurangabad and expanded it to cover the dividers through 280 additional plantations. STL believes that every plant contributes to increasing the green cover in the region and mitigating the harmful effects of industrialisation. It is also investing in a comprehensive reforestation programme near Pune that looks to recreate forests along the Sayadri hills and restore biodiversity across 40 acres of barren land.

Another major programme initiated in FY20 is a holistic Water Programme together with World Bank in Aurangabad. Through this programme, STL is looking to leverage wastewater treatment for afforestation and groundwater recharging, together with water conservation and purification. The programme will ensure that these villages do not face water scarcity even in drought conditions through sufficient water reserves to serve their agricultural and domestic requirements.

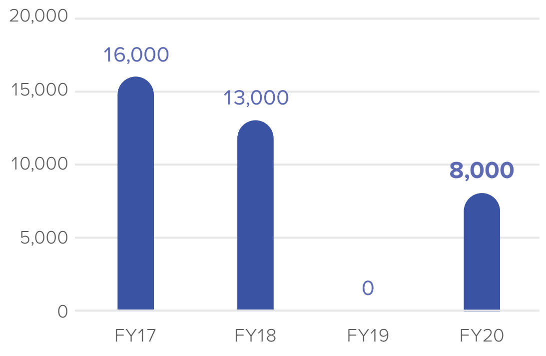
10,000+
Trees maintained

77,800+
Lives benefitted till date, through STL's Environment initiatives

The Company is working on innovative and technology-driven solutions to not just resolve two issues, which are priorities for every country, but also contribute to SDGs 6 and 13. The approaches it has formulated also ensure that the other SDGs such as SDG 1, 2, 5, 8, 9, 10, 11 and 12 are positively impacted.

Apart from these community programmes, STL looks for every opportunity to drive these initiatives through its own operations, thereby exponentially enhancing the cumulative impact towards these global goals while at the same time setting the bar higher for what it means to operate responsibly within the industry.

LIVES IMPACTED



Contributions to UN SDGs

- More than 8,000 Assam and Kolhapur flood victims benefited through STL's donations
- Over 10,000 plantations done till date and 2,780 in FY20
- Through Project Jaldoot, implemented prior to FY20, STL created access to clean drinking water for 16,000 villagers
- 200 toilets were constructed in Silvassa for tribals in the region
- 2,938 acres covered under drip irrigation through Jaldoot and Gram Samruddhi till date
- ~785,000 m^3 of water were replenished across 11 villages in Aurangabad through 20 water storage structures redeveloped
- 28,000+ villagers benefited through Jaldoot and Gram Samruddhi till date
- 20% increase in average income of villagers through Jaldoot
- 2,468 farmers benefited through irrigation and using less water intensive crops
- Improved agricultural output for Tur pulses by 42% and wheat by 15%, thereby ensuring availability of food, output for sale

STL understands the vagaries caused by climate change and have thus designed holistic programmes that endeavour to bring about sustainable transformation through behavioural change.

Responsible Corporate Citizenship

With the help of STL's employees - its transformation enablers, the Company has been able to reach out to over 6,000 lives till date. These volunteers are examples of STL's value system.

Exponential reach by working together

With the help of STL's employees - its transformation enablers, the Company has been able to reach out to over 6,000 lives till date. Its people have helped the Company reach out further and wider than it could have on its own. These volunteers are examples of STL's value system. Despite their busy schedules they have taken time to volunteer and spend time with those less fortunate showing them the world still cares. They have also helped the Company build a conscientious culture in the organisation by contributing to e-waste donations and actively participating in awareness sessions on waste segregation, disposal, sustainability and mentoring, among others. This not only helps the Company reduce its environmental footprint across facilities, but also helps STL extend its reach across the country to help those in need.

FY20 was a year, where STL's employees exemplified their commitment to helping the Company create a better world beyond tomorrow by spreading hope for those less privileged.

Through Daan Utsav, more than 318 employees contributed to #GiftAWish for over 1,300 differently abled children and youth. Not just the presents, but the employees spending time with these individuals made the festive season a special one for each of the beneficiaries.

An organisation-wide blood donation drive allowed the Company to provide 683 units of blood to children affected by thalassemia and the underprivileged.

While 49 employees continued to mentor the Jeewan Jyoti Women Empowerment students through Saksham volunteering over 392 hours and traveling more than 100 kms to do so, STL also launched a digital mentoring programme powered by Mentor Together that allows employees to mentor underprivileged youth across India from the comfort of their home through virtual or mobile platforms.

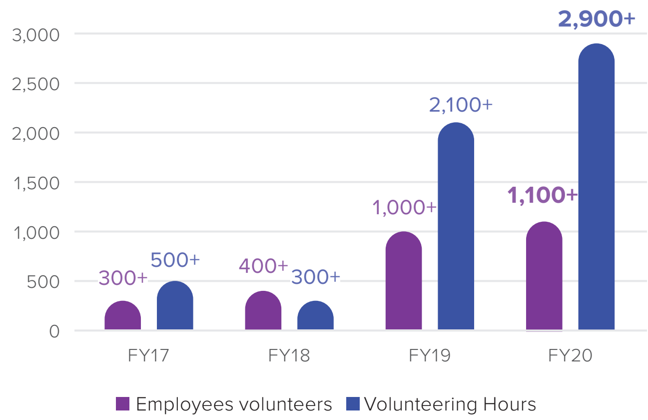
Additionally, tree plantations, e-waste donation drives, orphanage visits and other such efforts helped us contribute to building individual responsibility towards society and the environment.

Overall, in FY20, 1,122 employees volunteered more than 2,900 hours and benefited over 4,000 lives, while simultaneously helping us contribute to UN SDGs 1, 3, 4, 5, 10, 12 and 13.

3,600+ Employee volunteers till date

9,500+ Lives impacted

VOLUNTEERING STATS



Contributions to UN SDGs during FY20 and till date

- 2,435 children, women and men provided with clothes, essentials, food grains and toys through Daan Utsav, orphanage visits and food donations till date and 1,352 during FY20
- 2560 units of blood donated by STL employees till date and 683 in FY20
- 779 students benefited through mentoring sessions over the last two years
- 1,715 trees grown by employees over the last two years
- 137 employees conducted awareness drives across villages in Aurangabad on cleanliness, water usage, hygiene and so on

Responsible Corporate Citizenship

Awards & accolades

STL won 16 awards in FY20, including two of the country's most prestigious awards.

- **CII-ITC Sustainability Awards** (Excellence in CSR)
- **NGOBOX CSR Awards** (Company with Best CSR Impacts)
- **ET Now World CSR Congress & Awards** (Waste Management)
- **Golden Peacock Awards** (Excellence in CSR)
- **Grow Care CSR Awards**
- **Apex India CSR Awards** (Waste Management)
- **Mahatma CSR Awards**
- **UBS CSR Summit & Awards** (CSR)
- **Global CSR Awards**
- **GreenTech Sustainability Awards**
- **Apex India CSR Awards** (Women Empowerment)
- **Rotary CSR Awards**
- **Zee Business Awards** (CSR)
- **CSR Journal CSR Awards**
- **ET Now Business Leader of the Year** (CSR Programme of the Year Women Empowerment)
- **Bombay Chamber of Commerce Awards** (Social Development)

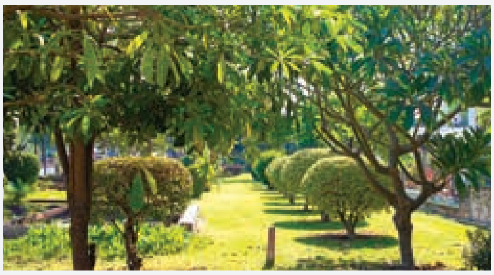
Creating shared value beyond tomorrow

During FY20, STL did not just meet its goal of impacting 1 million lives but surpassed it by transforming everyday living for over 1.32 million lives across the country. However, these numbers do not mean that it has done its part towards development of the nation. In fact, it makes the Company eager to set bigger and more ambitious targets for the future.

Starting in FY21, it intends to reach out further and wider along with the help of its transformation enablers.

Thus, STL set three ambitious social goals, which are:

Transform Everyday Living for 5 million lives



Undertake 5 million plantations to contribute to the Climate Change Agenda

Replenish 5 million m^3 of water in communities to ensure water security and thus reduce scarcity

And move a step closer to making its vision of 'transforming everyday living by delivering smarter networks' a reality by 2025.

DQS- Independent Assurance Statement

To
The Management and Stakeholders of
Sterlite Technologies Limited

DQS has been engaged by Sterlite Technologies Limited (STL) to provide independent assurance over (non-financial) based on GRI aligned reporting framework with selected KPIs. The engagement took place from 9th June 2020 to 12th June 2020.

Scope of Assurance

The assurance encompassed the selected corporate assured non-financial KPIs (GRI aligned) and the quality of information presented in the report over the reporting period of April 2019 to March 2020.

Operational Boundary: Verification of Corporate office at Pune of Sterlite Technologies Limited (STL) along with specific production sites - Dadra Plant, Rakholi Plant, Waluj Plant, Shendra Plant and Shendra Glass (New Facility) for the following:

1. CSR
2. Water
3. Waste
4. Energy / Carbon Emissions

The assurance engagement was performed in accordance with a Type 2 Assurance of the AA1000 Assurance Standard (AA1000AS 2008) which consists of evaluating the reliability of specified sustainability performance information of the reported non-financial KPIs within the Company's sustainability framework and processes using the inclusivity, materiality and responsiveness.

Level of assurance and limitations

A moderate level of assurance under DQS Assurance Framework was provided for this engagement. Information and performance data subject to assurance is limited to the provided KPIs. The stakeholder engagement review was limited to the employees as interested groups directly dependent on the organisation's activities and participation in the achievement of the non-financial KPIs. The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to selected performance indicators.

Assurance methodology

The assurance procedures and principles used for this engagement were drawn from the International Standards and methodology for data verification developed by DQS as below:

1. Based on GRI aligned reporting framework, STL have identified selected corporate KPIs and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.

2. Carry out interviews with key functional managers and data owners at STL.

3. Data quality verification included the following:

    i. Enquiring about the quantitative and qualitative aspects of the KPI disclosures, including performance information, policies, procedures and underlying management systems.

    ii. Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims.

4. Challenging the KPI claims, where possible, confirming the presented evidence, including calculation methods, criteria and assumptions, with multiple data owners and other documentation from internal and external sources.

5. Assess the collected information and provide recommendations for immediate correction wherever required or for future improvement of the non-financial indicator's verification within the scope.

Key observations and recommendations

Strengths:

1. STL has strong focus on materiality issues like Zero Waste to Landfill. The Shendra, Waluj, Rakholi and Dadra plants are certified for Zero Waste to Landfill. This helps in meeting customer expectations for Responsible Manufacturing.

2. Life Cycle Assessment (LCA) & Environment Product Declarations (EPD) studies for fiber optic cables were carried out in FY20. This shows STL's commitment in building credibility and transparency on compliance to accepted international standards and environmental performance.

3. STL has touched 1.32 million lives with CSR initiatives aligned with the Sustainable Development Goals (SDG) and National Voluntary Guidelines (NVG). This demonstrates STL's intent of being a socially responsible company and creating positive impact in the community.

Opportunities for Improvement:

1. Benchmarking and target setting at micro level especially in energy, water, carbon sources shall be established for all locations. STL may develop short-term and long-term sustainability goals for all the top material issues

2. STL need to declare carbon neutrality (for Scope 1 and Scope 2) or (inclusion of Scope 3 also) and plan for calculating all relevant Scope 3 emissions in coming years

3. STL may begin to focus on key supply chain partners to identify and mitigate the sustainability challenges in the supply chain.

4. STL may explore implementation of renewable energy (solar/wind energy) at each site

5. STL may undertake assessment studies to determine water footprint and social capital valuation of CSR projects

Evaluation of the adherence to AA1000 Accountability Principles

DQS has evaluated the Report's adherence to the GRI principles

1. Sustainability Context: 'STL has established the relationship between sustainability and organisational strategy within the report, as well as the context in which disclosures are made

    a. Stakeholder Inclusivity - Stakeholder identification and engagement are carried out by STL on a periodic basis to bring out key stakeholder concerns as material aspects of critical stakeholders. In our view, the Report meets the requirements. In addition, STL could further include its key stakeholders in developing its long-term sustainability goals and strategy.

    b. Materiality - STL has developed its Environmental and Social materiality map through engagement with its key stakeholders. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations. In our view, the Report meets the requirements.

2. Responsiveness - The material topics have been aligned with GRI framework covering the environmental and CSR issues in the Sustainability report. STL may consider developing strategies for the other material topics in the materiality map and disclosing them in the future reports.

3. Reporting Principles for defining report quality: Most of the data and information was verified by DQS assurance team at STL and found to be accurate. Some inaccuracies in the data identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been corrected.

GRI 300: Environmental

• Energy:	GRI 302: Energy 2016: 302-1, 302-5
• Water:	GRI 303: Water 2016: 303-1, 303-3
• Emissions:	GRI 305: Water 2016: 305-1, 305-2
• Effluents & waste:	GRI 306: Effluents and Waste 2016: 306-2

GRI 400: Social

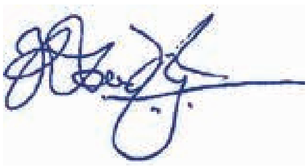
• Employment:	GRI 401: Employment 2016: 401-1
• Training & Education:	GRI 404: Training and Education 2016: 404-1, 404-2
• Emissions:	GRI 305: Water 2016: 305-1, 305-2
• Local communities:	GRI 413: Local Communities 2016: 413-1

DQS Competency and Independency

DQS is a global provider of sustainability services, with qualified environmental and social assurance specialists. DQS states its independence and impartiality regarding this assurance engagement. In the reporting year, DQS did not work with 'Sterlite Technologies Limited" on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. DQS was not involved in the preparation of any statements or data included in the Report, apart from this Assurance Statement. DQS maintains complete impartiality toward any people interviewed during the assurance engagement. Considering the Covid19 situation, the assurance / verification of the report is undertaken through remote method.

Based on a moderate assurance engagement according to the above-listed criteria On behalf of the DQS India assurance team June 12, 2020

Signature



Dr. Murugan

Kandasamy CEO & Managing Director

GRI Index and UNGC Principles

General Disclosures Index

GRI Standard	Title Disclosure Number	Disclosure Title. Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number/ External Reference
		General Disclosures	
GRI 102: General Disclosures 2016	102-1	Name of the organisation	129
	102-2	Activities, brands, products, and services	129
	102-3	Location of headquarters	End Cover Page
	102-4	Location of operations	129
	102-5	Ownership and legal form	91, 125
	102-6	Markets served	129
	102-7	Scale of the organisation	129, 130
	102-8	Information on employees and other workers	134
	102-9	Supply chain	49, 50
	102-10	Significant changes to the organisation and its supply chain	No Changes
	102-11	Precautionary Principle or approach	48, 49
	102-12	External initiatives	136
	102-13	Membership of associations	136
	102-14	Statement from senior decision-maker	3, 4, 5
	102-16	Values, principles, standards, and norms of behavior	37, 49
	102-18	Governance structure	112
	102-40	List of stakeholder groups	46
	102-41	Collective bargaining agreements	1, 34, 135
	102-42	Identifying and selecting stakeholders	46
	102-43	Approach to stakeholder engagement	46
	102-44	Key topics and concerns raised	47
	102-45	Entities included in the consolidated financial statements	Financial report
	102-46	Defining report content and topic Boundaries	45
	102-47	List of material topics	47
	102-48	Restatements of information	55
	102-49	Changes in reporting	No Changes
	102-50	Reporting period	44
	102-51	Date of most recent report	FY18-19
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	End Cover Page
	102-54	Claims of reporting in accordance with the GRI Standards	45
	102-55	GRI content index	74
	102-56	External assurance	73
		GRI 200: Economic	
		Economic Performance	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial report
		Indirect Economic Impacts	
GRI 203: Economic Impacts 2016	201-1	Significant indirect economic impacts	Financial report
		Anti-Corruption	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	56
	205-3	Confirmed incidents of corruption and actions taken	1, 34, 135
		GRI 300: Environmental	
		Energy	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	55
	302-5	Reduction in energy requirements of products and services	55
		Water	
GRI 303: Water 2016	303-1	Water withdrawal by source	52
	303-3	Water recycled and reused	52

GRI Standard	Title Disclosure Number	Disclosure Title. Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number/ External Reference
		Emissions	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	55
	305-2	Energy indirect (Scope 2) GHG emissions	55
		Effluents and Waste	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	54
		GRI 400: Social	
		Employment	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	134
		Training and Education	
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	134
	404-2	Programmes for upgrading employee skills and transition assistance	134
		Local Communities	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	60-70
		Marketing and Labeling	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	138

United Nations Global Compact Index

UNGC Principles	Page Number
Human Rights	
Principle 1	
Businesses should support and respect the protection of internationally proclaimed human rights	56
Principle 2	
Businesses should make sure they are not complicit in human rights abuses	135
Labour	
Principle 3	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	56
Principle 4	
Businesses should uphold the elimination of all forms of forced and compulsory labour	56, 134
Principle 5	
Businesses should uphold the effective abolition of child labour	56, 134
Principle 6	
Businesses should eliminate discrimination in respect of employment and occupation	56, 134
Environment	
Principle 7	
Business should support a precautionary approach to environmental challenges	49
Principle 8	
Business should undertake initiatives to promote greater environmental responsibility	50-55
Principle 9	
Business should encourage the development and diffusion of environmentally friendly technologies	50, 51
Anti-Corruption	
Principle 10	
Businesses should work against corruption in all its forms, including extortion and bribery	56, 132

Directors' Report

To the Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2019-20, together with the audited financial statements of the Company for the financial year ended March 31, 2020.

Financial Summary/Highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Net Revenue from Operations	4,760.50	4,862.63	5,154.40	5,087.26
Profit / (Loss) before Interest, Depreciation & Tax	1,018.13	1,053.84	1,094.72	1,147.08
Add: Finance Income	11.67	20.52	8.91	16.93
Less: Finance cost	204.46	95.25	221.04	105.49
Less: Depreciation and amortisation expense	232.42	167.79	290.28	194.98
Net Profit/(Loss) before exceptional item and taxation	592.92	811.32	592.31	863.54
Exceptional Item	50.71	-	50.71	-
Net profit/(loss) before taxation	542.21	811.32	541.60	863.54
Total Tax Expenses	108.69	276.09	108.88	278.16
Net Profit /(Loss) for the year after tax	433.52	535.23	432.72	585.38
Share of profit/(loss) of Joint venture	NA	NA	-	-
Net Profit for the year after tax & share in profit/(loss) of joint venture	433.52	535.23	432.72	585.38
Loss from Discontinued Operations	NA	NA	(8.28)	(7.59)
Profit for the year	433.52	535.23	424.44	577.79
Share of profit of minority interest	NA	NA	(9.46)	15.04
Net Profit attributable to owners of the Company	433.52	535.23	433.90	562.75
Balance carried forward from previous year	1,225.07	804.45	1,323.75	875.61
Amount available for appropriation	1,658.59	1,339.68	1,757.65	1,438.36
APPROPRIATIONS				
Equity dividend and tax thereon	(170.09)	(96.80)	(170.09)	(96.80)
Transfer to debenture redemption reserve	-	-	-	-
Others	(10.87)	(17.83)	(10.22)	(17.83)
Balance carried forward to the next year	1,477.63	1,225.05	1,577.34	1,323.73

Performance

Standalone

FY20 closed with Revenues of ₹ 4,760.50 crores, EBITDA of ₹ 1,018.13 crores, PAT of ₹ 433.52 crores and EBITDA margins of 21%

Consolidated

FY20 closed with Revenues of ₹ 5,154.40 crores, EBITDA of ₹ 1,095.74 crores, Net Profit attributable to owners of the Company ₹ 433.90 crores and EBITDA margins of 21%

Operations

Highlights of your Company's operations and state of affairs for the Financial Year 2019-20 are included in the Management Discussion and Analysis Report which forms part of this Annual Report.

Covid-19

In the past few months, the COVID-19 pandemic has developed into a global crisis. In this unprecedented situation, the Governments across the world are leading the response in their respective countries and your Company is also working in-line with regulatory directions.

The Company formed a cross functional Business Continuity Planning team in early February 2020 to focus on 4 key aspects in this crisis. 1. Employee & Ecosystem safety 2. Customer commitment fulfilment 3. Cash Flow planning based on scenario Analysis & 4. The Company's readiness for a quick restart as the situation normalises.

The Company was one of the first few to advise employees to work from home. It has a very strong digital capability to ensure virtual collaboration, communication & secure data transmission while working from home. In these difficult times, the Company is continuously in communication with its customers, who have appreciated the Company's efforts to maintain on-time deliveries.

Though there are short term global challenges across the world, the Company is very confident that this challenge would usher in a new era of global digitisation and virtual connectivity, making the world much more connected, much more border less and much more efficient and the Company would have a large opportunity to contribute to make this happen at a faster pace.

Dividend

The Board of Directors ('the Board') is pleased to recommend a final dividend of ₹ 3.50/- per Equity Share (i.e. 175%) of ₹ 2/- each for the FY20. The distribution of dividend will result in payout of around ₹ 140.71 crores. 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 FY20.

The Dividend Distribution Policy of the Company, in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations'), is attached as **Annexure I** to this Report and is also available on the website of the Company at https://www.stl.tech/Code-of-Conduct-and-Policies.html

Acquisition of IDS Group

The Company, through its wholly owned subsidiary, Sterlite Global Ventures (Mauritius) Limited (SGVML), acquired the IDS Group, a data centre network infrastructure design and deployment specialist based in the United Kingdom. The transaction is structured to acquire 100%. Out of this 80% has been acquired, and the remaining 20% will be acquired based on an earn-out model, over the next few years.

The entities of the Group are Impact Data Solutions Limited ("IDS"), its wholly owned subsidiary Impact Data Solutions B.V.("BV") and its affiliate company namely, Vulcan Data Centre Solutions Limited ("Vulcan"). IDS is a specialist provider of data centre and colocation design and installation services. It has a pan European presence with a dedicated partner ecosystem for flawless execution.

The acquisition will strengthen the Company's position in the cloud and data centre market and bring access to two of the top global cloud providers into its customer pool.

Investment in Asocs, Israel

The Company, through its wholly owned subsidiary, SGVML, acquired 12.8% stake in ASOCS limited, a virtual Radio Access Networks technology Company (vRAN) based out of Israel. ASOCS is a pioneer in vRAN and a provider of fully virtualised, NFV- compatible virtual base station solutions for enterprise and Telco-Networks.

The investment strengthens the Company's offering in the promising and fast growing virtualised radio access space.

Buyback of Equity Shares

During the year under review, the Board, at its meeting held on March 24, 2020, approved the buyback of fully paid-up equity shares of the Company, at a price not exceeding ₹ 150/- per equity share, from the open market through stock exchange mechanism.

The Buy-back shall not exceed an aggregate amount of ₹ 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 last financial year ended on March 31, 2019.

The Buy-back is expected to achieve the following objectives:

a. For seeking a fairer valuation of the Company's stock price; and

b. Improve key return ratios like return on net worth, return on assets etc. over a period of time

The Company believes that the Buy-back will create long term value for shareholders.

Shifting of Registered Office

The Registered Office of your Company is presently situated at Aurangabad, in the State of Maharashtra within the jurisdiction of Registrar of Companies, Mumbai. It is proposed to shift the Registered Office to Pune within the jurisdiction of Registrar of Companies, Pune, Maharashtra in order to bring operational synergies and aid the management in running the business operations more effectively.

The Board, at its meeting held on May 12, 2020, has approved the shifting of Registered Office, subject to the approval of shareholders. A resolution seeking Members' approval is included in the Notice convening the ensuing AGM.

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

Directors' Report (Contd.)

operations, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the Listing Regulations, the Company has included a separate section on Business Responsibility 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 FY20, six meetings of the Board of Directors were held on April 23, 2019; July 18, 2019; October 24, 2019; December 05, 2019; January 15, 2020 and March 24, 2020. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities are made available to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

Composition of Audit Committee

The Board has constituted the Audit Committee which comprises of Mr. A. R. Narayanaswamy as the Chairman; Mr. Arun Todarwal, Mr. Sandip Das and Mr. Pravin Agarwal as the Members. All recommendations given by Audit Committee during FY20 were accepted by the Board. Further details on the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of this Annual Report.

Directors and Key Manangerial Personnel

During the year, Mr. Arun Todarwal and Mr. A.R. Narayanaswamy, were re-appointed as Independent Directors of the Company for a second term of two years with effect from April 1, 2019 to March 31, 2021. The members approved the aforesaid re-appointments in the AGM held on July 23, 2019.

Mr. Pravin Agarwal's appointment and Dr. Anand Agarwal's appointment as a Whole-time Directors of the Company is valid upto October 29, 2020. and July 29, 2020, respectively. The Board, at its Meeting held on May 12, 2020 has approved the aforesaid re-appointments for a further period of five years, subject to the approval of members. Resolutions seeking Members' approval is included in the Notice convening the ensuing AGM. The Board recommends the re-appointment of Mr. Pravin Agarwal and Dr. Anand Agarwal.

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

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

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

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

There has been no change in the KMP during FY20.

Performance Evaluation of the Board, its Committees and Individual Directors

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

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

a) in the preparation of the annual accounts for the year ended March 31, 2020, 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, 2020 and of the profit of the Company for the year April 1, 2019 to March 31, 2020;

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

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

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

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

Compliance with Secretarial Standards

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

Contracts or Arrangements with Related Parties

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

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

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

Subsidiaries and Joint Ventures

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

During the year under review, Impact Data Solutions Limited, UK, Impact Data Solutions B.V., Netherlands, Vulcan Data Centre Solutions Limited, UK, Sterlite Tech Holdings (UK) Limited and Sterlite Tech Cables Solutions Limited, India, have become subsidiaries of the Company. No company has ceased to be subsidiary/joint venture or associate of the Company during FY20.

Policy on material subsidiaries, as approved by the Board of Directors, may 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 https://www.stl.tech/downloads.html#subsidiary

Financial Statements

The Ministry of Corporate Affairs and SEBI has provided several relaxations, in view of difficulties faced by the Companies, on account of threat posed by Covid-19. Pursuant to General Circular No.20/2020, dated May 5, 2020, issued by the Ministry of Corporate Affairs, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, the Company shall not be dispatching physical copies of financial statements and the Annual Report shall be sent only by email to the members.

Directors' Report (Contd.)

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

Statutory Auditors

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

Statutory Auditor's Report

There are no qualifications, reservations or adverse remarks the Statutory Auditors, in their report for the financial year ended March 31, 2020.

The Auditor's Report for the financial year ended March 31, 2019 carried a Qualified Opinion regarding demand of excise and customs duty and penalty amounting to ₹ 188 crores. .

During the year under review, the Company made an application under Sabka Vishwas Legacy Dispute Resolution Scheme, 2019 (Amnesty Scheme) with respect to the aforesaid demand. The said application has been reviewed by the Authorities and Tax Dues Statement has been issued bearing reference confirming the tax dues to be paid. The Company has paid the tax dues and have also submitted the requisite undertaking to the Authorities. Additionally, the Company has also submitted the appeal withdrawal application before the Hon'ble Supreme Court and hearing is awaited.

Hence, the statutory auditors report for the financial year ended March 31, 2020, does not contain any qualification with respect to the above.

Secretarial Auditor

Pursuant to Section 204 of the Act, Dr. K.R. Chandratre, Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2020. The Report of the Secretarial Auditor is annexed as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

The Company is required to make and maintain cost records for Copper Cables 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, has been appointed as the Cost Auditor to audit the cost accounts of the Company for said products for FY21 at a remuneration of ₹ 1,00,000 plus at actuals out of pocket expenses. Mr. Kiran Naik has confirmed that his appointment is within the prescribed limits. As required by the provisions of the Act, a resolution seeking Members' approval for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included in the Notice convening the ensuing AGM.

Cost Audit Report for FY20 will be filed with the Registrar of Companies within the prescribed timelines.

Internal Financial Controls

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020 and are operating effectively. Pursuant to the application made by the Company under the aforesaid Amnesty Scheme and payment of tax dues which has been expensed-off in the income statement, the material weakness identified and reported in prior years by Statutory Auditors no longer exists.

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

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

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

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

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

Legal Compliances Management

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

Business Risk Management

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

The Board has constituted Risk Management Committee effective January 24, 2019. The Committee comprises of Ms. Kumud Srinivasan- Chairperson, Mr. Arun Todarwal, Mr. Sandip Das, Dr. Anand Agarwal, Directors and Mr. Anupam Jindal, Chief Financial Officer as the Members.

Vigil Mechanism / Whistle Blower Policy

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

Disclosure Regarding Prevention of Sexual Harassment

The Company is committed to 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 had received 2 complaints, which have been resolved. No other complaint was pending as on March 31, 2020.

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 14,21,264 shares during the year to various employees who exercised their options. The Certificate from the Statutory Auditors confirming that the Scheme has been implemented in accordance with the SEBI Regulations and the resolution passed by the shareholders would be placed at the AGM for inspection by members.

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

Directors' Report (Contd.)

Particulars of Employees and Related Disclosures

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

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

Extract of Annual Return

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

Non-Convertible Debentures

As on March 31, 2020, the Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 225 crores. The Company has maintained asset cover sufficient to discharge the principal amount along with outstanding Interest at all times for its NCDs. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

The details of debenture trustee are as below–

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar West
Mumbai- 400 028
Contact No.: +91- 022-6230 0438

Credit Rating

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

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

Particulars of Loans, Guarantees or Investments

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

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

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

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed amounts lying with the Company as on July 23, 2019 (date of last AGM) 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. Arun Todarwal, Chairman, Mr. A.R. Narayanaswamy, Mr. Pravin Agarwal and Dr. Anand Agarwal, Members. The Board has also approved a CSR policy on recommendations of CSR Committee, which is available on the website of the Company at https://www.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 FY20.

During the year, the Company has spent ₹ 9.20 crores on CSR activities. The Annual Report on CSR activities, in accordance with Section 135 of the Act, read with

Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure VII** to this Report.

General

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

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

b) 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.

Acknowledgement

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

For and on behalf of the Board of Directors

	Pravin Agarwal	Anand Agarwal
Place: Pune Date: May 12, 2020	Vice Chairman & Whole-time Director	CEO & Whole-time Director

Directors' Report (Contd.)

Annexure I

Dividend Distribution Policy

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

1. Objective

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

2. Philosophy

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

3. Regulatory Framework

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

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

4. Definitions

4.1. Unless repugnant to the context:

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

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

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

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

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

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

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

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

5. Parameters for declaration of Dividend

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

5.1.1 Financial Parameters / Internal Factors/ External Factors:

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

A) Consolidated net operating profit after tax;

B) Working capital requirements;

C) Capital expenditure requirements;

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

E) Cash flow required to meet contingencies;

F) Outstanding borrowings;

G) Past Dividend Trends;

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

I) Dividend pay-out ratios of companies in the same industry;

J) Economic Viability;

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

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

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

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

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

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

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

5.3 Utilization of retained earnings:

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

5.4 Parameters adopted with regard to various classes of shares:

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

6 Disclosure

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

7 General

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

Directors' Report (Contd.)

Annexure II

Secretarial audit Report

For the Financial Year Ended March 31, 2020

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (External Commercial Borrowings - Not applicable to the Company during the Audit Period);

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

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

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

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

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

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

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

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

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

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

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

   (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period:

In terms of the provisions of Sections 68, 69, 70 and applicable rules under the Companies Act, 2013 and Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018 and subject to such other approvals, permissions and sanctions, the Board of Directors of the company at its meeting held on 24 March, 2020 approved buy back of Fully Paid up Equity Shares of ₹ 2/- each of the Company, from the open market through stock exchange mechanism, at a price not exceeding ₹ 150/- (Rupees One Hundred and Fifty only) per equity share (“Maximum Buyback Price”) aggregating to ₹ 145 crores (Rupees One Hundred and Forty Five crores only) (“Maximum Buyback Size”); being 9.95% (on Standalone) and 9.32% (on Consolidated) of the aggregate of the fully paid-up Equity Share capital and free reserves as on March 31, 2019.

Place: Pune
Date: 12 May, 2020

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144
UDIN : F001370B000231160

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

Annexure to the Secretarial Audit Report

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 12 May, 2020

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

Directors' Report (Contd.)

Annexure III

Details of Stock Options as on March 31, 2020

Statement as on March 31, 2020 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 years 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	46,14,478
	Number of options granted during the year	17,41,630
	Number of options forfeited/ lapsed during the year	10,00,954
	Number of options vested during the year	25,04,153
	Number of options exercised during the year	14,21,264
	Number of shares arising as a result of exercise of options	14,21,264
	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	₹ 28,42,528
	Number of options outstanding at the end of the year	39,33,890
	Number of options exercisable at the end of the year	4,23,130
9.	Employee-wise details of options granted during FY20 to	
I.	Number of options granted to Senior Managerial Personnel	
	Dr. Anand Agarwal CEO & Whole-time Director	1,30,300
II.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None
III.	Identified employees who were granted options during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
10.	Diluted earnings per share pursuant to issue of ordinary shares on exercise of Options calculated in accordance with Ind AS 33	₹ 10.75 (Basic) ₹ 10.63 (Diluted)
11.	Method of Calculation of Employee Compensation Cost	The Company has used fair market value method for calculation of compensation cost, using the Black Scholes Option Pricing Model and Monte Carlo simulation model. Use of model is based on the related vesting conditions.
12.	Weighted average exercise price and weighted average fair values of Options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock. Weighted Average exercise price (per option) Weighted Average Fair value (per option)	₹ 2 Grant I - ₹ 25.87 Grant II – ₹ 29.77 Grant III – ₹ 28.22 Grant IV – ₹ 48.66 Grant V- ₹ 79.99 Grant VI- ₹ 84.62 & ₹ 87.30 Grant VII – ₹ 103.94 Grant VIII- ₹ 162.87 & ₹ 92.90 Grant IX – ₹ 265.58 Grant X- ₹ 377.59 Grant XI – ₹ 291.97 & ₹ 134. 31 Grant XII- ₹ 286.53 Grant XIII- ₹ 136.86 & ₹ 44.32

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
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
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
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
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
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

Assumptions used are as follows:

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

b) Assumptions under Monte Carlo Simulation model

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

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

Assumptions used are as follows:

Variables	Grant VIII	Grant XI	Grant XIII
Price of underlying stock	₹ 172.30	₹ 301.75	₹ 145.35
Expected volatility	37.00%	44.79%	47.87%
Risk Free rate	6.40%	7.03%	6.19%
Exercise Price (per Option)	₹ 2.00	₹ 2.00	₹ 2.00
Dividend Yield	2.20%	1.04%	1.07%
Fair Value of the option	₹ 92.90	₹ 134.31	₹ 44.32

Directors' Report (Contd.)

Annexure IV

Statement of Disclosure of Remuneration

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

A. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2020

₹ in crores

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2019-20	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Pravin Agarwal Vice Chairman & Whole-time Director	14.86	3.6%	167
2	Dr. Anand Agarwal (KMP) CEO & Whole-time Director	10.76	-13.2%	121
3	Mr. Anupam Jindal (KMP) Chief Financial Officer	3.44	0%	39
4	Mr. Amit Deshpande (KMP) Company Secretary	0.64	-27.8%	7

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

Details of remuneration paid to Independent Directors and other Non-Executive Directors are provided in the Corporate Governance Report, which forms a part of the Annual Report.

B. The percentage increase in the median remuneration of employees in the financial year is 9.3%.

C. The number of permanent employees on the rolls of company as on March 31, 2020 is 2519.

D. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY20 was 7.8%.

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 V

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2020

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

I. Registration and Other Details:

I	CIN	L31300MH2000PLC269261
Ii	Registration Date	March 24, 2000
Iii	Name of the Company	Sterlite Technologies Limited
iv	Category/Sub-category of the Company	Public Company / Limited by shares
v	Address of the Registered office & contact details	E1, MIDC Industrial Area Waluj Aurangabad - 431136, Maharashtra, INDIA Tel: +0240-2558400 Fax + 0240-2564598
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Kfin Technologies Private 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

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the Company
1	Optical Fibre including cable & laying services	27310	88.3%

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

III. Particulars of Holding, Subsidiary and Associate Companies-

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
1	**Twin Star Overseas Ltd** 33, Edith Cavell Street, Port-Louis, 11324, Mauritius	Holding	51.84%	2(46)	NA
2	**Speedon Network Limited** Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadara and Nagar Haveli – 396 230	Subsidiary	100%	2 (87)	U32202DN2011PLC000373
3	**Sterlite Telesystems Limited** Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa Dadar & Nagar Haveli – 396230, India	Subsidiary	100%	2 (87)	U64200DN2015PLC000481
4	**Maharashtra Transmission Communication Infrastructure Ltd.** Prakashganga, Plot No C 19, E Block Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra India	Subsidiary	51.73%	2 (87)	U64201MH2012PLC234316
5	**Sterlite Tech Connectivity Solutions Limited** Plot No 33/1/1, Waghadara Road, Dadra, Silvasa Silvasa Dadra & Nagar Haveli – 396230, India	Subsidiary	100%	2 (87)	U74999DN2018PLC005557
6	**Sterlite Innovative Solutions Limited** E 2, MIDC, Waluj, Aurangabad – 431 133, Maharashtra, India	Subsidiary	100%	2 (87)	U74999MH2018PLC310212

Directors' Report (Contd.)

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
7	**Elitecore Technologies (Mauritius) Limited** 9th Floor, EbeneTower, 52, Cybercity, Ebene Mauritius	Subsidiary	100%	2 (87)	NA
8	**Elitecore Technologies Sdn Bhd.** Level 2, No. 11, Jalan PJU 1A/41B, NZX Commercial Centre, Ara Jaya, 47301, Petaling Jaya, Selangor, Malaysia	Subsidiary	100%	2 (87)	NA
9	**Sterlite Technologies S.p.A** Via del Vecchio Politecnico n. 9, 20121, Milan Italy	Subsidiary	100%	2 (87)	NA
10	**Metallurgica Bresciana S.p.A** Dello (Brescia -Italy) Via Marconi 31, Italy	Subsidiary	100%	2 (87)	NA
11	**Sterlite Global Ventures (Mauritius) Ltd** C/O SGG Corporate Services Ltd., Mauritius 33, Edith Cavell Street, Port-Louis, 11324, Mauritius	Subsidiary	100%	2 (87)	NA
12	**Sterlite Technologies UK Ventures Limited** Third Floor, 126-134 Baker Street, London W1U 6UE, UK	Subsidiary	100%	2 (87)	NA
13	**Jiangsu Sterlite Tonggaung Fiber Co. Ltd** 777 Beihai Beihai Rd, Haimen Town, Hai Men City, Jiangsu, China	Subsidiary	75%	2 (87)	NA
14	**Sterlite Conduspar Industrial Ltda** Sao Jose dos Pinhais, State of Parana, at Rua Dr. Muricy, 4000, Barracoa Fundos, Bairro Coesteria, CEP 83015 – 290, Brazil	Subsidiary	58.05%	2 (87)	NA
15	**Sterlite (Shanghai) Trading Company Limited** 1902 Far East International Plaza, 317 Xian Xia Road Shanghai 200051, China	Subsidiary	100%	2 (87)	NA
16	**Sterlite Tech Holding Inc.** 1555 Heron Bay Blvd. Coral Springs, Florida - 33076 USA	Subsidiary	100%	2 (87)	NA
17	**Sterlite Technologies Inc.** 1555 Heron Bay Blvd. Coral Springs, Florida - 33076 USA	Subsidiary	100%	2 (87)	NA
18	**Sterlite Tech Cable Solutions Limited** E2, MIDC, Waluj, Aurangabad - 431 133, Maharashtra, India	Subsidiary	100%	2(87)	U74999MH2019PLC333336
19	**Impact Data Solutions Limited** Ground Floor Unit 501 Centennial Park, Centennial Avenue, Elstree, Borehamwood, Hertfordshire, United Kingdom, WD6 3FG	Subsidiary	80%	2(87)	NA
20	**Vulcan Data Centre Solutions Limited** Ground Floor Unit 501 Centennial Park, Centennial Avenue, Elstree, Borehamwood, Hertfordshire, United Kingdom, WD6 3FG	Subsidiary	80%	2(87)	NA
21	**Impact Data Solutions B.V.** Zonnebaan 9, 3542EA Utrecht, Netherlands	Subsidiary	80%	2(87)	NA
22	**Sterlite Tech Holdings (UK) Limited** Third Floor, 126-134 Baker Street, London W1U 6UE, UK	Subsidiary	100%	2(87)	NA

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

i) Category-wise Share Holding

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year April 1, 2019				No. of shares held at the end of the year March 31, 2020				% Change During the Year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individual /HUF	2,440,176	-	2,440,176	0.61	2,497,176	-	2,497,176	0.62	0.01
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	4,764,295	-	4,764,295	1.18	4,764,295	-	4,764,295	1.18	0.00
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**7,204,471**	**-**	**7,204,471**	**1.79**	**7,261,471**	**-**	**7,261,471**	**1.80**	**0.01**
(2)	**Foreign**									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	209,402,750	-	209,402,750	52.02	209,402,750	-	209,402,750	51.84	(0.18)
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**209,402,750**	**-**	**209,402,750**	**52.02**	**209,402,750**	**-**	**209,402,750**	**51.84**	**(0.18)**
	Total A=A(1)+A(2)	**216,607,221**	**-**	**216,607,221**	**53.81**	**216,664,221**	**-**	**216,664,221**	**53.63**	**(0.18)**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	37,330,005	-	37,330,005	9.27	19,730,104	-	19,730,104	4.88	(4.39)
(b)	Financial Institutions /Banks	1,007,936	3,030	1,010,966	0.25	969,241	2,530	971,771	0.24	(0.01)
(c)	Central Government / State Government(s)	500	-	500	0.00	500	-	500	0.00	0.00
(d)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Insurance Companies	5,221,535	-	5,221,535	1.30	5,221,535	-	5,221,535	1.29	0.00
(f)	Foreign Institutional Investors	24,188,981	-	24,188,981	6.01	17,033,350	-	17,033,350	4.22	(1.79)
(g)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(h)	Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Foreign Portfolio Investors	-	-	-	0.00	-	-	-	0.00	0.00
(j)	Others	37,330,005	-	37,330,005	9.27	19,730,104	-	19,730,104	4.88	(4.39)
	Sub-Total B(1) :	**67,748,957**	**3,030**	**67,751,987**	**16.83**	**42,954,730**	**2,530**	**42,957,260**	**10.63**	**(6.20)**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	14,809,627	10,505	14,820,132	3.68	14,002,903	8,760	14,011,663	3.47	(0.21)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	74,078,879	3,070,074	77,148,953	19.17	93,249,962	2,703,879	95,953,841	23.75	4.59
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	17,097,799	76,360	17,174,159	4.27	20,667,636	76,360	20,743,996	5.14	0.87
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(c)	Others									
	NBFC	157,691	-	157,691	0.04	27,100	-	27,100	0.01	(0.03)
	Clearing Members	725,683	-	725,683	0.18	2,557,889	-	2,557,889	0.63	0.45

Directors' Report (Contd.)

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year April 1, 2019				No. of shares held at the end of the year March 31, 2020				% Change During the Year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	Directors	979,190	-	979,190	0.24	1,118,580	-	1,118,580	0.28	0.03
	Foreign Nationals	13,850	-	13,850	0.00	13,450	-	13,450	0.00	0.00
	I E P F	3,343,380	-	3,343,380	0.83	4,153,249	-	4,153,249	1.03	0.20
	Non-Resident Indians	2,470,874	203,630	2,674,504	0.66	3,269,384	189,990	3,459,374	0.86	0.19
	Nri Non-Repatriation	1,062,663	-	1,062,663	0.26	1,311,787	-	1,311,787	0.32	0.06
	Trusts	7,110	500	7,610	0.00	797,570	500	798,070	0.20	0.20
	Qualified Institutional Buyer									
	Qualified Foreign Investor	-	-	-	0.00	192,507	-	192,507	0.05	0.05
	Sub-Total B(2) :	**114,746,746**	**3,361,069**	**118,107,815**	**29.34**	**141,362,017**	**2,979,489**	**144,341,506**	**35.73**	**6.39**
	Total B=B(1)+B(2) :	**182,495,703**	**3,364,099**	**185,859,802**	**46.17**	**184,316,747**	**2,982,019**	**187,298,766**	**46.37**	**0.19**
	(A+B) :	**399,102,924**	**3,364,099**	**402,467,023**	**99.98**	**400,980,968**	**2,982,019**	**403,962,987**	**100.00**	**0.02**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group									
(2)	Public	74,700	-	74,700	0.02	-	-	-	0.00	(0.02)
	Grand Total (A+B+C) :	**399,177,624**	**3,364,099**	**402,541,723**	**100.00**	**400,980,968**	**2,982,019**	**403,962,987**	**100.00**	

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year March 31, 2019			Shareholding at the end of the year March 31, 2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
1	Twin Star Overseas Ltd	20,94,02,750	52.02	52.02	20,94,02,750	51.84	0.00	(0.18)

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

(iii) Change in Promoters' Shareholding (please specify, if there is no change):- There is no change in the Promoters' Shareholding during FY20.

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

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSIN	12,119,345	3.01	30/03/2019			12,119,345	3.01
			05/04/2019	(477,573)	Transfer	11,641,772	2.89
			12/04/2019	(574,847)	Transfer	11,066,925	2.75
			26/04/2019	(1,100,000)	Transfer	9,966,925	2.48
			03/05/2019	(5,923,221)	Transfer	4,043,704	1.00
			10/05/2019	(786,000)	Transfer	3,257,704	0.81
			17/05/2019	(1,625,169)	Transfer	1,632,535	0.41
			24/05/2019	(1,076,928)	Transfer	555,607	0.14
			31/05/2019	(22,737)	Transfer	532,870	0.13

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			14/06/2019	(386,401)	Transfer	146,469	0.04
			21/06/2019	(37,469)	Transfer	109,000	0.03
			15/11/2019	(107,000)	Transfer	2,000	0.00
			21/02/2020	(2,000)	Transfer	-	0.00
			31/03/2020			**-**	**0.00**
DSP EQUITY & BOND FUND	9,129,533	2.27	30/03/2019			9,129,533	2.27
			26/04/2019	(1,326,703)	Transfer	7,802,830	1.94
			03/05/2019	(608,917)	Transfer	7,193,913	1.79
			10/05/2019	(306,320)	Transfer	6,887,593	1.71
			17/05/2019	73,010	Transfer	6,960,603	1.73
			14/06/2019	100,000	Transfer	7,060,603	1.75
			21/06/2019	229,069	Transfer	7,289,672	1.81
			02/08/2019	1,020,937	Transfer	8,310,609	2.06
			09/08/2019	670,450	Transfer	8,981,059	2.23
			13/03/2020	914,794	Transfer	9,895,853	2.45
			20/03/2020	661,775	Transfer	10,557,628	2.61
			20/03/2020	(17,236)	Transfer	10,540,392	2.61
			31/03/2020			**10,540,392**	**2.61**
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	5,863,156	1.46	30/03/2019			5,863,156	1.46
			05/04/2019	(135,000)	Transfer	5,728,156	1.42
			12/04/2019	(580,000)	Transfer	5,148,156	1.28
			19/04/2019	(265,000)	Transfer	4,883,156	1.21
			26/04/2019	(197,933)	Transfer	4,685,223	1.16
			03/05/2019	(50,000)	Transfer	4,635,223	1.15
			17/05/2019	(100,000)	Transfer	4,535,223	1.13
			31/05/2019	250,000	Transfer	4,785,223	1.19
			07/06/2019	(200,000)	Transfer	4,585,223	1.14
			14/06/2019	(100,000)	Transfer	4,485,223	1.11
			21/06/2019	(43,600)	Transfer	4,441,623	1.10
			05/07/2019	(51,400)	Transfer	4,390,223	1.09
			12/07/2019	(21,000)	Transfer	4,369,223	1.09
			19/07/2019	(55,000)	Transfer	4,314,223	1.07
			30/08/2019	200,000	Transfer	4,514,223	1.12
			13/09/2019	58,200	Transfer	4,572,423	1.13
			27/09/2019	490,000	Transfer	5,062,423	1.26
			22/11/2019	(73,291)	Transfer	4,989,132	1.24
			20/12/2019	(78,837)	Transfer	4,910,295	1.22
			31/01/2020	(150,000)	Transfer	4,760,295	1.18
			07/02/2020	(52,359)	Transfer	4,707,936	1.17
			14/02/2020	(315,067)	Transfer	4,392,869	1.09
			21/02/2020	(155,173)	Transfer	4,237,696	1.05
			28/02/2020	(2,333)	Transfer	4,235,363	1.05
			31/03/2020			**4,235,363**	**1.05**
RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE POWER	4,895,380	1.22	30/03/2019			4,895,380	1.22
			05/04/2019	1,508	Transfer	4,896,888	1.22
			12/04/2019	3,312	Transfer	4,900,200	1.22
			19/04/2019	1,288	Transfer	4,901,488	1.22
			26/04/2019	368	Transfer	4,901,856	1.22
			26/04/2019	(20,000)	Transfer	4,881,856	1.21

Directors' Report (Contd.)

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			03/05/2019	358	Transfer	4,882,214	1.21
			10/05/2019	900,000	Transfer	5,782,214	1.44
			10/05/2019	(9,089)	Transfer	5,773,125	1.43
			17/05/2019	920	Transfer	5,774,045	1.43
			24/05/2019	428	Transfer	5,774,473	1.43
			31/05/2019	427,002	Transfer	6,201,475	1.54
			07/06/2019	1,104	Transfer	6,202,579	1.54
			14/06/2019	(230)	Transfer	6,202,349	1.54
			21/06/2019	506	Transfer	6,202,855	1.54
			28/06/2019	107	Transfer	6,202,962	1.54
			05/07/2019	1,380	Transfer	6,204,342	1.54
			12/07/2019	598	Transfer	6,204,940	1.54
			19/07/2019	1,252	Transfer	6,206,192	1.54
			26/07/2019	552	Transfer	6,206,744	1.54
			02/08/2019	29	Transfer	6,206,773	1.54
			09/08/2019	29,073	Transfer	6,235,846	1.55
			09/08/2019	(27,877)	Transfer	6,207,969	1.54
			16/08/2019	230	Transfer	6,208,199	1.54
			23/08/2019	100,276	Transfer	6,308,475	1.56
			30/08/2019	651	Transfer	6,309,126	1.57
			06/09/2019	138	Transfer	6,309,264	1.57
			13/09/2019	322	Transfer	6,309,586	1.57
			20/09/2019	322	Transfer	6,309,908	1.57
			27/09/2019	11,232	Transfer	6,321,140	1.57
			27/09/2019	(364,089)	Transfer	5,957,051	1.48
			04/10/2019	184	Transfer	5,957,235	1.48
			11/10/2019	1,104	Transfer	5,958,339	1.48
			18/10/2019	276	Transfer	5,958,615	1.48
			01/11/2019	414	Transfer	5,959,029	1.48
			08/11/2019	138	Transfer	5,959,167	1.48
			15/11/2019	(228,085)	Transfer	5,731,082	1.42
			22/11/2019	(565)	Transfer	5,730,517	1.42
			29/11/2019	(11,873)	Transfer	5,718,644	1.42
			06/12/2019	(2,206)	Transfer	5,716,438	1.42
			13/12/2019	242	Transfer	5,716,680	1.42
			20/12/2019	27	Transfer	5,716,707	1.42
			20/12/2019	(862,156)	Transfer	4,854,551	1.20
			27/12/2019	2,115	Transfer	4,856,666	1.20
			31/12/2019	45	Transfer	4,856,711	1.20
			31/12/2019	(66,487)	Transfer	4,790,224	1.19
			03/01/2020	1,350	Transfer	4,791,574	1.19
			10/01/2020	168	Transfer	4,791,742	1.19
			17/01/2020	2,346	Transfer	4,794,088	1.19
			24/01/2020	1,794	Transfer	4,795,882	1.19
			31/01/2020	(1,518)	Transfer	4,794,364	1.19
			07/02/2020	2,393	Transfer	4,796,757	1.19
			14/02/2020	322	Transfer	4,797,079	1.19
			21/02/2020	(2,116)	Transfer	4,794,963	1.19
			28/02/2020	(206)	Transfer	4,794,757	1.19

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			06/03/2020	1,380	Transfer	4,796,137	1.19
			13/03/2020	7,820	Transfer	4,803,957	1.19
			20/03/2020	(4,505)	Transfer	4,799,452	1.19
			27/03/2020	(315)	Transfer	4,799,137	1.19
			31/03/2020	2,385	Transfer	4,801,522	1.19
			31/03/2020			**4,801,522**	**1.19**
LIFE INSURANCE CORPORATION OF INDIA	4,700,697	1.17	30/03/2019			4,700,697	1.17
			31/03/2020			**4,700,697**	**1.16**
INTERNATIONAL MONETARY FUND - MANAGER B	3,368,937	0.84	30/03/2019			3,368,937	0.84
			31/05/2019	(1,305)	Transfer	3,367,632	0.84
			21/06/2019	(500)	Transfer	3,367,132	0.84
			28/06/2019	(550)	Transfer	3,366,582	0.84
			19/07/2019	(3,800)	Transfer	3,362,782	0.83
			02/08/2019	(100)	Transfer	3,362,682	0.83
			30/09/2019	(1,000)	Transfer	3,361,682	0.83
			11/10/2019	(250)	Transfer	3,361,432	0.83
			18/10/2019	(1,255)	Transfer	3,360,177	0.83
			01/11/2019	(500)	Transfer	3,359,677	0.83
			15/11/2019	(1,075)	Transfer	3,358,602	0.83
			22/11/2019	832,381	Transfer	4,190,983	1.04
			29/11/2019	(452)	Transfer	4,190,531	1.04
			06/12/2019	(500)	Transfer	4,190,031	1.04
			27/12/2019	(1,460)	Transfer	4,188,571	1.04
			10/01/2020	(500)	Transfer	4,188,071	1.04
			17/01/2020	(115)	Transfer	4,187,956	1.04
			24/01/2020	(1,565)	Transfer	4,186,391	1.04
			07/02/2020	(500)	Transfer	4,185,891	1.04
			28/02/2020	(6,555)	Transfer	4,179,336	1.03
			20/03/2020	(530)	Transfer	4,178,806	1.03
			31/03/2020			**4,178,806**	**1.03**
AXIS BANK LIMITED	216,539	0.05	30/03/2019			216,539	0.05
			05/04/2019	(36,621)	Transfer	179,918	0.04
			12/04/2019	32,158	Transfer	212,076	0.05
			19/04/2019	(7,076)	Transfer	205,000	0.05
			26/04/2019	(10,034)	Transfer	194,966	0.05
			03/05/2019	26,397	Transfer	221,363	0.05
			10/05/2019	(11,812)	Transfer	209,551	0.05
			17/05/2019	8,020	Transfer	217,571	0.05
			24/05/2019	3,919	Transfer	221,490	0.06
			31/05/2019	31,517	Transfer	253,007	0.06
			07/06/2019	1,825	Transfer	254,832	0.06
			14/06/2019	(5,213)	Transfer	249,619	0.06
			21/06/2019	1,890	Transfer	251,509	0.06
			21/06/2019	(100)	Transfer	251,409	0.06
			28/06/2019	(11,285)	Transfer	240,124	0.06
			05/07/2019	(14,550)	Transfer	225,574	0.06
			12/07/2019	32,217	Transfer	257,791	0.06
			19/07/2019	(42,885)	Transfer	214,906	0.05
			26/07/2019	(7,046)	Transfer	207,860	0.05

Directors' Report (Contd.)

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			02/08/2019	27,054	Transfer	234,914	0.06
			09/08/2019	(1,835)	Transfer	233,079	0.06
			16/08/2019	(4,903)	Transfer	228,176	0.06
			23/08/2019	15,487	Transfer	243,663	0.06
			30/08/2019	1,509	Transfer	245,172	0.06
			30/08/2019	(22,296)	Transfer	222,876	0.06
			06/09/2019	3,267	Transfer	226,143	0.06
			06/09/2019	(1,151)	Transfer	224,992	0.06
			13/09/2019	(4,395)	Transfer	220,597	0.05
			20/09/2019	(3,225)	Transfer	217,372	0.05
			27/09/2019	345	Transfer	217,717	0.05
			27/09/2019	(27,125)	Transfer	190,592	0.05
			30/09/2019	(19,834)	Transfer	170,758	0.04
			04/10/2019	29,195	Transfer	199,953	0.05
			04/10/2019	(25)	Transfer	199,928	0.05
			11/10/2019	(5,469)	Transfer	194,459	0.05
			18/10/2019	15,009	Transfer	209,468	0.05
			25/10/2019	(3,087)	Transfer	206,381	0.05
			01/11/2019	(2,294)	Transfer	204,087	0.05
			08/11/2019	2,394	Transfer	206,481	0.05
			15/11/2019	1,496	Transfer	207,977	0.05
			22/11/2019	10,175	Transfer	218,152	0.05
			29/11/2019	(7,933)	Transfer	210,219	0.05
			06/12/2019	(16,169)	Transfer	194,050	0.05
			13/12/2019	3,070	Transfer	197,120	0.05
			20/12/2019	(532)	Transfer	196,588	0.05
			27/12/2019	97,690	Transfer	294,278	0.07
			31/12/2019	(1,805)	Transfer	292,473	0.07
			03/01/2020	(27,266)	Transfer	265,207	0.07
			10/01/2020	(71,753)	Transfer	193,454	0.05
			17/01/2020	15,181	Transfer	208,635	0.05
			24/01/2020	34,005	Transfer	242,640	0.06
			31/01/2020	(26,825)	Transfer	215,815	0.05
			07/02/2020	3,569	Transfer	219,384	0.05
			14/02/2020	5,298	Transfer	224,682	0.06
			21/02/2020	4,341	Transfer	229,023	0.06
			28/02/2020	(57)	Transfer	228,966	0.06
			06/03/2020	10,060	Transfer	239,026	0.06
			13/03/2020	17,125	Transfer	256,151	0.06
			13/03/2020	(17,114)	Transfer	239,037	0.06
			20/03/2020	(20,657)	Transfer	218,380	0.05
			27/03/2020	369,494	Transfer	587,874	0.15
			27/03/2020	(500)	Transfer	587,374	0.15
			31/03/2020	2,780,608	Transfer	3,367,982	0.83
			31/03/2020			**3,367,982**	**0.83**
VALLABH BHANSHALI	2,566,100	0.64	30/03/2019			2,566,100	0.64
			31/05/2019	583,309	Transfer	3,149,409	0.78
			30/08/2019	300,000	Transfer	3,449,409	0.86
			31/03/2020			**3,449,409**	**0.85**

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
AKASH BHANSHALI	2,154,542	0.54	30/03/2019			2,154,542	0.54
			17/05/2019	500,000	Transfer	2,654,542	0.66
			24/05/2019	200,000	Transfer	2,854,542	0.71
			12/07/2019	1,000,000	Transfer	3,854,542	0.96
			12/07/2019	(800,000)	Transfer	3,054,542	0.76
			02/08/2019	240,113	Transfer	3,294,655	0.82
			06/03/2020	700,000	Transfer	3,994,655	0.99
			13/03/2020	2,300,000	Transfer	6,294,655	1.56
			13/03/2020	(2,300,000)	Transfer	3,994,655	0.99
			31/03/2020			**3,994,655**	**0.99**
NIRMAL BANG SEC PVT LTD	879,779	0.22	30/03/2019			879,779	0.22
			05/04/2019	15,601	Transfer	895,380	0.22
			05/04/2019	(71,983)	Transfer	823,397	0.20
			12/04/2019	12,420	Transfer	835,817	0.21
			12/04/2019	(234)	Transfer	835,583	0.21
			19/04/2019	6,538	Transfer	842,121	0.21
			19/04/2019	(1,339)	Transfer	840,782	0.21
			26/04/2019	5,802	Transfer	846,584	0.21
			26/04/2019	(3,402)	Transfer	843,182	0.21
			03/05/2019	1,536	Transfer	844,718	0.21
			03/05/2019	(3,490)	Transfer	841,228	0.21
			10/05/2019	10,190	Transfer	851,418	0.21
			10/05/2019	(20,232)	Transfer	831,186	0.21
			17/05/2019	104,458	Transfer	935,644	0.23
			17/05/2019	(12,553)	Transfer	923,091	0.23
			24/05/2019	18,909	Transfer	942,000	0.23
			24/05/2019	(114,510)	Transfer	827,490	0.21
			31/05/2019	18,852	Transfer	846,342	0.21
			31/05/2019	(3,521)	Transfer	842,821	0.21
			07/06/2019	3,758	Transfer	846,579	0.21
			07/06/2019	(518)	Transfer	846,061	0.21
			14/06/2019	440	Transfer	846,501	0.21
			14/06/2019	(28,766)	Transfer	817,735	0.20
			21/06/2019	468	Transfer	818,203	0.20
			21/06/2019	(5,111)	Transfer	813,092	0.20
			28/06/2019	3,213	Transfer	816,305	0.20
			28/06/2019	(7,511)	Transfer	808,794	0.20
			05/07/2019	7,864	Transfer	816,658	0.20
			05/07/2019	(1,269)	Transfer	815,389	0.20
			12/07/2019	14,648	Transfer	830,037	0.21
			12/07/2019	(12,146)	Transfer	817,891	0.20
			19/07/2019	2,607	Transfer	820,498	0.20
			19/07/2019	(6,118)	Transfer	814,380	0.20
			26/07/2019	9,163	Transfer	823,543	0.20
			26/07/2019	(11,820)	Transfer	811,723	0.20
			02/08/2019	19,694	Transfer	831,417	0.21
			02/08/2019	(19,163)	Transfer	812,254	0.20
			09/08/2019	9,485	Transfer	821,739	0.20
			09/08/2019	(13,248)	Transfer	808,491	0.20

Directors' Report (Contd.)

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			16/08/2019	724,346	Transfer	1,532,837	0.38
			16/08/2019	(725,804)	Transfer	807,033	0.20
			23/08/2019	16,880	Transfer	823,913	0.20
			23/08/2019	(517)	Transfer	823,396	0.20
			30/08/2019	(7,917)	Transfer	815,479	0.20
			06/09/2019	28,336	Transfer	843,815	0.21
			06/09/2019	(24,409)	Transfer	819,406	0.20
			13/09/2019	47,626	Transfer	867,032	0.22
			13/09/2019	(28,918)	Transfer	838,114	0.21
			20/09/2019	35,848	Transfer	873,962	0.22
			20/09/2019	(19,132)	Transfer	854,830	0.21
			27/09/2019	5,250	Transfer	860,080	0.21
			27/09/2019	(80,525)	Transfer	779,555	0.19
			30/09/2019	29,351	Transfer	808,906	0.20
			30/09/2019	(39,835)	Transfer	769,071	0.19
			04/10/2019	16,312	Transfer	785,383	0.19
			04/10/2019	(2,467)	Transfer	782,916	0.19
			11/10/2019	2,141	Transfer	785,057	0.19
			11/10/2019	(1,060)	Transfer	783,997	0.19
			18/10/2019	32,357	Transfer	816,354	0.20
			18/10/2019	(1,573)	Transfer	814,781	0.20
			25/10/2019	109,917	Transfer	924,698	0.23
			25/10/2019	(6,659)	Transfer	918,039	0.23
			01/11/2019	2,654	Transfer	920,693	0.23
			01/11/2019	(62,647)	Transfer	858,046	0.21
			08/11/2019	24,383	Transfer	882,429	0.22
			08/11/2019	(18,691)	Transfer	863,738	0.21
			15/11/2019	26,384	Transfer	890,122	0.22
			15/11/2019	(8,096)	Transfer	882,026	0.22
			22/11/2019	10,850	Transfer	892,876	0.22
			22/11/2019	(20,302)	Transfer	872,574	0.22
			29/11/2019	786	Transfer	873,360	0.22
			29/11/2019	(21,755)	Transfer	851,605	0.21
			06/12/2019	20,587	Transfer	872,192	0.22
			06/12/2019	(18,446)	Transfer	853,746	0.21
			13/12/2019	13,269	Transfer	867,015	0.21
			13/12/2019	(7,461)	Transfer	859,554	0.21
			20/12/2019	21,732	Transfer	881,286	0.22
			20/12/2019	(24,778)	Transfer	856,508	0.21
			27/12/2019	4,455	Transfer	860,963	0.21
			27/12/2019	(611)	Transfer	860,352	0.21
			31/12/2019	4,170	Transfer	864,522	0.21
			31/12/2019	(8,852)	Transfer	855,670	0.21
			03/01/2020	26,853	Transfer	882,523	0.22
			03/01/2020	(7,314)	Transfer	875,209	0.22
			10/01/2020	3,568	Transfer	878,777	0.22
			10/01/2020	(38,143)	Transfer	840,634	0.21
			17/01/2020	16,612	Transfer	857,246	0.21
			17/01/2020	(11,126)	Transfer	846,120	0.21

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			24/01/2020	17,101	Transfer	863,221	0.21
			24/01/2020	(18,358)	Transfer	844,863	0.21
			31/01/2020	5,418	Transfer	850,281	0.21
			31/01/2020	(4,019)	Transfer	846,262	0.21
			07/02/2020	8,205	Transfer	854,467	0.21
			07/02/2020	(16,420)	Transfer	838,047	0.21
			14/02/2020	8,145	Transfer	846,192	0.21
			14/02/2020	(14,513)	Transfer	831,679	0.21
			21/02/2020	4,042	Transfer	835,721	0.21
			21/02/2020	(8,779)	Transfer	826,942	0.20
			28/02/2020	3,675	Transfer	830,617	0.21
			28/02/2020	(4,348)	Transfer	826,269	0.20
			06/03/2020	6,311	Transfer	832,580	0.21
			06/03/2020	(696,355)	Transfer	136,225	0.03
			13/03/2020	9,800	Transfer	146,025	0.04
			13/03/2020	(1,229)	Transfer	144,796	0.04
			20/03/2020	9,598	Transfer	154,394	0.04
			20/03/2020	(18,436)	Transfer	135,958	0.03
			27/03/2020	9,164	Transfer	145,122	0.04
			27/03/2020	(17,389)	Transfer	127,733	0.03
			31/03/2020	1,622,097	Transfer	1,749,830	0.43
			31/03/2020	(5,304)	Transfer	1,744,526	0.43
			31/03/2020			**1,744,526**	**0.43**
FRANKLIN TEMPLETON INVESTMENT FUNDS	-	0.00	30/03/2019			-	0.00
			03/05/2019	2,622,402	Transfer	2,622,402	0.65
			17/05/2019	410,000	Transfer	3,032,402	0.75
			24/05/2019	267,963	Transfer	3,300,365	0.82
			31/05/2019	200,000	Transfer	3,500,365	0.87
			21/06/2019	39,296	Transfer	3,539,661	0.88
			28/06/2019	396,000	Transfer	3,935,661	0.98
			05/07/2019	42,667	Transfer	3,978,328	0.99
			27/03/2020	(2,054,007)	Transfer	1,924,321	0.48
			31/03/2020	(182,427)	Transfer	1,741,894	0.43
			31/03/2020			**1,741,894**	**0.43**
EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO	1,576,909	0.39	30/03/2019			1,576,909	0.39
			10/01/2020	(16,769)	Transfer	1,560,140	0.39
			21/02/2020	(49,777)	Transfer	1,510,363	0.37
			06/03/2020	(16,077)	Transfer	1,494,286	0.37
			27/03/2020	(66,617)	Transfer	1,427,669	0.35
			31/03/2020	(6,717)	Transfer	1,420,952	0.35
			31/03/2020			**1,420,952**	**0.35**
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1,507,135	0.37	30/03/2019			1,507,135	0.37
			26/04/2019	(40,924)	Transfer	1,466,211	0.36
			08/11/2019	62,079	Transfer	1,528,290	0.38
			31/03/2020			**1,528,290**	**0.38**

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

Directors' Report (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year April 1, 2019		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1.	Anil Agarwal - Chairman	Nil	Nil	No change during the year			Nil	Nil
2.	Pravin Agarwal – Vice-Chairman	11,29,750	0.28	27/05/2020	57,000	Purchase	11,86,750	0.28
3.	Arun Todarwal - Independent Director	2,300	0.00	No change during the year			2,300	0.00
4.	A R Narayanaswamy - Independent Director	1000	0.00	No change during the year			1,000	0.00
5.	Sandip Das- Independent Director	3,420	0.00	12/06/2019	4,870	Purchase	8,290	0.00
6.	Kumud Srinivasan – Independent Director**	Nil	Nil	No change during the year			Nil	Nil
7.	Pratik Agarwal – Non-Executive Director	1,18,340	0.03	No change during the year			1,18,340	0.03
8.	Anand Agarwal (KMP) – CEO & Whole-time Director	9,72,470	0.22	10/07/2019	63,070	ESOP	10,35,540	0.26
				23/09/2019	71,450	ESOP	11,06,990	0.27
9.	Anupam Jindal (KMP) – Chief Financial Officer	2,43,997	0.06	10/07/2019	46,085	ESOP	2,90,082	0.06
10.	Amit Deshpande (KMP) – Company Secretary	44,272	0.01	30/09/2019	3,565	ESOP	47,837	0.01

V. Indebtedness

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

₹ in crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,086.85	400.00	-	1,486.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.12	-	-	3.12
Total (i+ii+iii)	**1,089.97**	**400.00**	**-**	**1,489.97**
Change in Indebtedness during the financial year				
• Addition	1,310.00	1,050.00	-	2,360.00
• Reduction	1,181.24	794.97	-	1,976.21
Net Change	**128.76**	**255.03**	**-**	**383.79**
Indebtedness at the end of the financial year				
i) Principal Amount	1,216.97	655.03		1,872.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.76			1.76
Total (i+ii+iii)	**1,218.73**	**655.03**	**-**	**1,873.76**

VI. Remuneration of Directors and Key Managerial Personnel

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

₹ in lakhs

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr Pravin Agarwal	Dr Anand Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1,391.67	819.45	2,211.11
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	16.53	212.68	229.20
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	#	-
3	Sweat Equity	-		-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	Superannuation (LIC)	1.00	-	1.00
	Gratuity	21.92	12.69	34.61
	Provident Fund - Employer contribution	54.72	31.68	86.40
	Total (A)	**1,485.84**	**1,076.50**	**2,562.33**
	Ceiling as per the Act	₹ 5,645.83 lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

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

B. Remuneration to other directors:

(₹ In lakhs)

Sl. no.	Particulars of Remuneration	Name of Director						
		Arun Todarwal	A R Narayanaswamy	Sandip Das	Kumud Srinivasan	Anil Agarwal	Pratik Agarwal	Total Amount
1	**Independent Directors**							
	• Fee for attending board committee meetings	12.90	9.30	10.90	7.75		NA	40.85
	• Commission	22.50	22.50	22.50	22.50		NA	90.00
	• Others, please specify	-	-	-	-		-	
	Total (1)	**35.40**	**31.80**	**33.40**	**30.25**		**0.00**	**130.85**
2	**Other Non-executive Directors**							
	• Fee for attending board committee meetings	-	-	-	-	-	0.75	0.75
	• Commission	-	-	-	-	-	22.50	22.50
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**23.25**	**23.25**
	Total Managerial Remuneration Total =(1+2)	**35.40**	**31.80**	**33.40**	**30.25**	**-**	**23.25**	**154.10**
	Overall Ceiling as per the Act	₹ 564.58 lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

Directors' Report (Contd.)

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

₹ In Lacs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	819.45	197.52	57.18	1,074.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	212.67	139.07	3.86	355.61
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option #	#	#	#	
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Superannuation (LIC)	-	-	-	-
	Gratuity	12.69	2.30	0.72	15.72
	Provident Fund - Employer contribution	31.68	5.55	1.80	39.03
	Total	**1,076.50**	**344.45**	**63.55**	**1,484.50**

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

VII. Penalties/Punishment/Compounding Of Offences – Nil

Annexure VI

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020.

A. Conservation of Energy

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

In FY20, various initiatives were taken up across plants which has contributed to decrease in energy consumption and the carbon footprint:

a. Installation of Blower and vacuum based air wipers to reduce compressed air consumption & power consumption.

b. Recovery of residual hydrogen.

c. The optimisation of auxiliaries in the captive power plant

d. The continuous monitoring of load depending upon the market conditions and updating of the contract demand

e. The optimisation of HVAC systems by taking into account the real-time weather conditions and incorporation of 3-way valve and VFD frequency optimisation.

f. Implementation of closed-loop chemical dosing system by real-time monitoring of parameters.

g. Replacement of metallic fans in cooling towers with the fiber reinforced plastic fan.

h. Substitution of split air conditioner in UPS room with centralised air handling unit.

i. Utilisation of condensate with feed water.

j. Optimisation of the HVAC system based on the ambient condition and production.

k. Recycling of water by using RO permeate in cooling towers and optimisation of water treatment systems has led to reduction in fresh water consumption of 5.5m3/day.

l. Optimisation of Power factor and contract demand according to production

m. Kaizen implemented in shop floor to reduce cost & improve productivity in shop floor.

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

a. Feasibility of sourcing power from Solar Energy Corporation of India (SECI- Govt Unit) is being explored at the group level.

b. Adoption of solar thermal technology is being explored along with the United Nations Industrial Development Organization.

c. Initiated 165 KVA Roof top solar systems with auto cleaning of panels.

d. Collection of RO plant waste water to reuse in garden for plantation.

e. Switched to coil dispatch of the cables resulting in elimination of wooden drums. The change resulted in saving of 4200kg wood per month, 50.4 MT per annum. The resulted savings in wood is equivalent to saving 120 trees, which can supply equivalent to 16 man oxygen demand for one year.

f. Installed motion sensors in offices & washrooms.

3. The capital investment on energy conservation equipment

a. Compressor Air booster procured to reduce the loading time of compressor.

b. New coiling set up is initiated to improve coiling in place of wooden drums.

c. Installed new 400 KVA UPS with higher efficiency of 96 % as compared to existing UPS having 92 % efficiency.

d. Installation of a new 600 CFM air compressor having high power efficiency as compared to existing compressors.

B. Technology Absorption

1. The efforts made towards technology absorption

a) The newly commissioned plant in Shendra (Project Gaurav) for optical glass manufacturing has industry 4.0 enabled systems to monitor and control quality, efficiency and pollution avoidance. This is one of the biggest cleanroom facility in India.

Directors' Report (Contd.)

b) The newly commissioned plant uses LNG as fuel in cladding process with a provision of methane upgrader technology, making available higher calorific value, and higher purity fuel. This improves the overall efficiency, cost and safety.

c) The aging HVAC chilled water lines of 4542 meter was replaced with new insulated water lines leading to higher efficiency and reliability. The task was completed in a 3 day complete shutdown period.

d) Auto load shedding system by the use of the MD controller is installed and is extensively used to keep the load within the permissible band and shed the identified noncritical load temporarily to ensure the plants avail maximum load factor discounts in power bill.

e) Earth leakage circuit breaker system implemented in 100 LDB's to enhance the safety in lighting & single-phase circuits.

f) Upgradation of electrical panels and circuit breaker of UPS with newer generation for better reliability.

g) Firmware upgradation completed for UPS. This has resulted in improving the changeover time from 8 milliseconds to 4 milliseconds.

h) Replacement of aluminum bus bar with copper bus bar has been completed to decrease hotspots and hence improve safety and reliability.

i) Adoption of technology of automated chemical dosing pumps has led to minimisation of manual handling of hazardous chemicals.

j) Replacement of ageing standalone UPS with parallel system has been completed for better reliability and efficiency.

k) Oil Natural Air Force (ONAF) fans provided for two transformers of 2.25MVA to minimise oil & winding heating.

l) Enhanced reliability by upgrading ageing transformer upgraded of 2MVA 33kV with 2.25MVA 33kV.

m) Redundant power provided for scrubber to ensure continuity of our ability to provide environmental protection all times

n) Upgradation of UPS firmware for enhanced reliability.

o) LNG methane system upgrader to achieve 95% purity from 89% for enhanced quality of glass preforms.

p) Installation of latest technology power equipment - Ring Mount Unit (RMU) as a replacement of existing six pole structure which will result in reduction of breakdown & scrap.

q) Installation of latest technology & high efficient UPS, dry transformer & load break switch for improving utilities reliability & efficiency.

r) The centralised utilities project started with the energy bridge concept.

s) New high speed & high tech machines are purchased in some sections to increase productivity with minimum scrap and capable of producing multi products without increase in the energy consumptions.

t) Machine parameters data streaming through OPC UA has been completed on POC on 02 production lines

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

a. Import Substitution – High Purity Chemicals used in Glass Manufacturing.

Successfully completed import substitute of high purity chemicals from Europe by manufacturing it in-house that matches the quality of import. This in house manufactured chemical which is now used in the new glass plant process to the tune of 150 tons / month presently.

b. Import Substitution – Components for modification in refractive index profile.

Successfully completed import substitute of components used for attaining special refractive index by changing the process of manufacturing and installation, commissioning of special equipment. This not only saves cost but also enables to make new design of profiles and products.

c. Bill of materials (BOM) optimisation.

The project aims to optimise all the raw material consumption & the process types based on the underlying chemical reactions and variability from machine to machine.

This will lead to a reduction in cost and will also help in optimising the inventory, leading to a leaner operation.

d. Helium Gas Recovery
Helium gas is imported from Middle East through various gas companies to overcome acute shortage of helium gas and price increase which causes serious disturbance in costing and availability. OF manufacturing units have taken initiatives to reduce the consumption of helium and recover the used helium using technological interventions.

e. Rain Water Harvesting
Implementation of rain water harvesting at Waluj E1 Plant with a harvesting potential of 2400m3 of water annually, with a provision to use water back into process. Similar rainwater harvesting structures with equivalent harvesting potential are in progress for E2 & E3 plant of Waluj. The horizontal deployment of the usage of water back to the process is planned for other locations based on feasibility.

f. Scrap Reduction
The scrap reduction product is one of our key focus projects to become sustainable by reducing the environmental footprint and reduction of cost.

New products were developed:
Cat6a U/UTP 7.6 MM – This design enables the cable to comply to stringent Alien crosstalk parameter with lower diameter and makes the cable suitable for duct application with lower space utilisation.

Cat6a S/FTP Shielded Cable – This is used for enterprise and industrial application. The outdoor version of this cable is being supplied to Google with connecterised solution.

Cat6 UTP No filler cable with improved space utilisation. This design does not include any pair separator which makes the cable compact in size and consumes less material. This design also eliminates one of the processes during manufacturing that helps in improving the plant efficiency / productivity.

Cat6 UTP Duplex cable was developed and commercialised for Europe market, which contains two units of Cat6 UTP in one cable and reduce the installation time and effort.

Construction Products Regulations (CPR) certification – Successfully passed through the Product testing and factory production control audit at SCB

Cat6 SF/UTP PE Outdoor cable was specially developed for outdoor antenna application.

Cat6 UTP and Cat6a UTP Outdoor (Single or double jacket) cables developed for periphery CCTV surveillance application which are being used at customer end at Airport also.

The optimisation and process improvement has resulted in tremendous improvement in outputs, increasing productivity, reducing scraps, generating higher value. The reduction in scrap and process enhancements enabled faster throughput and conversion efficiencies. The yield signatures increased significantly of the bend insensitive fibers namely BOW LITE (E) and BOW LITE SUPER exceeding ITU-T G.657.A2 & ITU-T G.657.B3 recommendations respectively. The product specifications are in best in class globally.

These bend insensitive fibers are most suitable for FTTX deployments where macro bend losses are very high due to installation and deployment conditions. These high losses directly impact the life time of networks and Sterlite's bend insensitive fiber ensures the reliable performance in toughest of environments.

At Optic Fiber Cables(OFC), new products like Air blown and Nano Cable were developed specially for dense areas, such as metro applications where duct space is very limited, can be installed in new as well as existing ducts. It gives optimum balance of stiffness and flexibility allowing longer blowing distances compared to other blown cables available in the market which are blown into the smallest duct size using air-blowing cable installations.

Hybrid cables were developed which are best for data communication and control installations that require fiber and power copper under one cable

Directors' Report (Contd.)

jacket. Applications include Remote application of Low-Voltage power, High information transmission speed with optical fiber, FTTA, Security Networks, IP Enable appliances, Wireless Access Points (backbone cable).

In Copper Cable Dadra Plant, replace the Conversational Single Pass Water Trough by Dual Water Trough for better cooling of FG Cable at high speed.

In OFC the Company has started the use of Tandemisation process for making all Double layer cables which reduces Power, Manpower, single machine etc.

RIBBON- LITE® Multitube Single Jacket Cable -1000F –This cable offers an outstanding solution for demanding high-growth, high-bandwidth communications applications like data centers, equipment connections within cabinets, outside plant applications.

Atlas Lite™ Airblown-24F – This design gives optimum balance of stiffness and flexibility allowing longer blowing distances compared to other blown cables available in the market which are blown into the smallest duct size using air-blowing cable installations.

Indicium Lite™ Retractable Fibre Optic Cable -1F/ Tube - This 24F cable can be used for outdoor installation and window cuts into the sheath wall allow easy selection and extraction of single fibre unit for re-routing purposes without the need to dispose of excess cable. This design is with 1F/ Tube and in-turn the high stiff tube may be further blown, pushed or pulled (using pulling cords) inside microducts (7/3.5mm).

192F Micro-LITE - This 192F cable of nominal dia meter of 8.0mm is typically used for Access / Metro and (air blown) Drop cabling for FTTx networks , duct systems in a more effective manner by accommodating more fibres in given subduct network and can be blown for approx. 1000mtrs in 10/14mm duct.

Flat 200micron pitch RIBBON- LITE® Unitube Cable - This 72F-144F Ribbon unitube design meets the application which requires delivering the highest fibre density in the most compact cable package possible. This cable offers an outstanding solution for demanding high-growth, high-bandwidth communications applications like data centers, equipment connections within cabinets, outside plant applications.

AERIAL-LITE® Figure-8 Steel Wire Armored Unitube Cable – This product is intended for use in short span aerial installations.

Microduct Micromodule – This design is suited for use in most network arenas, including backbone, access and distribution.

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)**
   a. Capital – 42.78
   b. Recurring – 74.39
   c. Total – 117.17
   d. Total R&D expenditure as a % of total turnover – 2.46%

C. Foreign Exchange Earnings and Outgo

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

Foreign Exchange Actual Inflow: 1080.22 crores
Foreign Exchange Actual Outflow: 1629.55 crores

D. Environment and Sustiability

Project Zero waste to landfill

In FY20, STL – Shendra Draw became the first Optical Fiber manufacturing facility to become Zero Waste to Landfill Certified, diverting 99.99% waste away from landfill. With this certification, STL also became the world's first integrated optical fiber and cable manufacturer to be Zero Waste to Landfill certified. STL - SCB Dadra is the second communication cable (Copper cable) manufacturing facility to become certified. Four manufacturing locations of STL in India are now Zero Waste to Landfill certified. STL being a responsible corporate, aims to minimise the waste at source and to divert all wastes away from the landfill to minimise its environmental footprint across operations.

Annexure VII

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

STL, through a collaborative approach envisions 'Transforming Everyday Living, by Delivering Smarter Networks for its communities. Connectivity, Innovation and Sustainability are thus pivotal not only to how STL operates as a business, but even for its community outreach programmes. This approach helps STL 'Create Shared Value' for each of its stakeholders as well as enable connected future for the nation that is inclusive for all.

Each of STL's CSR and Sustainability focus areas - Education, Women Empowerment, Health and Environment are interconnected and power each other through their alignment with the UN Sustainable Development Goals and Ten Principles of the UN Global Compact Network. This, in addition to strategic partnerships with the Government of India, NGOs, technical institutions and other development players allows STL to create holistic solutions that positively impact and contribute to the realization of integrated development for rural, semi-urban and urban areas in India.

In FY 19-20, STL did not only achieve its CSR goal for 2020 of impacting 1 million lives, but surpassed it by impacting over 1.32 million lives.

The Company's CSR Policy can be viewed on the link mentioned below:

https://www.stl.tech/pdf/20May07%20-%20CSR%20Policy_newBrand.pdf

2) The Composition of the Sustainability and Corporate Social Responsibility Committee (CSR Committee)

a. Mr. Arun Todarwal (Independent Director)
b. Mr. A. R. Narayanaswamy (Independent Director)
c. Mr. Pravin Agarwal
d. Dr. Anand Agarwal

3) Average net profit of the Company for last three financial years: ₹ 457.30 crores.

4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The Company is required to spend 2% of last three years' average net profit – ₹ 9.15 crores

5) Details of CSR spent during the financial year –

a. Total amount to be spent for FY19-20: ₹ 9.15 crores
b. Amount unspent, if any – Nil
c. Amount Actually spent on CSR: ₹ 9.20 crores
d. Manner in which the amount spent during the financial year is detailed below –

6) In the column 'Cumulative expenditure up to the reporting period', while we have taken 2014-15 as the base year, it is not the first year of our CSR programmes. Several of our programmes have been started well before 2014-15. Considering the practical challenges of reporting the cumulative expenditure from inception, we chose to define 2014-15 as the base year.

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or Activity Identified**	**Sector**	**Location**	**Amount outlay (budget), project or program wise (lakhs)**	**Amount spent on the projects (lakhs)**	**Cumulative expenditure upto the reporting period (lakhs)**	**Amount spent: Direct or through implementing agency***
1	Jeewan Jyoti Women Empowerment Institution - Vocational training and holistic development program for women from rural communities	Education, Women Empowerment	Pune	150	136	797	Indirect
	Jeewan Jyoti Ved Vidyalaya – Preservation of heritage language	Education	Pune	20	20	139	Indirect

Directors' Report (Contd.)

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or Activity Identified	Sector	Location	Amount outlay (budget), project or program wise (lakhs)	Amount spent on the projects (lakhs)	Cumulative expenditure upto the reporting period (lakhs)	Amount spent: Direct or through implementing agency*
	Educational Scholarships and donations	Education, Health	Multiple locations	155	116	186	Indirect
3	Pragyan - Technology based quality education program for underprivileged children combined with training for the teachers.	Education	Jaipur	45	45	115	Direct
	Sterlite School Tech Ed Tech programmes (Data Support Analysis for BMC schools & Virtual Classroom)	Education	Mumbai	10	19	297	Direct
4	Green Belt – Plan & develop of layout, sustainable green zone development, etc.)	Environment	Aurangabad	26	25	48	Direct
5	Mobile Medical Unit – Enabling access to preventative and curative healthcare services across tribal communities in Diu, Daman, Dadra, Silvassa area	Health	Silvassa	18	14	135	Indirect
6	Smart Nandghars – Redeveloping existing government Anganwadis at Silvassa and quipping them with a setup at par with private play schools.	Education	Silvassa	30	4	61	Direct
7	Community service	Education, Women Empowerment, Environment	Multiple Locations	12	12	18	Indirect
8	Disaster Relief	-	Multiple Locations	10	8	24	Direct
9	COVID-19 Relief	Health	Multiple Locations	-	100	100	Indirect
10	Digital Empowerment of underprivileged youth from slum areas	Education	Pune	30	15	15	Indirect
11	STLGram - Leveraging STL's business expertise in connectivity to digitally empower villagers & provide them with skills and education	Education, Health, Women Empowerment, Environment	Aurangabad	50	7	61	Indirect
12	Holistic Water Programme - Treatment of waste water to increase ground water reserves, reduce water scarcity and increase afforestation	Environment	Aurangabad	75	55	73	Indirect
13	Neo-natal & Maternal Care Programme – To provide state-of-the-art maternity care facilities for the underprivileged	Health	Aurangabad	55	100	128	Indirect

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or Activity Identified**	**Sector**	**Location**	**Amount outlay (budget), project or program wise (lakhs)**	**Amount spent on the projects (lakhs)**	**Cumulative expenditure upto the reporting period (lakhs)**	**Amount spent: Direct or through implementing agency***
14	Contribution to IIT for Research	Education, Environment, Health	Multiple locations	100	100	100	Direct
15	Afforestation Programme - To support increased bio-diversity and increase the forest cover in Maharashtra	Environment	Pune	85	100	100	Indirect
16	Administration and Management	Admin	Multiple locations	45	44	98	Direct
TOTAL				**916**	**920**	**2495**	

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.

7) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. – Not Applicable

8) CSR committee responsibility statement

CSR Committee confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and policy of the Company.

Date : May 12, 2020
Place : Pune

Anand Agarwal
CEO & Whole-time Director

Arun Todarwal
Chairman - CSR Committee

Corporate Governance Report

Philosophy of the Company on Code of Governance

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

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

The Company has a three-tier governance structure:

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

Board of Directors

Composition of Board

The Board of Directors of the Company ("the Board") comprises of two Whole-time Directors and six Non-Executive Directors including one Independent woman director. Mr. Anil Agarwal is a Non-Executive Chairman and Mr. Pravin Agarwal is the Vice Chairman of the Board. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), requiring not less than half the Board to be Independent.

All 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 served as Independent Director in more than seven listed companies. The appointment of the Whole-time Directors, including their tenure and remuneration are also approved by the Board.

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

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

Matrix Setting out the List of Core Skills/ Expertise/Competencies

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

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

The 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 perspectives. The Board has identified below matrix, which are used this as a guide for effective function and as available with the Board.

Skills sets and description	Anil Agarwal	Pravin Agarwal	Arun Todarwal	AR Narayanaswamy	Kumud Srinivasan	Sandip Das	Anand Agarwal	Pratik Agarwal
Leadership Understanding of organisational systems and processes, complex business and regulatory environment, strategic planning and risk management	√	√	√	√	√	√	√	√
Strategic Planning and Oversight Ability to think expansively, evaluate alternatives and make Choices	√	√	√	√	√	√	√	√
Operational Oversight Understanding of business model and experience of having managed organisations with large consumer / customer interface in diverse business environments	√	√			√	√	√	√
Financial Skills Experience in handling financial management along with an understanding of accounting and financial statements.	√	√	√	√	√	√	√	√
Risk Management and Internal Control Understanding various risks and risk management capabilities within the organisation, including crisis preparedness and recovery plans	√	√	√	√	√	√	√	√
Experience and knowledge of the industry Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business.	√	√			√	√	√	√
Geographic, Gender and cultural diversity Representation of gender, geographic, cultural and other perspective					√			√
Technology Skills Knowledge and understanding of how technology can be leveraged to produce competitively superior results and stay ahead	√				√	√	√	√
Stakeholder engagement Experience of dealing with government officials, regulators, customers, boards, partners and suppliers, employees; and broader community for corporate social responsibility agenda	√	√			√	√	√	√

The Board as a whole should also encompass desirable diversity in aspects such as gender, age and different perspectives.

Board Meetings

During FY20, six meetings of the Board of Directors were held on April 23, 2019; July 18, 2019; October 24, 2019; December 05, 2019; January 15, 2020 and March 24, 2020. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities were made available to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings. As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time. The Board also reviews the

Corporate Governance Report (Contd.)

declaration made by the Chief Executive Officer regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliances, if any.

The composition of the Board, their attendance in meetings, other Directorships and Committee memberships and their shareholding in the Company as on March 31, 2020 are as follows:

Director (Category)	Board Meetings attended FY20 out of the 6 held	Attendance at the Last AGM held on July 23, 2019	Directorships in other Companies[1]	Committee Memberships & [Chairpersonships] in other Companies[2]	Directorship in other listed entity (Category of Directorship)	Number of shares held in the Company as on March 31, 2020
Anil Agarwal, Chairman (Promoter Non-Executive)	01	No	01	Nil	Nil	Nil
Arun Todarwal (Independent Non-Executive)	06	No	11	08 [03]	• Sterlite Power Transmission Limited* • Sterlite Grid 2 Limited* • Anuh Pharma Limited • Hindustan Zinc Limited • Welspun India Limited • Sterlite Power Grid Ventures Limited* (Independent Director In all companies)	2,300
A. R. Narayanaswamy (Independent Non-Executive)	06	Yes	08	07 [03]	• Hindustan Zinc Limited • Sterlite Power Grid Ventures Limited* • Sterlite Grid 2 Limited* • Sterlite Power Transmission Limited* (Independent Director In all companies)	1,000
Sandip Das (Independent Non-Executive)	06	No	2	01	• Greenlam Industries Limited (Independent Director)	8,290
Kumud Srinivasan (Independent Non-Executive)	05	No	Nil	Nil	Nil	Nil
Pravin Agarwal, Vice Chairman & Whole-time Director (Promoter, Executive)	06	Yes	04	02	• Sterlite Power Grid Ventures Limited* • Sterlite Power Transmission Limited* (Non-executive Director In all companies)	11,86,750
Anand Agarwal, CEO & Whole-time Director (Executive)	06	Yes	02	Nil	Nil	11,06,990
Pratik Agarwal (Promoter Non-Executive)	01	No	03	03	• Sterlite Power Grid Ventures Limited*, (Non-Executive Director) • Sterlite Power Transmission Limited*, (Managing Director & CEO)	1,18,340

*Debt listed companies.

1. All public, private, foreign, Section 8 Companies are included. Directorship in Sterlite Technologies Limited has been excluded
2. Membership / Chairpersonship only in Audit Committee and Stakeholders' Relationship Committee are included. Committee positions held in Sterlite Technologies Limited have been excluded.

Information provided to the Board

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

Further, Chief Operating Officer (CEO) and Chief Financial Officer (CFO) have interactions with all Directors at the Board Meeting; Members of senior Management also attend the Board Meetings at times to provide detailed insight to the Board Members.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 (the 'Act') and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on January 13, 2020 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Induction and Familiarization of Board Members

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

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 include:

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.

2. Reviewing with the management, external and internal auditors, the adequacy of internal audit function, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, significant findings by internal auditors and follow up there on.

3. Recommending the appointment, terms of appointment and removal of auditors and the fixation of audit fees, including, payment to Statutory Auditors for any other services rendered and any other related payments.

4. Reviewing the Statutory and Internal Auditor's independence and performance and scrutinizing the effectiveness of the entire Audit process.

5. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

6. Reviewing, with the management, the quarterly and annual financial statements and the Auditors' report before submission to the Board for approval, focusing primarily on:

    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.

Corporate Governance Report (Contd.)

- b. Compliance with accounting standards and changes in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on exercise of judgment by Management.
- d. Audit qualifications and significant adjustments arising out of audit.
- e. Significant adjustments made in the financial statements arising out of Audit findings.
- f. Compliance with listing and other legal requirements relating to financial statements.
- g. Disclosure of any related party transactions.
- h. modified opinion(s) in the draft audit report;
- i. Reviewing draft audit report in the format of Key Audit Matters - "KAM Report"

7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

8. To review statement of deviations:

   - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) SEBI Listing Regulations.
   - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

9. Discussing with external auditors, nature and scope of audit as well as having post-audit discussions

10. Reviewing the Company's financial and risk management policies and risk management systems

11. Reviewing Whistle Blower Mechanism (Vigil mechanism as per the Companies Act, 2013)

12. Approving any transactions or subsequent modifications of transactions with related parties.

13. Reviewing inter-corporate loans and investments.

14. Reviewing valuation of undertakings or assets of the Company, if necessary.

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

16. Evaluating reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.

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

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

19. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing amounts.

20. Reviewing the following information:

   - a. management discussion and analysis of financial condition and results of operations;
   - b. statement of significant related party transactions (as defined by the audit committee), submitted by management;
   - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
   - d. internal audit reports relating to internal control weaknesses; and
   - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

21. Reviewing compliance with the provisions of the Code of Conduct to Regulate, Monitor and Report Trading in the Securities of the Company and

applicable SEBI Regulations and to verify that the systems for internal controls are adequate and are operating effectively and to amend, modify, interpret the Code."

Composition and Meetings

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

The Chairman of the Audit Committee attended the last Annual General Meeting ('AGM') of the Company. The Audit Committee met four times during FY20 on April 23, 2019; July 18, 2019; October 24, 2019 and January 15, 2020 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Audit Committee and attendance at committee meetings is as follows:

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

Audit Committee meetings are usually attended by the Executive Directors, the CFO and representatives of Statutory Auditors and Internal Auditors. Business CEOs and Functional Heads are also invited to the meetings, as and when needed. The Company Secretary acts as the Secretary to Audit Committee. The Internal Audit function reports to the Audit Committee to ensure its independence.

II. Nomination and Remuneration Committee

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Reviewing whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent Directors.

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

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

7. Recommend to the Board, all remuneration, in whatever form, payable to senior management, i.e. all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

8. Succession Planning of the CXO team

Composition and Meetings

The Committee comprises of four Non-Executive Independent Directors. Mr. Sandip Das is the Chairman of the Committee. The Committee met five times during the FY20 on April 23, 2019; June 26, 2019, July 18, 2019, October 24, 2019, and January 15, 2020. The Company Secretary acts as the Secretary to Nomination and Remuneration Committee. The Composition of and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Sandip Das,Chairman	Non-Executive & Independent Director	05
Arun Todarwal	Non-Executive & Independent Director	05
A. R. Narayanaswamy	Non-Executive & Independent Director	05
Kumud Srinivasan	Non-Executive & Independent Director	04

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.

Corporate Governance Report (Contd.)

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Composition and Meetings

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances. The Committee met four times during the FY20 on April 23, 2019, July 18, 2019, October 24, 2019 and January 15, 2020. Further during the year, the Company received 532 complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, rejection of demat requests. All the complaints were resolved to the satisfaction of investors. Mr. Amit Deshpande, Company Secretary acts as the Compliance Officer of the Company. The composition and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Kumud Srinivasan, Chairperson	Non-Executive & Independent Director	04
Arun Todarwal	Non-Executive & Independent Director	04
Pravin Agarwal	Vice Chairman &Whole-time Director	04
Sandip Das	Non-Executive & Independent 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 include:

1. Framing, reviewing and monitoring the Risk Management Policy and Plan of the Company.

2. Evaluating significant risk exposures of the Company and assessing management's actions to mitigate the exposures in a timely manner.

3. Monitoring risks and risk management capabilities within the organisation, including communication about escalating risk and crisis preparedness and recovery plans.

4. Monitoring cyber security risks and assessing the adequacy of infrastructure controls in place to mitigate the same.

5. Making regular reports to the Audit Committee/ Board on Risk management and minimisation procedures.

Composition and Meetings

The Committee met two times during the FY20 on October 24, 2019 and January 15, 2020. The composition and attendance at Committee meetings is as follows:

Name	Category	Number of Meetings attended
Kumud Srinivasan, Chairperson[1]	Non-Executive & Independent Director	01
Arun Todarwal[2]	Non-Executive & Independent Director	01
Sandip Das	Non-Executive & Independent Director	02
Dr. Anand Agarwal	Executive Director	02
Anupam Jindal	Chief Financial Officer	02

1. Ms. Kumud Srinivasan was appointed as chairperson w.e.f October 24, 2019

2. Mr. Arun Todarwal was appointed as a member w.e.f. October 24, 2019

V. Sustainability and Corporate Social Responsibility Committee

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

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

2. To recommend the amount of expenditure to be incurred on the activities as prescribed under CSR Policy;

3. To monitor the CSR Policy of the Company from time to time.

4. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.

5. To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the Company and to respond to evolving public sentiment and government regulations.

6. To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the Company.

7. To review and advise the Board on Company's sustainability reporting and sustainability targets.

8. To review management's risk assessment and risk management policies and procedures with respect to sustainability impacts and considerations.

The Committee met two times during FY20 on April 23, 2020 and January 15, 2020. It's Composition and attendance is as follows:

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

VI. Other Committees

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

1. Banking and Authorisation Committee

2. Allotment Committee

These Committees operate within the limit of authorities, as delegated by the Board of Directors.

Board Evaluation

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

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

Policy for Selection and Appointment of Directors and their Remuneration

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

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

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

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

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

c. **Removal:**
Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary

Corporate Governance Report (Contd.)

reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Nomination and Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

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

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

e. Remuneration to Non-executive / Independent Director:

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

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

The complete text of the Nomination and Remuneration Policy can be accessed on Company's website at the link: https://www.stl.tech/Code-of-Conduct-and-Policies.html

Details of Remuneration paid to the Directors

Mr. Pravin Agarwal and Dr. Anand Agarwal are the two Executive Directors of the Company. Mr. Pravin Agarwal was appointed as Whole-time Director of the Company for a period of 5 years with effect from October 30, 2015. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides. Dr. Anand Agarwal was appointed as Whole-time Director and designated as Chief Executive Officer of the Company for a period of 5 years with effect from July 30, 2015. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides.

In FY20, 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 FY20 is as follows:

(₹ In lakhs)

Director	Salary / Perquisites[1]	Incentive/ Commission	Sitting Fee	Total
Anil Agarwal	-	-	-	-
Arun Todarwal	-	22.50	12.90	35.40
A. R. Narayanaswamy	-	22.50	9.30	31.80
Kumud Srinivasan		22.50	7.75	30.25
Pravin Agarwal	1,192.84	293.00	-	1,485.84
Anand Agarwal[2]	801.50	275.00	-	1,076.50
Pratik Agarwal	-	22.50	0.75	23.25
Sandip Das	-	22.50	10.90	33.40

1. As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the said amounts are not included above.
2. Remuneration of Dr. Anand Agarwal also includes the perquisite value of Employee Stock Options (ESOPs) exercised by him during the year. He has exercised 1,34,520 options in FY20 against which equal number of shares were allotted to him. 1,30,300 options were granted to him in FY20, which are eligible for vesting over a period of five years.
3. The Company has paid ₹ 4.58 lakhs per month to Mr. Sandip Das as consultancy fees in FY20 for advisory services rendered by him in professional capacity and the same is not a part of his remuneration as Director.

General Body Meetings

Particulars of last three Annual General Meetings

Date	Venue	Time	Special Resolutions that were passed with requisite majority
July 4, 2017	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutional Placement (QIP)/ External Commercial Borrowings (ECBs) with rights of conversion into Shares/ Foreign Currency Convertible Bonds (FCCBs)/ American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) / Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of the Act
June 26, 2018	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutional Placement (QIP) / External Commercial Borrowings (ECBs) with rights of conversion into Shares / Foreign Currency Convertible Bonds (FCCBs) / American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013
July 23, 2019	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To re-appoint Mr. Arun Todarwal as an Independent Director • To re-appoint Mr. A. R. Narayanaswamy as an Independent Director • Raising of the funds through Qualified Institutional Placement (QIP) / External Commercial Borrowings (ECBs) with rights of conversion into Shares / Foreign Currency Convertible Bonds (FCCBs) / American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013

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

During FY20, 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 FY20 were in the ordinary course of business and on an arm's length basis. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Board has approved the policy on Related Party Transactions, which

Corporate Governance Report (Contd.)

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 FY20.

Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The status of complaints under is as follows:

No. of Complaints Pending as on 1st April, 2019	0
No. of Complaints filed during financial year	2
No. of Complaints disposed off during financial year	2
No. of Complaints Pending as on 31st March, 2020	0

Vigil Mechanism/ Whistleblower Policy

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

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

No person has been denied access to the Audit Committee. The Whistleblower policy has also been extended to external stakeholders like vendors, customers, etc. The details of the Whistleblower Policy are available at the link https://www.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.

CEO and CFO Certification

The Chief Executive Officer and Whole-time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of the Listing Regulations. The Chief Executive Officer and Whole-time Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations. The annual certificate for FY20 given by the Chief Executive Officer and Whole-time Director and the Chief Financial Officer is published in this Report.

Reconciliation of Share Capital Audit

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

Disclosures

a. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter relating to the above.

b. The Company has not received any complaints relating to child labour, forced labour, involuntary labour during FY20.

c. As a result of its businesses and the global nature of its operations, the Company is exposed in particular to market risks from changes in foreign currency exchange rates and interest rates, while commodity price risks arise from procurement. The Company has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines upon which the Company's risk management processes for financial risks are based, are designed to identify and analyze these risks throughout the Company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

d. This Corporate Governance Report of the Company for the Financial Year ended March 31, 2020 is in compliance with the requirements of Corporate Governance under Listing Regulations.

e. The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

f. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to PWC, the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

(₹ in lakhs)

Entity	Fees paid in FY20
Sterlite Technologies Limited (STL)	291.78
Subsidiaries of STL	9.50
Total	**301.28**

g. The Company has obtained a certificate from M/s. J. B. Bhave & Co., Company Secretaries 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 FY20, which were mandatorily required.

i. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations, 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 leading newspapers and, in the Aurangabad and Pune Edition of leading Marathi newspapers.

b. Results are also posted on the Company's website: 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

CIN	L31300MH2000PLC269261
Annual General Meeting	Day, Date –, Monday, August 31, 2020 Time – 3.00 p.m. IST Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Book Closure Dates	Saturday, August 29, 2020 to Monday, August 31, 2020
Dividend Payment Date	Dividend, if declared in the AGM will be paid within the statutory time limits.

Corporate Governance Report (Contd.)

Financial Calendar for FY21 (Financial Year April 1 to March 31) (tentative)

First Quarter Results	End of July 2020
Half Yearly Results	End of October 2020
Third Quarter Results	End of January 2021
Fourth Quarter/Annual Results	End of April 2021

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, 2020 have been paid to BSE and NSE. The Stock Codes of the Exchanges are as under:

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

Debt Securities

The Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 225 Crores. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

Stock Price Data

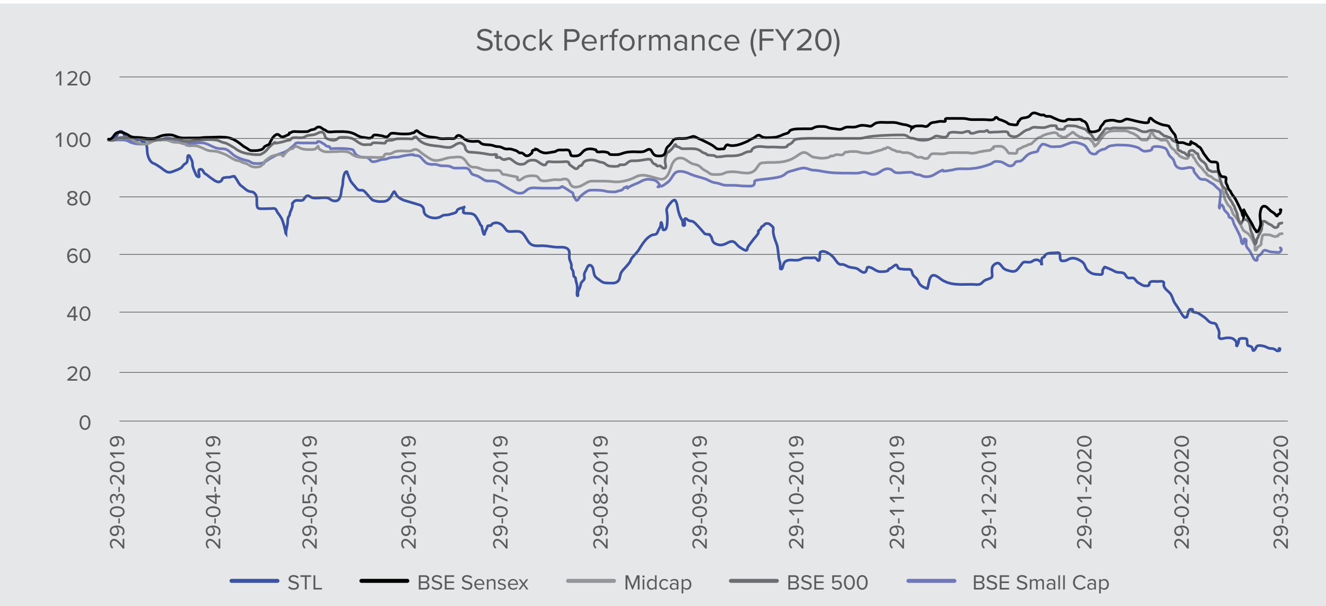
Stock Price data for the period April 1, 2019 to March 31, 2020 is as detailed below:

Month	BSE Monthly High (₹)	BSE Monthly Low (₹)	NSE Monthly High (₹)	NSE Monthly Low (₹)
Apr-19	229.00	180.60	229.00	180.20
May-19	204.25	143.85	204.40	143.80
Jun-19	197.80	168.50	197.90	168.50
Jul-19	179.20	145.00	179.30	145.20
Aug-19	154.00	96.65	154.00	96.60
Sep-19	179.95	108.05	180.00	108.00
Oct-19	160.70	119.30	160.95	118.65
Nov-19	142.50	120.00	142.50	120.00
Dec-19	129.40	102.65	129.50	102.50
Jan-20	139.00	116.00	139.20	117.05
Feb-20	129.95	91.00	128.95	91.20
Mar-20	96.85	59.80	96.80	58.65

Sources: Data compiled from BSE & NSE official websites.

Stock Performance

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



Distribution of Shareholding as on March 31, 2020

Sr. no	Category	Cases	% of Cases	No. of shares	% of shareholding
1	1-5000	196477	96.79	58215624	14.41
2	5001- 10000	3741	1.79	13545586	3.35
3	10001- 20000	1606	0.76	11534864	2.86
4	20001- 30000	478	0.23	6099489	1.51
5	30001- 40000	232	0.12	4353160	1.08
6	40001- 50000	127	0.07	3139398	0.78
7	50001- 100000	279	0.14	10204037	2.53
8	100001 & Above	224	0.11	296870829	73.49
	Total:	**209725**	**100.00**	**403962987**	**100.00**

Equity holding pattern as on March 31, 2020

Category	Number of Shares	% of Equity
Promoter Group	2,16,664,221	53.63
Banks, Mutual Funds, Trusts, Govt & Insurance Companies, Indian Financial Institutions, etc.	26,721,980	6.62
FIIs, Foreign National, Foreign Portfolio Investors and NRIs	22,010,468	5.45
Bodies Corporates & NBFCs Registered with RBI	14,038,763	3.48
Individuals (Public) & HUFs	1,17,804,827	29.16
Clearing Members	2,557,889	0.63
Others (including IEPF)	41,64,839	1.03
Total	**403,962,987**	**100.00**

Dematerialisation of Shares and Liquidity

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2020 40,09,80,968 shares representing 99.26% 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.

Details of outstanding shares in the Unclaimed Suspense Account

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

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on April 1, 2019	861	7,45,585
Shareholders approached for transfer/delivery during FY20	40	13,240
Shares transferred/delivered during FY20	40	13,240
Shares transferred to IEPF	786	7,16,925
Balance as on March 31, 2020	35	15,240

The voting rights on the shares in the suspense account as on March 31, 2020 shall remain frozen till the rightful owners of such shares claim the shares.

Share Transfer System

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

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

Registrar & Transfer Agent

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

Kfin Technologies Private 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

Corporate Governance Report (Contd.)

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

Sterlite Technologies Limited
Ground Floor, Godrej Millennium
9 Koregaon Road, Pune – 411 001
Maharashtra, India
Phone: +91-20-30514000 Fax: +91-20-30514113
E-mail: secretarial@sterlite.com

Registered Office:
E1, MIDC Industrial Area
Waluj, Aurangabad – 431 136, Maharashtra, India

Debenture Trustee
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar West
Mumbai- 400 028
Contact No.: +91- 022-6230 0438

Plant Locations

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

Credit Rating

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

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

Compliance Certificate of Practising Company Secretary

Certificate from Dr. K.R. Chandratre, Practising Company Secretary, confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, is attached to this Report.

Compliance with Non-Mandatory Requirements

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

2. **Shareholder Rights**
   The Company publishes its results in the newspapers having nationwide circulation. Also, results are uploaded on Company's website. The copy of results is furnished to all the shareholders who request for the same. Therefore, the Company does not circulate the half-yearly results to its shareholders.

3. **Unqualified audit report**
   There is no qualification in the statutory Audit Report for FY20.

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

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

CEO AND CFO CERTIFICATE

(As per Schedule II of the Listing Regulations)

To,
The Board of Directors
Sterlite Technologies Limited

a) We have reviewed financial statements and the cash flow statement of Sterlite Technologies Limited for the year ended March 31, 2020 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 pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
d) We have indicated to the Auditors and the Audit Committee:
   (i) significant changes in internal control during the year.
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Sterlite Technologies Limited
Anand Agarwal
CEO & Whole-time Director
Place: Pune
Date: May 12, 2020

Anupam Jindal
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the Financial Year ended March 31, 2020.

For Sterlite Technologies Limited
Anand Agarwal
CEO & Whole-time Director
Place: Pune
Date: May 12, 2020

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 BY STERLITE TECHNILOGIES LIMITED

I have examined compliance by Sterlite Technologies Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2020.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. K R Chandratre
Practising Company Secretary
FCS No. 1370. Certificate of Practice No. 5144
UDIN: F001370B000231259

Place: Pune
Date: May 12, 2020

Corporate Governance Report (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
STERLITE TECHNOLOGIES LIMITED
E1, MIDC Industrial Area Waluj
Aurangabad- 431136,
Maharashtra

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **STERLITE TECHNOLOGIES LIMITED** having CIN: L31300MH2000PLC269261 and having registered office at E1, MIDC Industrial Area Waluj Aurangabad 431136, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Anil Kumar Agarwal	Non-Executive Director	00010883	30/10/2006
2	Arun Lalchand Todarwal	Non-Executive and Independent Director	00020916	25/01/2003
3	Pravin Agarwal	Whole-time Director	00022096	30/10/2006
4	Anand Gopaldas Agarwal	Whole-time Director and CEO(KMP)	00057364	30/07/2009
5	Sandip Das	Non-Executive and Independent Director	00116303	16/10/2017
6	Narayanaswamy Alampallam Ramakrishnan	Non-Executive and Independent Director	00818169	30/04/2007
7	Pratik Pravin Agarwal	Non-Executive Director	03040062	26/04/2013
8	Kumud Madhok Srinivasan	Non-Executive and Independent Director	06487248	22/05/2018

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

For J. B. Bhave & Co.
COMPANY SECRETARIES

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266B000229911

Place: Pune
Date: May 12, 2020

Business Responsibility Report

Introduction

At STL, we believe in creating shared value through responsible operations that encompass a number of environmental, social and governance aspects. Alignment with global goals, national priorities and the triple bottom line of sustainability are core to how we choose to operate and progress. For us, it is about ensuring communities and other stakeholders' progress along with us as we work collectively to create a more sustainable and better future.

Our Business Responsibility Report details our endeavours in the domain of sustainable development in FY 2019-20. The report has been prepared in line with the guidelines prescribed by the Securities and Exchange Board of India (SEBI). It presents STL's commitment to the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' principles issued by the Ministry of Corporate Affairs.

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	:	L31300MH2000PLC269261
2.	**Name of the Company**	:	STERLITE TECHNOLOGIES LTD.
3.	**Registered address**	:	E1, MIDC Industrial Area Waluj, Aurangabad, MH 431136
4.	**Website**	:	https://www.stl.tech/
5.	**E-mail id**	:	communications@sterlite.com
6.	**Financial Year reported**	:	2019-20
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	:	

	Product / Service	NIC Code
	Fibre Optical Cable	3890
	Optical Fibre	3890
	Copper Telecom Cables	3130
	Fibre Optical Cable Laying Services	3890

8.	**List three key products/services that the Company manufactures/ provides (as in balance sheet)**	a.	Connectivity Solutions
		b.	Network Services
		c.	Network Software

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

a. **Number of International Locations (Provide details of major 5)**
   - i. Italy - 1
   - ii. China - 2
   - iii. Brazil – 1
   - iv. UK - 1

b. **Number of National Locations**
   - i. Maharashtra - 6
   - ii. UT of Dadra and Nagar Haveli and Daman and Diu – 2
   - iii. Gujarat - 1
   - iv. Haryana - 1

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

With expertise ranging from optical fibre and cables, to hyper-scale network design, and deployment and network software, STL is the industry's leading integrated solutions provider for global digital networks. We partner with global and national telecom companies, cloud companies, citizen networks and large public enterprises to design, build and manage such cloud-native software defined networks.

Business Responsibility Report (Contd.)

Section B: Financial Details of the Company

1.	**Paid up Capital (INR)**	:	80.79 crores
2.	**Total Turnover (INR)**	:	4,760.50 crores
3.	**Total profit after taxes (INR)**	:	433.52 crores
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**	:	2.01%

5. **List of activities in which expenditure in 4 above has been incurred:**

   a) **Jeewan Jyoti Women Empowerment Programme** aims to provide rural women with a comprehensive ecosystem that will help transform them into agents of change. The programme empowers these rural women through vocational training, self-help groups, livelihood opportunities and entrepreneurial opportunities.

   b) **Ed-tech programmes (Pragyan & Smart Nandghars)** are technology driven programmes for children from lower income families and tribal communities. Both programmes aim at ensuring quality education is available to the masses through digital mechanisms, make learning fun and interesting while simultaneously aiding faculty through trainings and teaching techniques.

   c) **Mobile Medical Unit** provides tribals in Silvassa with quality healthcare at their doorsteps every week. Apart from free consultation, the programme also distributes free medicines and has been instrumental in spreading awareness on general well-being and hygiene practises among these communities.

   d) **Digital Empowerment Classrooms** are aligned with the Digital India Mission. We partnered with Pune Municipal Corporation and Pune City Connect to digitally empower slum residents in Pune. This is conducted through two mobile classrooms that visit four slums in the city to conduct digital education sessions.

   e) **GreenBelt** is a 1.4kms stretch where we have continued to maintain over 9,500 plants and trees developed to mitigate the adverse effects of industrialisation and climate change in Aurangabad. We added another 280 plantations to the programme in FY 2019-20.

Section C: Other Details

1.	**Does the Company have any Subsidiary Company/ Companies?**	:	- Yes
2.	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**	:	- Yes, three (3) subsidiaries (Indian)

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%):**

   - Along with end-to-end solutions that we offer our customers, we also guide and train them on best practises and sustainable approaches for laying networks, maintenance and other such aspects. The multidimensional benefits of sustainable practices have motivated almost 30% of our customers to participate in our BR initiatives and we stay committed to improving this percentage with partners across our value chain.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

1	**DIN Number**	00057364
2	**Name**	Dr. Anand Agarwal
3	**Designation**	Group CEO & Whole-Time Director

b. Details of the BR Head

No.	Particulars	Details
1	DIN Number (if applicable)	03040078
2	Name	Anupam Jindal
3	Designation	Group Chief Financial Officer
4	Telephone number	+91.20.30514000
5	e-mail id	anupam.jindal@sterlite.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Principle Area	**Code of Conduct**	**Product Responsibility**	**Employee Wellbeing**	**Stakeholder Engagement**	**Human Rights**	**Environment**	**Public Advocacy**	**CSR**	**Customer Value**
1	Do you have a policy/ policies for ...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)[1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	Y	N	Y	Y	Y	Y	Y	Y
5	Does the Company have specified committee of the Board/Director/ Official to oversee implementation of policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Code of Conduct[2]	Internal	Internal	Internal	Internal	Internal	Internal	CSR policy[3]	Internal
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of the policy/ policies by an internal or external agency?	Y	Y	Y	N	N	Y	N	Y	Y

[1]Based on National Laws and Regulatory Frameworks

[2]https://www.stl.tech/pdf/coc/Sterlite_Code_of_Conduct_Final.pdf

[3]https://www.stl.tech/pdf/coc/Corporate%20Social%20Responsibility%20policy.pdf

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Business Responsibility Report (Contd.)

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Our Board of Directors meet every quarter. Whereas, Sustainability Council which is responsible for reviewing the BR performance meets every month.

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

We publish the Business Responsibility Report annually as a part of our annual report. The first BRR was published in 2016-17. Additionally, we published our first sustainability report in 2017-18 as per globally accepted GRI sustainability reporting standards and have thereafter reported on CSR and Sustainability in line with GRI standards in the Annual Report.

Section E: Principle-Wise Performance

Principle 1

Business should conduct and govern themselves with ethics, transparency and accountability

Transparency and ethics are an integral part of how we conduct our operations. We endeavour to meet the highest standards while upholding integrity in every business transaction. We believe that ethical and economic values are interdependent and businesses must always strive to not just meet, but surpass national and global norms.

We have a comprehensive set of policies that govern ours as well as our partners' actions. Each of these are an extension of our values and principles and guide us on managing business activities while ensuring utmost integrity.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

The Company's Code of Conduct and Ethics policy covers every employee of the Company, its subsidiaries as well as partners across the value chain. The Whistle-blower policy covers all employees of STL, its subsidiaries and all external stakeholders. The Company's supply chain partners are covered under Supply Chain Management policy, which includes principles on conducting business transactions with high level of ethics, transparency and integrity.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Details of the shareholder complaints are included in the Corporate Governance Report of the Annual Report under the section on Stakeholders' Relationship Committee.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability

STL's unique proposition of offering integrated solutions enables us to effectively address sustainability challenges.

We have undertaken several initiatives in this regard, which have helped us reduce the environmental impact of our products and services. STL became the world's first integrated optical fibre and cable manufacturer to receive the Zero Waste to Landfill certification from Intertek for its manufacturing facilities in India.

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

Smart City Solution

Smart cities are known for their administrative efficiency and fast services to citizens and businesses. The efficient administration and fast services are powered by super-fast communication based on data transfer. Our smart city solution enables this and helps in better and improved governance, transportation, safety of citizens, energy efficiency and fast emergency service management among other facets. These all ultimately help in creating safer, greener and cleaner communities to live in, while minimising any negative impact on the environment.

Optical fibre cables

Our products drive data transfer through cable networks facilitating last mile connectivity. Data transfer being paperless helps in protecting the environment reducing deforestation. These optical fibre cable networks have enabled the world to access unlimited information available on internet. It has digitised rural and remote areas providing them with access to quality education, healthcare, financial services, better agricultural techniques and so on. Our products drive progress, by empowering communities and reducing inequalities.

Garv

The GARV kiosk bridges the rural-urban digital divide in the country. This solution leverages BharatNet's rural broadband connectivity and the power of future technologies such as Artificial Intelligence and Internet of Things (IoT) to provide a multitude of community-centred services helping reduce inequalities and build progressive communities.

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

At STL, we ensure optimum utilisation of resources across our value chain. What we take in the form of natural resources, our raw materials; how and what we make in terms of the quality and durability of our products; and what we waste, are for us, all a question of ethics. Our Manufacturing Excellence Strategy focuses on innovative ways to reduce resource consumption as well as wastage. Every employee is encouraged to identify opportunities to do more with less. We firmly believe that this not only brings cost savings, but also helps mitigating risks in a resource constrained world.

By adopting a 'first time right'approach, we have eliminated waste and rework and are gradually transitioning to a circular economy. Along with our partners across the value chain, we believe we can collectively work towards a cleaner, greener and better world by reducing, recycling and reusing.

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

As production lines at the factory are flexible and produce multiple types of products, there is practical difficulty in isolating product wise resource utilisation data. For the overall production, a total of 7,87,151 GJ of energy was used and 4,31,703 kl of water was consumed.

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

The products manufactured by the Company do not consume any energy or water during their use. However, to help enhance the durability and longevity of the networks deployed and prevent replacements due to wear-and-tear, STL Academy conducts in-depth certified trainings on the deployment of the networks and their maintenance in addition to other optic fibre and network related topics.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our Supply Chain Management policy has been enacted to facilitate development of suppliers as long-term business partners. We work closely with them not only on business focus areas, but also on sustainable development, identifying and addressing existing issues to achieve a sustainable supply chain.

Additional details can be found under 'Delivering on Promises through Impact Creation' of the Annual Report under Supply chain section.

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

At STL, we believe in creating shared value for each of our stakeholders, including our suppliers and local communities. We have made significant progress towards developing a local vendor base and have assisted several suppliers in expanding their operations closer to our manufacturing facilities. In fact, as part of our responsible corporate citizenship commitment, all non-critical materials such as packaging, machine spares, job work and others are procured from local vendors. We have observed that such vendors benefit immensely from these opportunities and several have been able to scale rapidly.

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

Additional detail can be found under 'Delivering on Promises through Impact Creation' of the Annual Report under Supply chain section.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a well-defined system and processes in place to recycle products and waste which amounts

Business Responsibility Report (Contd.)

to >10% of total waste generated. Further details can be found 'Delivering on Promises through Impact Creation' of the Annual Report under the Zero Waste to Landfill section.

Principle 3

Businesses should promote the wellbeing of all employees

STL is a certified Great Place to Work. This has been achieved through a mix of progressive policies and continuous interactions with employees for feedback and improvement. Our Human Resource Strategy centres on employee safety, well-being as well as facilitating a progressive and equal-opportunity work environment.

Our commitments towards helping build a professionally rewarding career for our employees include:

- Providing and maintaining absolute transparency and equality during all stages of recruitment and employment, which discourages discrimination on any grounds
- Promoting wellbeing of employees by helping them achieve work-life balance and providing necessary facilities to them, including those with special needs
- Assisting the employees to move up the professional ladder and ensure availability of continual training and skill-upgradation opportunities and promote employee morale and career development
- Enabling a safe workplace free from all sorts of harassment and providing all required means and measures to ensure access to grievance redressal mechanisms

1	**Please indicate the Total number of employees.**	3120
2	**Please indicate the Total number of employees hired on a temporary/ contractual/casual basis.**	2593
3	**Please indicate the Number of permanent women employees.**	494
4	**Please indicate the Number of permanent employees with disabilities**	2
5	**Do you have an employee association that is recognised by management?**	Yes (in Italy)
6	**What percentage of your permanent employees are members of this recognised employee association?**	26 of 3120 (0.83%)

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sn	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	2	2
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sn	Category	Safety Training	Skill upgradation
1	Permanent Employees	100%	84%
2	Permanent Women Employees	100%	80%
3	Casual/Temporary/Contractual Employees	100%	NA
4	Employees with Disabilities	50%	100%

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, we have identified five direct stakeholder groups – Employees, Customers, Suppliers, Communities, Shareholders and Investors.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.**

   At STL, we actively engage with communities around our operations and our objective has been to identify and work towards uplifting those who are socially and financially disadvantaged.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
   At STL, we believe that progress should be inclusive and have hence aligned our community outreach programmes in a way that not only contributes to national priorities, but also to the UN Sustainable Development Goals.

   Till date, our Jeewan Jyoti Women Empowerment Programme has been actively working with over 2,200 rural women in Pune to help them emerge as confident, independent agents of change. The Mobile Medical Unit in Silvassa has since 2006 been ensuring quality healthcare is accessible to more than 2,29,000 tribals in the region residing at remote villages. Whereas, our Digital Empowerment Buses in Pune and Ed-tech programmes across Mumbai, Rajasthan and Silvassa have benefitted over 7,96,000 lives ensuring quality education is not limited to a privileged few.

Principle 5

Businesses should respect and promote human rights

STL has a standalone policy on Human Rights which is based on the principles of United Nations Universal Declaration on Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and also applies to our subsidiaries. We are a signatory to United Nations Global Compact (UNGC).

Our fundamental intent with respect to human rights has been to focus on nurturing an environment where employees feel happy, satisfied and respected at the workplace. Further, we have mechanisms where employees can report their human rights related grievances appropriately for resolution. To ensure awareness and access to the human rights policy and its helpline channel, it has been effectively communicated as well as displayed through electronic mediums and physically.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   Our standalone human rights policy covers important aspects like labour standards, child and forced labour, diversity and equal opportunities, health and safety, freedom of association and non-discrimination among other tenets.

   The policy applies to STL, its subsidiaries and all partners we do business with. We have also taken necessary steps to ensure implementation of these principles across our operations and value chain.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

2.1	Stakeholder complaints related to human rights received in the financial year	Nil
2.2	Stakeholder complaints related to human rights pending from previous year	Nil
2.3	Stakeholder complaints related to human rights resolved in the financial year	Nil

Principle 6

Business should respect, protect, and make efforts to restore the environment

Environmental sustainability has been a core focus area for us. To achieve the same, we have a dedicated Quality, Environment, Health and Safety (QEHS) policy across our facilities which guides all environmental initiatives. Additionally, we reinforce each of our environmental initiatives through our community outreach programmes as well as through employee volunteering.

We have elaborated on our initiatives in the 'Delivering on Promises through Impact Creation' section of the Annual Report.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**
   The QEHS policy is applicable to STL, its subsidiaries as well as every partner we do business with.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.**
   Yes. At STL, we not only ensure we operate responsibly, but also contribute to addressing national and global issues such as climate change, water scarcity, global warming and the likes. Being a signatory to the UN Global Compact has reinforced our commitment to responsible operations, social accountability and transparency.

   We aim to minimise the environmental impacts of our operations through resource optimisation, water and energy conservation and waste reduction. To address one such environmental issue of water scarcity, in addition to realigning our own operations, investing in technology and enhancing monitoring, we also worked with villages in the vicinity to redevelop 20 defunct

Business Responsibility Report (Contd.)

water conservation structures and promote sustainable use of this precious resource through Jaldoot.

Further details about our own operations as well as our community interventions are available in the 'Delivering on Promises through Impact Creation' section of the Annual Report as well as on our corporate website https://www.stl.tech/about-us/csr/

3. Does the Company identify and assess potential environmental risks?

Yes. Potential environmental risks are identified on the basis of interactions with stakeholders and regions we operate in. We have established a Sustainability Council under the leadership of our Group CEO. The council regularly reviews these environmental risks and undertakes initiatives to mitigate them. Also, considering growing customer awareness and ever stringent regulations coupled with the expanding market base of STL, we have developed a process to critically analyse business strategy with respect to potential effects of environmental risks for taking proactive mitigation measures.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The details are elaborated on in the 'Delivering on Promises through Impact Creation' section of the Annual Report.

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

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notices from CPCB/SPCB are pending as on the end of FY 2019-20.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company regularly engages with industry bodies and expert agencies. A list of STL's major memberships is given below:

- Confederation of Indian Industry (CII)
- Federation of Indian Chamber of Commerce & Industry (FICCI)
- ASSOCHAM
- Cellular Operator Association of India (COAI)
- Tower and Infrastructure Providers Association (Taipa)
- India Cellular & Electronics Association (ICEA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

STL actively participates in committees set up by the industry association. We provide our opinion for promoting development of policies and regulatory frameworks for advancement and improvement of public good in the areas of Governance and Administration, Economic Reforms, Inclusive Development Policies, Sustainable Business Principles, Data and infrastructure security and Sustainability.

Principle 8

Businesses should support inclusive growth and equitable development

STL's vision is to 'transform everyday living by delivering smarter networks'. We aim at making this vision a reality by facilitating a cleaner, greener, connected and more inclusive world, not just through our products and services that drive progress, but also through our operations and community outreach programmes.

While our primary focus is on communities around our operations to ensure they have access to quality healthcare, education and a pristine environment, we also work with needy communities across the country to reduce inequalities through women empowerment programmes, environment conservation and livelihood generation.

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   The details of our CSR programmes are elaborated on in the 'Delivering on Promises through Impact Creation' and 'Annexure VI to the Director's Report' sections.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**
   STL's CSR programmes are undertaken by Sterlite Tech Foundation (STF) either directly or through an external NGO, NPO or in partnership with government authorities. The operations of STF and partner NGOs, NPOs among other social development partners are overseen by STL's in-house CSR team.

3. **Have you done any impact assessment of your initiative?**
   Impact assessments have been conducted by third parties for our Jeewan Jyoti Women Empowerment Programme, Jaldoot and Virtual Classrooms.

   Additionally, every programme is closely monitored by STL basis key performance indicators (KPI) finalised at the time of the programme inception. These include:

   - Activity indicators, which show if we are on track to deliver the activities in our programme plan
   - Outcome indicators, which tell us if the programme is achieving the intended purpose
   - Impact indicators, which tell us the short-to-medium term impact resulting from programme outcomes.

   Our Data Management System ensures that this data is regularly submitted through online mechanisms by our partners enabling us to analyse various trends. This allows us to proactively implement strategy changes and drive programme deliverables to ensure maximum benefit to the communities the programme is intended for.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   We have spent INR 9.20 crores in FY 2019-20 on our community outreach programmes. The details of each of our CSR programmes are elaborated on in the 'Delivering on Promises through Impact Creation' and 'Annexure VI to the Director's Report' sections.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   STL's primary objective is to create shared value for each of its stakeholders and the community is one of these stakeholders. Hence, each of our community programmes do not simply work towards benefitting lives in these communities, but instead works with them as partners who help us drive sustainable transformation. We believe that a programme can only be sustainable after our intervention, when the community understands its importance and are equally committed to wanting progress and development. Our strategy revolves around addressing the main issue by resolving the underlying reasons for its emergence. Behavioural change, awareness, collective effort and ownership have thus been key factors to ensuring each of our community outreach programmes are successfully adopted by the communities we implement them for.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

At STL, we believe in not just meeting, but exceeding our customers' expectations. We are a customer-centric organisation and we regularly interact with them to understand their requirements, needs and feedback on products and services. A robust QEHS policy ensures quality is delivered while focusing on cost reduction, recycling, waste reduction and reduction in liquid discharge and carbon emissions.

Innovation is also a key element to providing our customers not just with green and durable products, but also with trainings and techniques on how to lay optic fibre cable networks and maintain them in the best possible way. This not only avoids replacements, but also ensures their longevity.

Business Responsibility Report (Contd.)

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**
   Of the total customer complaints/consumer cases open at the beginning of the year and filed during the financial year 2019-20, 22% complaints/cases are pending as on March 31, 2020.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**
   Yes. All our product labels are made in compliance with the local law and consumer requirements.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**
   There are no cases filed or pending against STL regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour during the last five years.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   The Company regularly engages with customers to get their feedback on products and services and carries out Customer Satisfaction (CSAT) Surveys to gauge their satisfaction levels, expectations, product and service feedback among other criteria. In the reporting period, one such important customer survey – Voice of the Customer was conducted to get feedback from our key customers.

Independent Auditors' Report

To the Members of Sterlite Technologies Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Sterlite Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, 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, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its 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 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.

Emphasis of Matter

4. We draw attention to Note 46 to the standalone financial statements which describes that the Company had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by the Gujarat High Court. Our opinion is not modified in respect of this matter.

5. We draw your attention to Note 43 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact on the standalone financial statements of the Company due to the lock-downs and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation which might impact the operations of the Company, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve. Further, we have attended physical inventory verification at locations where it was practicable. For those locations where it was impracticable for us to attend the physical verification under the current lock-down restrictions imposed by the government, we have relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at those locations. Our opinion is not modified in respect of this matter.

Key audit matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current 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.

Independent Auditors' Report contd.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">1. Revenue Recognition</td></tr>
<tr><td>(Refer note 2.1(b), 3 and 26 to the Standalone Financial Statements)

The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by Management with respect to:

• Combination of contracts entered into with the same customer;
• Identification of distinct performance obligations;
• Total consideration when the contract involves variable consideration involved;
• Allocation of consideration to identified performance obligations;
• Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. For assessment of the date of transfer of control, Management has obtained legal opinion in respect of certain arrangements.

Further, for contracts where revenue is recognised over a period of time, the Company makes estimates which impact the revenue recognition. Such estimates include, but are not limited to:

• costs to complete,
• contract risks,
• price variation claims,
• liquidated damages

Further in determining the above estimates for ongoing contracts, Management has also evaluated the estimates, especially those resulting from expected delays in the completion of the performance obligations and available contractual remedies.

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.</td><td>We performed the following procedures:

Understood and evaluated the design and tested the operating effectiveness of controls relating to revenue recognition.

In respect of certain large and complex contracts and certain other contracts our procedures included, among other things:

• Reading of selected contracts to identify significant terms of the contracts;
• Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation;
• Evaluation of the contract terms and also consideration of the legal opinion obtained by Management with respect to assessment of the date of transfer of control;
• Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts;
• Testing the appropriateness of key assumptions used by Management 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. Reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies.
• Testing of journal entries for unusual/irregular revenue transactions; and
• Evaluating adequacy of presentation and disclosures.

Based on above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by the applicable accounting standard.</td></tr>
<tr><td colspan="2">2. First time adoption of Ind AS – 116 'Leases'</td></tr>
<tr><td>(Refer note 2.1(i), 3 and 52 to the standalone financial statements)

Effective April 1, 2019, Ind AS 116 Leases has replaced Ind AS 17 "Leases".

The Company has applied the standard retrospectively and has chosen to recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings.

To assess the impact of initial application of Ind AS 116, Management has applied judgements and estimates with respect to:

• Identifying if a contract is or contains lease.
• Segregation of lease and non-lease components where applicable.
• Assessment of the lease term considering the renewal and termination options in the contract and other factors eg leasehold improvements, intention to continue etc.
• Determine the interest rate implicit in the lease.

We considered the first time application of the standard as a key audit matter due to the material impact of the same on the financial statements, and the significance of the judgements and estimates used by the Management. Further implementation process requires extraction and processing of extensive data which required significant audit efforts to test the completeness and adequacy of such information.</td><td>Our audit procedures included the following:

Obtain an understanding of the process followed by the management and testing of the design and operating effectiveness of key controls around accounting for leases.

• Obtain understanding of the Company's implementation process including evaluating of the Company policy and election of exemptions in accordance with Ind AS 116
• Evaluating the underlying lease contracts to verify the accuracy of the underlying data for a representative sample of leases.
• Assessing the completeness of identified leases by reviewing key service and supply contracts to assess whether they contain a lease under Ind AS 116.
• Assessing the appropriateness of the assumptions used in determination of lease terms and interest rate used by the Management for determining lease liability.
• Testing of the mathematical accuracy by recalculating the amount of Lease Liabilities and Right of Use asset for a sample of lease contracts.
• Assessing whether the disclosures in the financial statements are appropriate and are in line with the requirements of Ind AS 116.

Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the management in recording right of use asset and lease liability in accordance with Ind AS 116 and related presentation and disclosure requirements</td></tr>
</table>

Other Information

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

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

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

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

Independent Auditors' Report contd.

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22, 39 and 44 to the financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

17. 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: 20108391AAAACZ7325

Place: Pune
Date: May 12, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) 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, 2020

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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

standalone financial statements to future periods are subject to the risk that the internal financial control 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Also refer paragraph 5 of the main standalone audit report).

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

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 20108391AAAACZ7325

Place: Pune
Date: May 12, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2020

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a 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 fixed assets has been physically verified by the Management during the previous year and no material discrepancies have been noticed on such verification. Further, the physical verification of cables is impractical due the manner in which they have been installed/laid.

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

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of manufacture of copper cables. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of income tax, goods and service tax, labour welfare fund and professional tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, 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 dues of Central Sales Tax, Service Tax, Goods and Service Tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs and duty of excise as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of Dues	Amount ₹ Cr	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	18.50	2014-17	Commissioner Central Excise, Goods & Services Tax, Aurangabad
Customs Act, 1962	Customs Duty	67.82	2001-03	CESTAT, Mumbai
	Customs Duty	1.61	2013-14	The commissioner of Customs (appeals)
Income tax act, 1961	Income Tax	3.88	AY 2013-14, AY 2015-16	Commissioner (Appeals) - Mumbai
	Income Tax	1.27	AY 2001-02, AY 2002-03	Mumbai High Court
	Income Tax	0.57	AY 2011-12, AY 2013-14, AY 2014-15, AY 2015-16	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

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date. As stated in Note 39 to the standalone financial statements, the Company continues to dispute amounts aggregating ₹ 18.87 crores claimed by a bank in the earlier years, towards import consignments under letter of credit not accepted by the Company, owing to discrepancies in documents. Since the matter is in dispute, we are unable to determine whether there is a default in repayment of dues to the said bank.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans (including debt instruments) have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Also refer paragraph 17 of our standalone audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 20108391AAAACZ7325

Place: Pune
Date: May 12, 2020

Balance Sheet
as at March 31, 2020

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Note	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant & equipment	4	2,213.30	1,750.31
Capital work-in progress		127.52	413.87
Investment property	7	-	-
Goodwill	5,6	14.66	44.29
Other intangible assets	5	33.64	14.00
Financial assets			
Investments	8	289.10	164.46
Trade receivables	9	-	1.76
Loans	10	97.83	131.03
Other non-current financial assets	11	14.93	33.56
Other non-current assets	12	48.94	20.62
		2,839.92	**2,573.90**
Current assets			
Inventories	13	285.38	381.01
Financial assets			
Investments	14	233.00	100.00
Trade receivables	9	1,413.16	1,178.77
Cash and cash equivalents	15A	76.53	58.43
Other bank balances	15B	93.92	88.93
Other current financial assets	11	58.81	91.36
Contract assets	12	735.15	1,093.02
Other current assets	12	331.97	332.20
Asset classified as held for sale	16	28.27	28.27
		3,256.19	**3,351.99**
Total Assets		**6,096.11**	**5,925.89**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	80.79	80.51
Other Equity	18	1,728.78	1,507.70
Total Equity		**1,809.57**	**1,588.21**
Non-current liabilities			
Financial liabilities			
Borrowings	19	519.83	581.71
Lease Liabilities	4	83.33	-
Other financial liabilities	20	7.32	14.88
Employee benefit obligations	25	41.16	32.35
Provisions	22	0.89	0.72
Deferred tax liabilities (net)	24A	63.89	72.13
		716.42	**701.79**
Current liabilities			
Financial liabilities			
Borrowings	19	1,105.17	797.48
Lease Liabilities	4	16.43	-
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		30.66	92.30
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,335.81	1,717.69
Other financial liabilities	20	880.71	629.66
Contract liabilities	23	133.40	269.31
Other current liabilities	23	43.52	49.59
Current tax liabilities (Net)	24B	-	55.38
Employee benefit obligations	25	14.40	14.52
Provisions	22	10.02	9.96
		3,570.12	**3,635.89**
Total liabilities		**4,286.54**	**4,337.68**
Total Equity & Liabilities		**6,096.11**	**5,925.89**
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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Statement of Profit and Loss
for the year ended March 31, 2020

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Note	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
INCOME			
Revenue from operations	26	4,760.50	4,862.63
Other income	27	21.27	14.32
Total Income (I)		**4,781.77**	**4,876.95**
EXPENSES			
Cost of raw materials and components consumed	29	2,273.96	2,583.40
Purchase of traded goods		2.12	30.58
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	65.43	(110.47)
Employee benefit expense	30	519.82	439.55
Other expenses	31	902.31	880.05
Total Expense (II)		**3,763.64**	**3,823.11**
Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**1,018.13**	**1,053.84**
Depreciation and amortisation expense	32	232.42	167.79
Finance costs	33	204.46	95.25
Finance Income	28	(11.67)	(20.52)
Profit before exceptional item and tax		**592.92**	**811.32**
Exceptional Item (refer note 44)		50.71	-
Profit before tax		**542.21**	**811.32**
Tax expense:			
Current tax	34	111.53	270.99
Deferred tax		(2.84)	5.10
Total tax expenses		**108.69**	**276.09**
Profit for the year		**433.52**	**535.23**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(51.81)	132.77
Income tax effect on the above		20.20	(46.39)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(31.61)**	**86.38**
Items that will not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefits plans		0.35	(7.84)
Income tax effect on the above		(0.09)	2.74
Change in fair value of FVOCI equity instruments		1.35	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**1.61**	**(5.10)**
Other comprehensive income for the year, net of tax		**(30.00)**	**81.28**
Total comprehensive income for the year		**403.52**	**616.51**
Earnings per equity share	36		
Basic			
Computed on the basis of profit for the year (₹)		10.75	13.32
Diluted			
Computed on the basis of profit for the year (₹)		10.63	13.16
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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Statement of Changes in Equity

(All amounts are in ₹ crores, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	Note	No. in Crs.	Amount
At 01 April 2018		**40.10**	**80.20**
Changes in equity share capital	17	0.15	0.31
At 31 March 2019		**40.25**	**80.51**
Changes in equity share capital	17	0.14	0.28
At 31 March 2020		**40.39**	**80.79**

B. Other Equity

	Capital Reserve	Securities Premium	Employee stock option Outstanding	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Total
As at 31 March 2018	**(19.06)**	**27.93**	**21.24**	**75.00**	**112.50**	**804.45**	**(32.27)**	**989.79**
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	-	-	-	-	-	(12.71)	-	(12.71)
Restated balance as at 01 April 2018	**(19.06)**	**27.93**	**21.24**	**75.00**	**112.50**	**791.74**	**(32.27)**	**977.08**
Profit for the year	-	-	-	-	-	535.23	-	535.23
Other comprehensive income for the year	-	-	-	-	-	(5.10)	86.38	81.28
Total comprehensive income for the year	**(19.06)**	**27.93**	**21.24**	**75.00**	**112.50**	**1,321.87**	**54.11**	**1,593.59**
Addition on ESOPs exercised	-	10.75	-	-	-	-	-	10.75
Transferred to Securities premium account	-	-	(10.75)	-	-	-	-	(10.75)
Employees stock option expenses for the year (refer note 35)	-	-	19.16	-	-	-	-	19.16
Equity dividend including taxes thereon (refer note 48)	-	-	-	-	-	(96.80)	-	(96.80)
Reclassified to Statement of profit and loss	-	-	-	-	-	-	(8.25)	(8.25)
As at 31 March 2019	**(19.06)**	**38.68**	**29.65**	**75.00**	**112.50**	**1,225.07**	**45.86**	**1,507.70**
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 52)	-	-	-	-	-	(12.48)	-	(12.48)
Restated balance as at 01 April 2019	**(19.06)**	**38.68**	**29.65**	**75.00**	**112.50**	**1,212.59**	**45.86**	**1,495.22**
Profit for the year	-	-	-	-	-	433.52	-	433.52
Other comprehensive income for the year	-	-	-	-	-	1.61	(31.61)	(30.00)
Total comprehensive income for the year	**(19.06)**	**38.68**	**29.65**	**75.00**	**112.50**	**1,647.72**	**14.25**	**1,898.74**
Addition on ESOPs exercised	-	12.68	-	-	-	-	-	12.68
Change in fair value of FVOCI equity instrument	-	-	-	-	-		-	-
Transferred to Securities premium account	-	-	(12.68)	-	-	-	-	(12.68)
Employees stock option expenses for the year (refer note 35)	-	-	9.86	-	-	-	-	9.86
Amount transferred to general reserve	-	-	-	(18.75)	18.75	-	-	-
Equity dividend including taxes thereon (refer note 48)	-	-	-	-	-	(170.09)	-	(170.09)
Transferred to Statement of profit and loss	-	-	-	-	-	-	(9.73)	(9.73)
As at 31 March 2020	**(19.06)**	**51.36**	**26.83**	**56.25**	**131.25**	**1,477.63**	**4.52**	**1,728.78**

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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Statement of Cash Flows
for the year ended March 31, 2020

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
A. Operating activities		
Profit before tax	542.21	811.32
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	196.06	133.19
Amortization & impairment of intangible assets	36.36	34.51
Depreciation of investment properties (refer note 7)	-	0.09
Provision for doubtful debts and advances	15.32	5.91
Bad debts / advances written off	5.05	17.19
(Profit)/Loss on sale of assets, net	(2.57)	(2.08)
Rental income	(0.28)	(2.01)
Employees stock option expenses	9.86	19.16
Changes in fair value of investment in joint venture	-	1.74
Finance costs	204.46	95.25
Expected credit loss for loan given to related parties	15.00	-
Finance income	(11.67)	(20.52)
Unrealized exchange difference	(6.69)	(2.88)
	460.90	**279.55**
Operating profit before working capital changes	**1,003.11**	**1,090.87**
Working capital adjustments:		
Increase/(decrease) in trade payables	(330.47)	1,191.07
Increase/(decrease) in long-term provisions	0.17	(24.24)
Increase/(decrease) in short-term provisions	0.06	(16.87)
Increase/(decrease) in other current liabilities	(6.07)	(86.84)
Increase/(decrease) in other current financial liabilities	45.59	(28.05)
Increase/(decrease) in contract liabilities	(135.91)	269.31
Increase/(decrease) in other non-current financial liabilities	2.81	1.61
Increase/(decrease) in non current employee benefit obligations	9.17	16.64
Increase/(decrease) in current employee benefit obligations	(0.13)	(8.23)
Decrease /(increase) in current trade receivable	(271.12)	(351.48)
Decrease /(increase) in non current trade receivable	1.76	2.33
Decrease /(increase) in inventories	95.62	(74.97)
Decrease/ (increase) in loans given to related parties	18.21	(25.61)
Decrease/(increase) in other current financial assets	(20.91)	25.18
Decrease/(increase) in contract assets	357.87	(1,093.02)
Decrease /(increase) in other non-current financial assets	18.63	(34.68)
Decrease /(increase) in other current assets	0.24	(71.00)
Decrease/(increase) in other non-current assets	2.63	1.51
Change in working capital	**(211.85)**	**(307.34)**
Cash generated from operations	**791.26**	**783.53**
Income tax paid (net of refunds)	(168.57)	(191.06)
Net cash flow from operating activities	**622.69**	**592.47**

Statement of Cash Flows
for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
B. Investing activities		
Purchase of property, plant and equipment	(310.29)	(736.72)
Receipt of government grant for investment in property, plant & equipment	-	28.82
Purchase of intangible assets	(26.37)	(4.15)
Proceeds from sale of property, plant and equipment	37.06	5.96
Investment in subsidiaries	(119.63)	(40.22)
Purchase of non- current investments	(5.01)	(5.00)
Investment in asset held for sale	-	(7.50)
Purchase of current investments	(233.00)	(100.00)
Proceeds of current investments	100.00	155.00
Proceeds from sale of investment	1.35	-
Net movement in other bank balance	(4.21)	(82.17)
Unpaid Dividend	(0.79)	(0.54)
Rental income	0.28	2.01
Interest received (finance income)	11.72	20.55
Net cash flow used in investing activities	**(548.89)**	**(763.96)**
C. Financing activities		
Proceeds from long term borrowings	315.54	106.42
Repayment of long term borrowings	(289.75)	(84.90)
Proceeds/(repayment) from/of short term borrowings (net)	307.69	334.74
Proceeds from issue of shares against employee stock options	0.28	0.31
Interest paid (including interest pertaining to Ind AS 116)	(204.77)	(99.04)
Principal elements of leases payments	(14.60)	-
Dividend paid on equity shares	(141.08)	(80.30)
DDT on equity dividend paid	(29.01)	(16.51)
Net cash flow used in financing activities	**(55.70)**	**160.72**
Net increase/(decrease) in cash and cash equivalents	18.10	(10.77)
Cash and cash equivalents as at beginning of year (Refer note 15A)	58.43	69.20
Cash and cash equivalents as at year end (Refer note 15A)	76.53	58.43
Components of cash and cash equivalents:		
Balances with banks:	76.51	58.40
Cash in hand	0.02	0.03
Total cash and cash equivalents	**76.53**	**58.43**

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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Notes
to standalone financial statements for the year ended March 31, 2020

1. Corporate information
Sterlite Technologies Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Company is primarily engaged in the business of Connectivity and Network solutions.

The Company is a global leader in end-to-end digital network solutions. The company designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the company is the industry's leading integrated solutions provider for global digital networks. The company partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

2. Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation
The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Share based payments
- Defined benefit plans - plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

The standalone Ind AS financial statements are presented in Indian Rupees in crores, except when otherwise indicated.

Amended standards adopted by the Company
The company has applied Ind AS 116 for the first time for their annual reporting period starting from April 01, 2019. Company has disclosed the impact of adoption of Ind AS 116 in note 52 to the financial statements.

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

a) Foreign currency translation
Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (₹ the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers
Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

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

(i) identify contracts with customers

(ii) identify the separate performance obligation

(iii) determine the transaction price of the contract

(iv) allocate the transaction price to each of the separate performance obligations, and

(v) recognise the revenue as each performance obligation is satisfied.

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.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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 recognised 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 recognises 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 recognised 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 Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised 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 recognised 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 recognised 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 recognised. If the payment exceed the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes due to business combination, changes in the timeframe for a performance obligation to be satisfied are disclosed by the Company at every reporting period.

Revenue recognised at a point-in-time
For sale of products, revenue is recognised at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

c) Other Income

1. Interest income

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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

2. **Dividends**
   Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

3. **Rental income**
   Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

d) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax is not accounted when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branch, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized. In the year in which the MAT credit becomes eligible to be recognized as an asset, it is recorded by way of a credit to the statement of comprehensive income and shown as deferred tax assets. The Management reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Management will pay normal Income Tax during the specified future period.

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 life which are different from useful life prescribed under Schedule II of the Companies Act, 2013:

Asset Category	Useful Life considered	Useful life (Schedule II#)
Plant and Machinery	3 - 25 Years *	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipment	3 - 5 Years *	Service and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *#	8 Years

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

Residual value considered as 15% on the basis of management's estimation, supported by technical advice.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

The Company depreciates building using straight line method over 30 to 60 years from the date of original purchase.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

h) Intangible Assets

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

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortised over the period of the consent/permission on a straight line basis.

Softwares are amortised on a straight line basis over a period of five to six years.

All other intangible assets are amortised on a straight line basis over a period of five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Research costs are expensed as incurred.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

i) Leases

Accounting policies till March 31, 2019:

The determination of whether an arrangement was (or contained) a lease was based on the substance of the arrangement at the inception of the lease. The arrangement was, or contained, a lease if fulfilment of the arrangement was dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right was not explicitly stated in the arrangement.

Company as a lessee

A lease was classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company was classified as a finance lease.

Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, were included in borrowings or other financial liabilities as appropriate. Finance charges were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Company's general policy on the borrowing costs.

A leased asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership were not transferred to the Company were classified as operating lease. Operating lease payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment were structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

Company as a lessor

Leases in which the Company did not transfer substantially all the risks and rewards of ownership of an asset were classified as operating leases. Rental income from operating lease was recognised on a straight-line basis over the term of the relevant lease unless the receipts were structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases were classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases were recorded as receivables at the Company's net investment in the leases. Finance lease income was allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The respective leased assets were included in the balance sheet based on their nature.

Accounting policies with effect from April 01, 2019:

As a Lessee:

The Company leases various assets which includes 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

Until the 2018-19 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, 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.

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. 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.

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

k) Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Provisions and contingent liabilities
General
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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.

m) Employee benefits
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations
The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations
The Company operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity and

(b) Defined contribution plans such as provident fund.

Gratuity obligations
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans
The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

n) Share-based payments
The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with 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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

o) Investment and Other Financial assets

i) Classification & Recognition:

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sale the financial asset.

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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.

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.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries, associates and joint venture are carried at historical cost as per the accounting policy choice given by IND AS 27.

The Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Company has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

iii) Impairment of financial assets

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

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

b) Lease receivables under Ind AS 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) recognised during the period is recognised 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 asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

p) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 3o days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

q) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

r) Derivatives and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of assets and liabilities and highly probable forecast forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Company designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges
The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. 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.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Embedded derivatives closely related to the host contracts are not separated.

s) Financial Guarantee Contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the 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.

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

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

u) Dividends
The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

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

x) Trade receivable
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

y) Segment Reporting
Operating segments are 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 53 for segment information presented.

z) 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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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 to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

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

bb) 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.

2.2 Recent Accounting Pronouncements
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3: Significant Accounting Judgements, Estimates and Assumptions
The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the company's accounting policies. 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 company tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. 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 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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The company uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Company excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Company recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Company in designing and manufacturing of the good.

Ind AS 116 - Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and equipment's, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and equipment leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed periodically whether an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used,

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Share-based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 4: Property, Plant & Equipment

(Amounts ₹ crores)

	Freehold land	Leasehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Right of Use asset	Total
Cost											
At 01 April 2018	**67.74**	**34.20**	**227.79**	**1,530.56**	**16.41**	**54.53**	**13.76**	**46.12**	**11.21**	**-**	**2,002.32**
Additions	-	2.52	160.86	698.91	0.76	5.55	1.84	11.81	5.45	-	887.70
Transfer from Investment property (refer note 7)	-	-	10.03	-	-	-	-	-	-	-	10.03
Disposals/Adjustments	-	-	(0.24)	(17.28)	(0.22)	(0.86)	(0.12)	(0.05)	(4.16)	-	(22.93)
At 31 March 2019	**67.74**	**36.72**	**398.44**	**2,212.20**	**16.95**	**59.22**	**15.48**	**57.88**	**12.50**	**-**	**2,877.12**
Adjustment on transition to Ind AS 116 (refer note 52)	-	-	-	-	-	-	-	-	-	93.99	93.99
Additions	7.55	-	126.39	424.35	9.38	12.96	4.24	10.42	1.43	3.39	600.11
Disposals/Adjustments	-	(16.75)	(28.58)	(19.75)	(0.82)	(1.26)	(0.82)	(4.37)	(0.20)	(0.10)	(72.65)
At 31 March 2020	**75.29**	**19.97**	**496.25**	**2,616.80**	**25.51**	**70.92**	**18.90**	**63.93**	**13.73**	**97.28**	**3,498.57**
Depreciation, Amortization & Impairment											
At 01 April 2018	**-**	**2.36**	**62.03**	**863.67**	**9.87**	**34.21**	**9.52**	**24.97**	**4.81**	**-**	**1,011.44**
Additions	-	0.31	14.13	99.76	2.03	7.83	1.67	5.77	1.69	-	133.19
Transfer from Investment property (refer note 7)	-	-	1.24	-	-	-	-	-	-	-	1.24
Disposals/Adjustments	-	-	(0.09)	(14.71)	(0.16)	(0.84)	(0.11)	(0.05)	(3.10)	-	(19.06)
At 31 March 2019	**-**	**2.68**	**77.31**	**948.73**	**11.74**	**41.20**	**11.08**	**30.69**	**3.40**	**-**	**1,126.81**
Additions	-	0.24	22.90	135.50	2.12	9.47	2.39	5.54	1.96	15.94	196.06
Disposals/Adjustments	-	(2.05)	(9.83)	(18.46)	(0.74)	(1.24)	(0.77)	(4.36)	(0.11)	(0.05)	(37.61)
At 31 March 2020	**-**	**0.87**	**90.38**	**1,065.77**	**13.12**	**49.43**	**12.70**	**31.87**	**5.25**	**15.89**	**1,285.26**
Net Book Value											
At 31 March 2020	75.29	19.10	405.87	1,551.03	12.39	21.49	6.21	32.06	8.48	81.39	2,213.30
At 31 March 2019	67.74	34.05	321.13	1,263.47	5.21	18.02	4.40	27.19	9.10	-	1,750.31

Movement in Capital work in progress

Opening balance as at 01 April 2019	**413.87**
Additions during the year	328.99
Borrowing cost capitalised during the year (Refer Note 33)	11.12
Transfers during the year	(626.46)
Closing balance as at 31 March 2020	**127.52**

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

#Buildings include those constructed on leasehold land:

	31 March 2020	31 March 2019
Gross Block	349.30	269.77
Depreciation for the year	3.47	10.30
Accumulated depreciation	49.31	45.84
Net Block	299.99	223.93

Refer note 19 for information on property, plant and equipment pledged as security by the Company.
Refer note 38 for disclosure of capital commitments for the acquistion of property, plant & equipments.

The Company has revised the useful life of certain assets effective from October 01, 2019 based on the available evidence of their expected use and the impact of same on depreciation charge for current year is ₹ 15 crores. There will be similar impact in future years.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Details of Leases :
The note provides information for leases where the company is a lessee. The company leases various offices and equipments. Rental contracts 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	31 March 2020 (₹ in crores)	01 April 2019 (₹ in crores)
Right of Use assets		
Buildings	48.10	44.81
Plant & Machinery	49.18	49.18
Total	**97.28**	**93.99**

Additions to the right of use assets during the year is ₹ 3.39 crores.

Particulars	31 March 2020 (₹ in crores)	01 April 2019 (₹ in crores)
Lease liabilities		
Non-current	83.33	96.59
Current	16.43	14.07
Total	**99.76**	**110.66**

(ii) Amount recognised in the statement of profit & loss

Particulars		31 March 2020 (₹ in crores)	01 April 2019 (₹ in crores)
Depreciation charge on right of use assets			
Buildings		11.91	-
Plant & Machinery		4.03	-
Total	32	**15.94**	**-**

Particulars	Note no.	31 March 2020 (₹ in crores)
Interest expenses (included in finance cost)	33	11.17
Expenses related to short term leases, low value assets (included as rent in other expenses)	31	5.34

The total cash outflow for leases for the year ended 31 March 2020 was ₹ 25.62 crores.

Extension and Termination option :
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.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 5: Intangible Assets

(Amount ₹ in crores)

	Software/ licenses	Patents	Indefeasible Right of use	Customer acquisition	Goodwill (Refer note 6)	Total
Cost						
At 01 April 2018	**27.11**	**9.31**	**1.00**	**5.72**	**148.19**	**191.33**
Additions	4.16	-	-	-	-	4.16
At 31 March 2019	**31.27**	**9.31**	**1.00**	**5.72**	**148.19**	**195.49**
Additions	26.35	-	-	-	-	26.34
At 31 March 2020	**57.61**	**9.31**	**1.00**	**5.72**	**148.19**	**221.83**
Amortization & Impairment						
At 01 April 2018	**16.14**	**9.31**	**0.40**	**2.58**	**74.26**	**102.69**
Additions	4.22	-	0.08	0.56	29.65	34.51
At 31 March 2019	**20.36**	**9.31**	**0.48**	**3.14**	**103.90**	**137.20**
Additions	6.10	-	0.05	0.56	29.64	36.36
At 31 March 2020	**26.45**	**9.31**	**0.53**	**3.71**	**133.54**	**173.53**
Net Book Value						
At 31st March 2020	31.16	-	0.47	2.02	14.65	48.30
At 31st March 2019	10.91	-	0.52	2.57	44.29	58.29

Note 6: Impairment Testing of Goodwill

The Company has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount. Goodwill generated on acquisition of Elitecore Technologies Private Limited ('ETPL') which was merged with the Company with effect from 29 September 2015 is attributable to Network Software cash generating units ('CGU').

	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Goodwill (refer note 5)	14.66	44.29

Key assumptions used in the value in use calculations

The following table provides the key assumptions for this CGU that have goodwill allocated to them:

EBIDTA margins over the budgeted period	10.00%-24.00%	10.50%-16.50%
Long-term terminal Growth rate	5.00%	5.00%
Pre-tax discount rate	15.10%	15.70%

Discount rate

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

Growth rate

The Company has considered growth rate to extrapolate cash flows beyond the 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.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Sensitivity to changes in assumptions of CGU

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Note 7: Investment Property

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Cost		
Opening gross block	-	10.03
Addition	-	-
Transferred to property, plant & equipment during the year (refer note 4)	-	(10.03)
Closing gross block	**-**	**-**
Accumulated Depreciation		
Opening balance	-	1.15
Additions	-	0.09
Transferred to property, plant & equipment during the year (refer note 4)	-	(1.24)
Closing balance	**-**	**-**
Net Block	**-**	**-**

Amounts recognised in profit and loss for investment property

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Rental income derived from investment properties	-	0.57
Direct operating expenses (including repairs and maintenance) from property generating rental income	-	(0.01)
Profit arising from investment properties before depreciation	**-**	**0.56**
Less: Depreciation	-	(0.09)
Profit arising from investment properties	**-**	**0.47**

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Fair Value	**NA**	**NA**

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

During the previous year, company has started using the property for its own use and therefore the same has been reclassified to Property, plant and equipment. (Refer note 4)

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 8: Investments

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current investments in equity instruments (fully paid up) (unquoted)		
Investment in Subsidiaries		
Equity component of debt instrument		
44,705,928 (31 March 2019: 44,705,928) 0.01% compulsory convertible debentures of Speedon Network Limited	32.42	32.42
Equity investments at cost		
29,096,847 (31 March 2019: 12,381,447)	186.86	67.14
Equity shares of Sterlite Global Ventures (Mauritius) Limited of USD 1 each fully paid up		
5,050,000 (31 March 2019: 5,050,000) Equity shares of Sterlite Tech SPA of Euro 1 each fully paid-up	40.23	40.23
50,000 (31 March 2019: 50,000) Equity shares of Sterlite Innovative Solutions Limited of ₹10 each fully paid-up	0.05	0.05
50,000 (31 March 2019: 50,000) Equity shares of Sterlite Tech Connectivity Solutions Limited of ₹ 10 each fully paid-up	0.05	0.05
50,000 (31 March 2019: Nil) Equity shares of Sterlite Tech Cables Solutions Limited of ₹10 each fully paid-up	0.05	-
1,550,000 (31 March 2019: 1,550,000) Equity shares of Speedon Network Limited of ₹ 10 each fully paid-up	-*	-*
5,000 (31 March 2019: 5,000) Equity shares of Sterlite Technologies UK Ventures Limited of Euro 1 each fully paid-up	0.04	0.04
100% Equity shares of Sterlite (Shanghai) Trading Company Limited fully paid-up	1.53	1.53
19,875,404 (31 March 2019: 19,875,404) Equity shares of Maharashtra Transmission Communication Infrastructure Limited of ₹ 10 each fully paid up (Refer Note 16)	-	-
Nil (31 March 2019: 17,506) Equity shares of Elitecore Technologies (Mauritius) Limited of MUR 100 each fully paid up$$	-	0.14
1,000 (31 March 2019: 1,000) Equity shares of Sterlite Tech Holding Inc. USA	0.00*	0.00*
100 (31 March 2019: 100) Equity shares of Elitecore Technologies SDN, BHD	-*	-*
Investment in Joint venture (at fair value through P&L)$		
511 (31 March 2019: 333) Equity shares of Metis Eduventures Private Limited	1.53	0.26
Investments - Other (at fair value through OCI)		
Nil (31 March 2019: 10) Equity shares of Singularity Healthcare IT$$ Systems Private Limited of ₹ 10 each fully paid up	-	-*
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture (at fair value through P&L)		
17,600,000 (31 March 2019: 17,600,000) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Private Limited	17.60	17.60
5,000,000 (31 March 2019: 5,000,000) 0.01% Cumulative Optionally Convertible Debentures of Metis Eduventures Private Limited	5.00	5.00
Investment in debentures- Others (at fair value through OCI)		
Nil (31 March 2019: 3,199,990) 0.001% Compulsorily Convertible Debentures of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up$$	-	-*
Investment in preference shares - Joint Venture (at fair value through P&L)		
313 (31 March 2019: Nil) 0.01% Compulsorily Convertible Preference Shares of Metis Eduventures Private Limited	3.74	-
Total Investments	**289.10**	**164.46**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	289.10	164.46
Amount of impairment in the value of investments**	-	1.74

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

$ As described in Significant accounting policies (refer note 2), the Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. As permitted by Ind AS 28, the company has elected to measure such investments in joint ventures and associates in accordance with Ind AS 109.

** These amounts pertain to fair value change in the investment recognised during the year.

$$ During the year, the company has sold off the investment in Singularity Healthcare IT Systems Private Limited and Elitecore Technologies (Mauritius) Limited.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 9: Trade Receivables

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current	-	1.76
Trade receivables	**-**	**1.76**
Break-up for security details		
- Unsecured, considered good	-	1.76
	-	**1.76**
Total Non-current trade receivables	**-**	**1.76**

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current		
Trade receivables	1,393.25	1,157.58
Receivables from related parties (Refer Note 50)	65.22	51.17
Less : Loss allowance	(45.31)	(29.99)
Break-up for security details	**1,413.16**	**1,178.77**
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,458.47	1,208.76
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	**1,458.47**	**1,208.76**
Less: Impairment Allowance	45.31	29.99
	1,413.16	**1,178.77**
Total Current trade receivables	**1,413.16**	**1,178.77**

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

Refer note 19 for information on trade receivables hypothecated as security by the Company.

Note 10: Loans

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Loans to related parties (refer note 50)	90.58	114.93
Security deposits	21.93	15.40
Loans to employees	0.32	0.70
Less : Loss allowance	(15.00)	-
Total non-current loans	**97.83**	**131.03**
Break-up for security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	112.83	131.03
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	**112.83**	**131.03**
Less : Loss allowance	(15.00)	-
Total	**97.83**	**131.03**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 11: Other Financial Assets

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	14.83	33.34
Others		
Others	0.10	0.22
Total other non-current financial assets	**14.93**	**33.56**
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	32.55	58.25
Currency/ Interest rate swaps	11.36	0.28
Others		
Interest accrued on investments/deposits	0.21	0.26
Financial guarantee receivable	7.60	10.37
Others*	7.09	22.20
Total other current financial assets	**58.81**	**91.36**

*This includes expenses incurred on behalf of customer, amounting to ₹ 4.51 crores (31 March 2019: ₹18.04 crores)

Refer note 19 for information on financial assets hypothecated as security by the Company.

Note 12: Other Assets

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	28.44	16.99
Advance income tax, including TDS (net of provision)	19.51	-
Prepaid expenses	0.99	3.63
Total other non-current assets	**48.94**	**20.62**
Contract assets (refer note 51)	**735.15**	**1,093.02**

Significant changes in Contract assets

Contract assets have decreased from previous year as entity has provided fewer services ahead of the agreed payment schedules for fixed price contracts.

There is no impairment allowance of the contract assets for current year and previous year.

During the year ended 31 March 2020, ₹ Nil (31 March 2019: ₹ 148.98 crores) of opening gross amount due from customers from construction contract and ₹ 1,087.04 crores (31 March 2019: ₹ 20.15 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 hypothecated as security by the Company.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current		
Prepaid expenses	27.87	39.60
Balances with Government authorities	281.03	250.19
Advance to suppliers	15.01	38.73
Other advances	8.06	3.68
Total other current assets	**331.97**	**332.20**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 13: Inventories

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Raw materials	107.62	128.93
[Includes stock in transit ₹ 22.48 crores (31 March 2019: ₹ 20.28 crores)]		
Work-in-progress	31.48	37.94
Finished goods	90.05	144.02
[Includes stock in transit ₹ 1.56 crores (31 March 2019: ₹ 39.65 crores)]		
Traded goods	2.93	7.93
Stores, spares, packing materials and others	53.30	62.19
Total	**285.38**	**381.01**

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 26.08 crores (31 March 2019 - ₹ 19.74 crores). These were recognised as an expense and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Refer note 19 for information on inventories hypothecated as security by the Company.

Note 14: Current Investments

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
In mutual funds (At fair value through profit or loss) (quoted)		
270,323.32 (31 March 2019: 102,567.82) units of SBI Liquid fund- Direct Growth Plan	84.00	30.00
Nil (31 March 2019: 87,774.43) units of Reliance Ultra Short duration fund - Direct growth plan	-	40.00
62,292.392 (31 March 2019: Nil) units of Kotak Liquid Fund - Direct growth plan	25.00	-
103,122.62 (31 March 2019: Nil) units of Nippon India Liquid Fund - Direct growth plan growth option	50.00	-
2,520,308.92 (31 March 2019: 1,086,454.63) units of ICICI Prudential Liquid Fund- Direct Plan- Growth Option	74.00	30.00
Aggregate amount of quoted investments [Market Value: ₹ 233.00 crores (31 March 2019 : ₹ 100.00 crores)]	**233.00**	**100.00**
Amount of impairment in the value of investments	-	-

Note 15A: Cash and Cash Equivalents

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Balances with banks:		
In current accounts (in INR)	47.80	42.48
In current accounts (in foreign currency)	28.71	15.92
Cash in hand	0.02	0.03
	76.53	**58.43**

There are no repatriation restrictions with regards to cash and cash equivalents.

Note 15B: Other Bank Balances

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Deposits with original maturity of more than 12 months*	0.01	0.01
Deposits with original maturity of more than 3 months but less than 12 months**	87.84	85.00
In unpaid dividend account	4.16	3.37
Other bank balance	1.91	0.55
Total other bank balances	**93.92**	**88.93**

* Includes ₹ 0.01 crores (31 March 2019: ₹ 0.01 crores) held as lien by banks against bank guarantees.

** ₹1.84 crores (31 March 2019: ₹15.00 crores) held as lien by banks against bank guarantees.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 16: Asset Classified as Held For Sale

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Investment in 19,875,404 (31 March 2019: 19,875,404) equity shares of Maharashtra Transmission Communication Infrastructure Limited	28.27	28.27
	28.27	**28.27**

Post demerger of the power business in the financial year ended March 31, 2017, the Company has been in the process of obtaining requisite approvals from government authorities to sell its equity interest in its subsidiary, Maharashtra Transmission Communication Infrastructure Limited (referred as disposal group or MTCIL) to Sterlite Power Transmission Limited. Management has filed an application with Department of Telecommunication for transfer of entity after its earlier application had been rejected. The Department of Telecommunication has requested certain clarifications to which the Management has responded. The Company is committed to the sale of MTCIL post requisite regulatory approvals.
The investment in the subsidiary has been measured at lower of carrying amount and fair value, less cost to sell. No write down is required to be recognised as fair value of the investment is higher than cost. This is a level 3 measurement as per the fair value hierarchy set out in the fair value measurement disclosure.

Note 17: Share Capital

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2019: 75.00) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid-up shares (no. crores)		
40.39 (31 March 2019: 40.25) equity shares of ₹ 2 each fully paid - up.	80.79	80.51
Total issued, subscribed and fully paid-up share capital	**80.79**	**80.51**

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

	31 March 2020		31 March 2019	
	Nos in crores	(₹ in crores)	Nos in crores	(₹ in crores)
At the beginning of the year	40.25	80.51	40.10	80.20
Issued during the year against employee stock options	0.14	0.28	0.15	0.31
Outstanding at the end of the year	**40.39**	**80.79**	**40.25**	**80.51**

Buy-back of shares:
The Board of Directors have approved on March 24, 2020 the proposed buyback of Equity Shares for a total amount not exceeding ₹ 145 Crore, being 10% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 . The Company has bought back Nil shares as at March 31, 2020. Post March 31, 2020, the Company has bought back 2,418,719 shares for ₹ 20.30 crores (excluding taxes) upto the reporting date.

b. Terms and rights attached to equity shares
The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share except for the underlying Nil (31 March 2019: 74,700) equity shares held by custodian bank against Global Depository Receipts ('GDRs') which do not have voting rights.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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

	31 March 2020		31 March 2019	
	Nos in crores	% holding	Nos in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company])	20.94	51.85%	20.94	52.03%
Vedanta Limited	0.48	1.18%	0.48	1.19%

d. Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium in five years immediately preceding the reporting date	-	0.04

e. Detail of shareholders holding more than 5% of shares in the company

	31 March 2020		31 March 2019	
	Nos in crores	% holding	Nos in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	51.85%	20.94	52.03%

f. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 35.

Note 18 : Other Equity

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
A. Securities premium account		
Opening balance	38.68	27.93
Add: Addition on ESOPs exercised	12.68	10.75
Closing balance	**51.36**	**38.68**
B. Other reserves		
Capital reserve	(19.06)	(19.06)
Employee stock option outstanding		
Opening balance	29.65	21.24
Add: Employees stock option expenses for the year (refer note 35)	9.86	19.16
Less: Transferred to Securities premium account	(12.68)	(10.75)
Closing balance	**26.83**	**29.65**
Debenture redemption reserve		
Opening balance	75.00	75.00
Less: Amount transferred to general reserve	(18.75)	-
Closing balance	**56.25**	**75.00**
General reserve		
Opening balance	112.50	112.50
Add: Amount transferred from debenture redemption reserve	18.75	-
Closing balance	**131.25**	**112.50**
Cash flow hedge reserve		

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	45.86	(32.27)
Add: Cash flow hedge reserve created on currency forward contracts	(8.60)	144.55
Add: Cash flow hedge reserve created on swap contracts	9.49	9.88
Less: Amount reclassified to Statement of profit and loss	(52.70)	(21.66)
Less: Amount transferred to Statement of profit and loss	(9.73)	(8.25)
Less: Deferred tax	20.20	(46.39)
Closing balance	**4.52**	**45.86**
Total other reserves	**199.79**	**243.95**
C. Retained earnings		
Opening balance	1,225.07	804.45
Less: Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	-	(12.71)
Less: Impact of change in accounting policy on adoption of Ind AS 116 (refer note 52)	(12.48)	-
Add: Net profit for the year	433.52	535.23
Add: Remeasurement of post employment benefit obligation, net of tax	0.26	(5.10)
Less: Equity dividend and tax thereon (refer note 48)	(170.09)	(96.80)
Add: Change in fair value of FVOCI equity instrument	1.35	-
Total retained earnings	**1,477.63**	**1,225.07**
Total other equity (A+B+C)	**1,728.78**	**1,507.70**

Nature and Purpose of reserves other than retained earnings

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve
Capital reserve 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 47. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss. When the forecasted transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee stock option outstanding
The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plan (ESOP Scheme) approved by shareholders of the Company.

Debenture redemption reserve
The Company 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 existing DRR is carried forward to the extent of outstanding amounts.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 19: Borrowings

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current borrowings		
Debentures (Secured)		
750 (31 March 2019 :1,500) 8.45% Non convertible debentures of ₹ 10 lacs each	75.00	150.00
1,500 (31 March 2019 :1,500) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
Term loans		
Indian rupee loans from banks (secured)	90.00	50.00
Foreign currency loan from banks (secured)	183.64	138.35
Indian rupee loans from banks (unsecured)	129.61	100.00
Deferred payment liabilities (unsecured)	138.58	142.95
	766.83	**731.30**
The above amount includes		
Secured borrowings	498.64	488.35
Unsecured borrowings	268.19	242.95
Total Non-current borrowings	**766.83**	**731.30**
Less: Current maturities of long term borrowings disclosed under the head "other current financial liabilities" (refer note 20)	247.00	149.59
Net Amount	**519.83**	**581.71**

Notes:

a) 8.45% Non convertible debentures carry 8.45% rate of interest. The total outstanding amount is redeemable at par during the FY 2020-21. These non-convertible debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

b) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures is due in the FY 2021-22. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.

c) Indian rupee term loan from bank amounting to ₹ 10.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in twelve quarterly equated instalments of ₹ 10.00 crores (excluding interest) starting from July 2017. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli.

d) Foreign Currency term loan from bank amounting to ₹ 113.49 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

e) Foreign Currency term loan from bank amounting to ₹ 70.15 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.

f) Indian rupee term loan from bank amounting to ₹ 80.00 crores carries interest @ One Year MCLR +15 Bps p.a. Loan amount is repayable in 12 quarterly instalments from Oct'21 of ₹ 6.67 crores per Quarter (excluding interest) . The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future).

g) Unsecured Indian rupee term loan from NBFC amounting to ₹ 129.61 crores carries interest @ 8% p.a. Loan amount is repayable in FY 2020-21.

h) Deferred payment liabilities of ₹ 138.58 crores are as per the contractual terms with creditors for property, plant and equipment and amounts are payable after 1080 days from the due date. These amounts are presented as deferred payment liabilities under borrowings as per the disclosure requirements of Schedule III. The Interest payable on these deferred payment liabilities ranges from 6 months Libor + (100-200) bps per annum.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	0.33	33.62
Working capital demand loan from banks (secured)	315.00	50.00
Commercial paper from bank (unsecured)	350.00	300.00
Other loans from banks (secured)	403.00	394.86
Other loans (unsecured)	29.53	10.72
Loans from related party (unsecured)	7.31	8.28
	1,105.17	**797.48**
The above amount includes		
Secured borrowings	718.33	478.48
Unsecured borrowings	386.84	319.00
Net Amount	**1,105.17**	**797.48**

Note:

(i) Cash credit is secured by hypothecation of raw material inventory, work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 7.80 % -11.50 % p.a.

(ii) Working capital demand loan from banks 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 Loan has been taken for a period of 30 days to 90 days and carries interest @ 6.90 % to 8.25% p.a.

(iii) Commercial Papers are unsecured and are generally taken for a period from 60 to 90 days and carry interest @ 6.65% to 7.00% p.a.

(iv) Other loans include buyer's credit arrangements (secured) and export packing credit (unsecured). Buyer's credit are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges from 6.9% - 8.11% p.a.

(v) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand. The loan carries an interest rate of 10% p.a.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Cash and cash equivalents	76.53	58.43
Current investments*	319.00	170.00
Current Borrowings	(1,105.17)	(797.48)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings)	(768.59)	(734.42)
Net Debt	**(1,478.23)**	**(1,303.47)**

The amount of net debt would have been ₹ 1,577.99 crores considering the amount of lease liability of ₹ 99.76 crores

*includes other bank balance of ₹ 86 crores (March 31, 2019 : ₹ 70 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Non-current borrowings

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**734.42**	**707.33**
Cashflows	45.27	23.67
Interest expense	61.28	46.75
Interest paid	(62.64)	(42.97)
Forex adjustment	(9.74)	(0.36)
Closing balance	**768.59**	**734.42**

Current borrowings

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**797.48**	**462.74**
Cashflows	307.69	334.74
Interest expense	96.21	28.14
Interest paid	(96.21)	(28.14)
Closing balance	**1,105.17**	**797.48**

Cash and cash equivalent

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**58.43**	**69.20**
Cashflows	18.10	(10.77)
Closing balance	**76.53**	**58.43**

Current Investments

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**170.00**	**155.00**
Cashflows	146.77	13.11
Realised gain on current investment	2.23	1.89
Closing balance	**319.00**	**170.00**

Note 20: Other Financial Liabilities

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	1.96	1.64
Currency / Interest Rate Swaps	1.25	1.13
Payables for purchase of property, plant and equipment	0.62	9.40
Deposits from vendors	3.49	2.71
Total non-current financial liabilities	**7.32**	**14.88**
Current		
Derivative instruments		
Foreign exchange forward contracts	8.26	10.27
Currency / Interest Rate Swaps	1.47	-
	9.73	**10.27**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	1.76	3.12
Current maturities of long-term borrowings (refer note 19)	247.00	149.59
Unclaimed dividend*	4.16	3.37
Deposits from customers	0.29	0.46
Deposits from vendors	0.44	0.41
Payables for purchase of property, plant and equipment (including deferred payment liabilities)	505.56	396.16
Employee benefits payable	94.96	49.65
Financial guarantee payable	7.60	10.37
Others	9.21	6.26
	870.98	**619.39**
Total current financial liabilities	**880.71**	**629.66**

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

Note 21: Trade Payables

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 41)	30.66	92.30
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 50)	18.38	72.22
Others	1,317.43	1,645.47
	1,335.81	**1,717.69**
Total Trade Payables	**1,366.47**	**1,809.99**

Note 22: Provisions

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Provision for warranty	0.89	0.72
Total non-current provision	**0.89**	**0.72**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	0.52	0.46
Total current provision	**10.02**	**9.96**

Provision for litigations / contingencies
The provision of ₹ 9.50 crores as at 31 March 2020 (31 March 2019: ₹ 9.50 crores) is towards contingencies in respect of disputed claims against the Company as described in note 39, quantum of outflow and timing of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty
The Company has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
At the beginning of the year	1.18	42.29
Arising during the year	0.23	-
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	-	(40.33)
Utilized during the year	-	(0.78)
At the end of the year	**1.41**	**1.18**
Current portion	0.52	0.46
Non-current portion	0.89	0.72

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 23: Other Current Liabilities

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Contract liabilities (refer note 51)		
Unearned revenue	41.39	88.54
Advance from customers	92.01	180.77
Total	**133.40**	**269.31**

Significant changes in Contract liabilities
Contract liabilities have decreased as entity has recognised the revenue from the opening unearned revenue & utilised the advance from customers during the year.

During the year ended March 31, 2020, the company recognized revenue of ₹ 86.92 crores (March 31, 2019: ₹ 35.40 crores) arising from opening unearned revenue.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current		
Indirect taxes payable	6.79	7.38
Withholding taxes (TDS) payable	7.54	8.52
Others	29.19	33.69
Total other current liabilities	**43.52**	**49.59**

Note 24A: Deferred Tax Liabilities (Net)

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	126.69	119.00
Impact of fair valuation of Land as at Ind AS transition date	11.44	15.88
Net movement on cash flow hedges	5.49	29.27
Others	2.65	-
Gross deferred tax liability	**146.27**	**164.15**
Deferred tax assets		
Provision for doubtful debts, loans and advances, allowed for tax purposes on payment basis	15.18	10.48
Expenditure allowed for tax purposes on payment basis	19.58	19.48
Provision for inventory	6.56	6.90
Provision for litigations / contingencies	3.42	2.53
Unused Tax Credit	-	18.90
Impact of fair valuation of Plant & Machinery	2.66	5.54
Lease Liability	25.11	-
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	2.46	11.96
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 52)	4.19	-
Re-measurement loss defined benefits plans	-	2.74
Others	3.22	13.49
Gross deferred tax assets	**82.38**	**92.02**
Net deferred tax liability	**63.89**	**72.13**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Reconciliation of deferred tax liability

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening deferred tax liability, net	72.13	30.21
Deferred tax (credit) / charge recorded in statement of profit and loss	(2.84)	5.10
Deferred tax (credit) / charge recorded in OCI	(20.11)	43.65
Utilisation of Tax Credit	18.90	-
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	-	(6.83)
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 52)	(4.19)	-
Closing deferred tax liability, net	**63.89**	**72.13**

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Profit or loss section		
Current tax	111.53	270.99
Deferred tax relating to origination and reversal of temporary differences	(2.84)	5.10
	108.69	**276.09**
OCI section		
Deferred tax related to items recognised in OCI during in the year		
Net (gain)/loss on revaluation of cash flow hedges	20.20	(46.39)
Re-measurement loss defined benefit plans	(0.09)	2.74
	20.11	**(43.65)**

Reconciliation of tax expense

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Accounting profit before income tax	542.21	811.32
Tax at India's statutory income tax rate of 25.17% (31 March 2019: 34.94%)	136.46	283.47
Adjustments in respect of current income tax of previous years	1.51	-
Tax benefits under various sections of Income tax Act	(4.09)	(8.37)
Income taxed at lower tax rate	(5.47)	-
Income tax rate difference	(21.21)	-
Other adjustments	1.49	0.99
Income tax expense	108.69	276.09
Income tax expense reported in the statement of profit and loss	108.69	276.09

Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the company, basis their current assessment, is expected to opt for a lower corporate tax rate as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2019-20 onwards. Accordingly, the company remeasured the Deferred Tax Liability basis the revised lower tax rate and impact of the same was recognised in the current year. The company has also recognised provision for Income Tax and Deferred Tax Liability for the year ended March 31, 2020 basis the revised lower tax rate.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 24B: Current Tax Liabilities (Net)

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening Current tax liabilities/(assets)	55.38	(24.57)
Add: Current tax payable for the year	111.53	270.99
Less: Tax paid	(168.57)	(191.04)
Less: Utilisation of Tax Credit	(18.90)	-
Add/(less): Other adjustments	1.05	-
Total current tax liabilities/(assets)	**(19.51)**	**55.38**

Note 25: Employee Benefit Obligations

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non Current		
Provision for gratuity	25.66	19.59
Provision for compensated absences	15.50	12.76
Total non-current employee benefits obligation	**41.16**	**32.35**
Current		
Provision for gratuity	9.88	10.27
Provision for compensated absences	4.52	4.25
Total current employee benefits obligation	**14.40**	**14.52**

i) Compensated Absences

The compensated absences cover the company's liability for sick and earned leave. The amount of the provision is ₹ 20.02 Crore (31 March 2019: ₹ 17.01 Crore). The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

ii) Post employment benefit - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Defined benefit obligation at the beginning of the year	34.18	22.98
Current service cost	5.29	2.85
Interest cost	2.61	1.99
Actuarial (gain)/loss	(0.35)	7.33
Benefits paid	(0.87)	(0.97)
Defined benefit obligation, at the end of the year	**40.86**	**34.18**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Fair value of plan assets at the beginning of the year	4.32	3.77
Expected return on plan assets	0.33	0.51
Contribution by employer	1.54	0.97
Benefits paid	(0.87)	(0.93)
Fair value of plan assets at the end of the year	**5.32**	**4.32**

The company expects to contribute ₹ 2.50 crores (31 March 2019: ₹ 4.50 crores) to its gratuity plan in FY 2020-21.

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

Particulars	31 March 2020 (%)	31 March 2019 (%)
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Present value of defined benefit obligation	40.86	34.18
Fair value of plan assets	(5.32)	(4.32)
Benefit liability	**35.54**	**29.86**

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Present value of funded obligations	40.86	34.18
Fair value of plan assets	(5.32)	(4.32)
Deficit of funded plan (A)	**35.54**	**29.86**
Unfunded plans (B)	-	-
Total net obligation (A+B)	**35.54**	**29.86**

The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current service cost	5.29	2.85
Interest cost on benefit obligation	2.61	1.99
Expected return on plan assets	(0.33)	(0.51)
Net benefit expense	**7.57**	**4.33**

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Actuarial (gains)/losses on Obligation For the Period	(0.35)	7.33
Return on Plan Assets, Excluding Interest Income	0.00*	0.51
Net (income)/expense For the Period Recognized in OCI	**(0.35)**	**7.84**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Amounts for the current and previous periods are as follows:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Defined benefit obligation	40.86	34.18	22.80	19.65	16.22
Plan assets	5.32	4.32	3.77	3.37	2.59
(Surplus) / deficit	35.54	29.86	19.03	16.28	13.63
Experience adjustments on plan liabilities	(3.22)	3.08	(0.01)	(0.14)	1.90
Experience adjustments on plan assets	-	-	-	(0.15)	0.00*

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

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Discount rate	6.56%	7.64%
Expected rate of return on plan asset	6.56%	7.64%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	10.00%	10.00%

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

Sensitivity Analysis

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
+1% Change in discount rate	(2.66)	(2.10)
-1% Change in discount rate	3.04	2.39
+1% Change in rate of salary increase	2.91	2.31
-1% Change in rate of salary increase	(2.61)	(2.08)
+1% Change in rate of employee turnover	(0.73)	(0.44)
-1% Change in rate of employee turnover	0.81	0.49

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure
Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility:
The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.

Changes in bond yields:
A decrease in bond yields will increase plan liabilities.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Future salary escalation and inflation risk:
Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

Life expectancy
Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company's assets are maintained in a trust fund managed by public sector insurance company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

The weighted average duration of the defined benefit obligation is 8 years (2019 - 7 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:
The expected maturity analysis of undiscounted gratuity is as follows

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	5.55	5.03
Between 1 to 2 years	2.76	2.52
Between 3 to 5 years	9.58	8.46
Over 5 years	54.36	49.26

Note 26: Revenue From Operations

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
- Finished goods	2,114.42	2,915.75
- Traded goods	2.20	48.07
Revenue from sale of products	**2,116.62**	**2,963.82**
Revenue from sale of services	56.70	66.10
Revenue from network integration projects	2,419.17	1,570.70
Revenue from software products/licenses and implementation activities	92.58	171.00
	4,685.07	**4,771.62**
Other operating revenue		
- Scrap sales	21.53	25.93
- Export incentives	53.90	65.08
Revenue from operations	**4,760.50**	**4,862.63**

Revenue disaggregation in terms of nature of goods and services has been included above.

The total contract price of ₹ 4,756.14 crores is reduced by the consideration of ₹ 71.07 crores towards variable components.

Refer note 2, 3 and 51 for accounting policy, significant judgements and details about impact of changes in accounting policies on adoption of Ind AS 115 respectively.

The Company's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 2,935.45 crores which is expected to be recognised over a period of one to three years. Amount of unsatisfied (or partially satisfied) performance obligations

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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.

Note 27: Other Income

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Management Fees	12.92	4.33*
Rental Income	0.28	2.01
Profit on sale of assets	2.57	2.08
Miscellaneous Income	5.50	5.90
Total other income	**21.27**	**14.32**

*The amount disclosed above is net of expenses related to provision of services (refer note 50).

Note 28: Finance Income

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Interest income on		
- Bank deposits	6.13	0.40
- Loans to related parties (refer note 50)	2.97	5.24
- Others	0.34	1.54
Income from current investments	2.23	1.89
Interest subvention	-	11.45
Total finance income	**11.67**	**20.52**

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Inventory at the beginning of the year (refer note 13)	128.93	74.25
Add : Purchases	2,252.65	2,638.08
Less : Inventory at the end of the year (refer note 13)	(107.62)	(128.93)
Cost of raw material and components consumed	**2,273.96**	**2,583.40**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	7.93	4.68
Work-in-progress	37.94	20.38
Construction work-in-progress	-	98.80
Impact of change in accounting policy on adoption of Ind AS 115 in Construction work-in-progress (refer note 51)	-	(97.78)
Finished goods	144.02	53.34
	189.89	**79.42**
Closing inventories		
Traded goods	2.93	7.93
Work-in-progress	31.48	37.94
Finished goods	90.05	144.02
	124.46	**189.89**
(Increase)/Decrease in inventories	**65.43**	**(110.47)**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 30: Employee Benefit Expense

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Salaries, wages and bonus	471.62	386.91
Contribution to provident fund (refer note below)	13.84	10.07
Gratuity expenses (refer note 25)	7.57	4.33
Employees stock option expenses (refer note 35)	9.86	19.16
Staff welfare expenses	16.93	19.08
Total Employee benefit expense	**519.82**	**439.55**

Defined Contribution Plans:

The Company has certain defined contribution plans. 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Contribution to Employees Provident Fund	13.84	10.07
Total	**13.84**	**10.07**

Note 31: Other Expenses

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Consumption of stores and spares	87.40	129.59
Consumption of packing materials	69.11	82.58
Power, fuel and water	121.48	102.26
Labour Charges	53.95	40.88
Repairs and maintenance		
Buildings	1.63	2.31
Plant & Machinery	7.34	9.12
Others	10.95	28.15
Corporate Social Responsibility (CSR) expenses (refer note 45)	9.15	5.37
Sales commission (other than sole selling agent)	42.59	28.21
Sales promotion	34.69	23.66
Carriage outwards	60.30	66.87
Rent	5.34	24.79
Insurance	18.66	12.27
Legal and professional fees	73.31	64.35
Rates and taxes	6.25	6.65
Travelling and conveyance	48.76	59.57
Bad debts/ advances written off	5.05	17.19
Provision for doubtful debts and advances	15.32	5.91
Expected credit loss for loan given to related parties	15.00	-
Directors sitting fee and commission	1.55	1.07
Payment to auditor (refer note below)	1.37	1.00
Exchange difference, (net)	1.72	0.23
Research and development expenses (refer note 42)		
- Salaries, wages and bonus	49.39	22.26

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
- Raw materials consumed	0.88	0.47
- General expenses	24.12	12.25
Total Research and development expenses	**74.39**	**34.98**
Less Amount transferred to individual expense line item	**(74.39)**	**(34.98)**
Research and development expenses	-	-
Miscellaneous expenses*	211.39	168.02
Total other expenses	**902.31**	**880.05**

*This includes loss of ₹ Nil (March 31, 2019: ₹1.74 crores) pertaining to investments classified as FVTPL (refer note 8).

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Payment to auditor		
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	0.70	0.52
Reimbursement of expenses	0.08	0.08
Tax audit fee	0.04	0.02
In other capacity:		
Other services (including certification fees)	0.55	0.38
	1.37	**1.00**

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Depreciation of tangible assets	180.12	133.19
Depreciation of right of use assets	15.94	-
Depreciation of investment property	-	0.09
Amortisation of intangible assets	36.36	34.51
Total depreciation and amortisation expense	**232.42**	**167.79**

Note 33: Finance Cost

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	157.49	74.89
Interest on lease liabilities	11.17	-
Bank charges	17.18	12.20
Exchange difference to the extent considered as an adjustment to borrowing costs	18.62	8.16
Total finance cost	**204.46**	**95.25**

* During the year, the Company has capitalised borrowing costs of ₹ 11.12 crores (31 March 2019: ₹ 53.37 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's general borrowings, in this case 8.49% p.a. (March 31, 2019: 8.49% p.a.).

Note 34: Tax Expenses

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current tax#	111.53	270.99
Deferred tax#	(2.84)	5.10
Total tax expenses	**108.69**	**276.09**

*For current year, the current tax expense is net of adjustment of ₹ 8.90 crores pertaining to current tax of previous year.

#For current year, the deferred tax includes ₹ 10.41 crores for adjustment for deferred tax expense of previous year.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

Note 35: Employee Share Based Payments

The Company has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the company to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the company and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of 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 ₹ 9.86 crore (31 March 2019: ₹ 19.16 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

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

	31 March 2020		31 March 2019	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	46,14,478	2	50,50,978
Granted During the year	2	17,41,630	2	16,36,950
Forfeited During the year	2	-	2	-
Exercised During the year	2	(14,21,264)	2	(15,51,202)
Expired/cancelled During the year	2	(10,00,954)	2	(5,22,248)
Closing Balance		**39,33,890**		**46,14,478**
Vested and Exercisable		4,23,130		3,41,195

Average share price for the year ended 31 March 2020 is 141.89 (31 March 2019: ₹ 307.95).

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2020	Share options outstanding on 31 March 2019
30 April 2014	30 April 2020	2	33,050	216,100
30 March 2015	30 March 2021	2	438,500	813,750
13 July 2016	13 July 2022	2	85,521	287,598
25 July 2016	25 July 2022	2	293,290	493,100
28 January 2016	26 January 2022	2	-	483,000
18 January 2017	18 January 2023	2	-	-
19 July 2017	19 July 2023	2	390,470	725,330
16 October 2017	16 October 2023	2	20,650	27,850
17 January 2018	19 January 2023	2	5,260	7,100
19 July 2018	19 July 2024	2	1,013,749	1,496,750
24 January 2019	24 January 2023	2	44,600	63,900
24 October 2019	24 October 2029	2	1,608,800	-
Total			**3,933,890**	**4,614,478**

Weighted Average remaining contractual life of the options outstanding at the end of the period	3.11	2.68

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved one grant. 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- October 24, 2019

The company has granted options under ESOP scheme based on following two criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company.

   Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	01-Nov-20	01-Nov-21	01-Nov-22	01-Nov-23	01-Nov-24
Weighted Average Stock Price	145.35	145.35	145.35	145.35	145.35
Expected volatility	47.87%	48.72%	49.78%	49.33%	48.31%
Risk Free rate	6.19%	6.40%	6.52%	6.77%	6.90%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	3.50	4.50	5.50	6.50	7.50
Dividend Yield	1.07%	1.07%	1.07%	1.07%	1.07%
Outputs					
Option Fair value	138.37	136.99	135.62	134.27	132.92
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**136.86**

The expected price volatility is based on historical volatality (based on remaining life of the options) adjusted for any expected change to future volatility due to publicly available information.

2. Vesting criteria - 70% Vesting based on total Shareholders return based on market performance

   Fair Valuation Method - Monte Carlo Simulation model

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

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

Assumptions used are as follows:

Variables	
Price of underlying stock	145.35
Expected volatility	47.87%
Risk Free rate	6.19%
Exercise Price (₹ per Option)	2.00
Dividend Yield	1.07%
Fair Value of the option	**44.32**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 36: Earnings Per Share (Eps)

The following table shows the computation of basic and diluted EPS.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Profit for the year	433.52	535.23
Weighted average number of equity shares in calculating basic EPS	40.33	40.19
Adjustments for calculation of diluted EPS:		
Employee stock option outstanding during the year	0.45	0.49
Weighted average number of equity shares in calculating diluted EPS	40.78	40.68
Earnings per share		
Basic	**10.75**	**13.32**
Diluted	**10.63**	**13.16**

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are given in note 35.

Note 37: Leases

Operating lease

Company as lessee :

The Company has taken office buildings on operating lease. The lease term is for periods of three to nine years and renewable at the option of the Company.

Future minimum lease payments over non cancellable period of operating leases are as follows :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Lease payments recognised in the statement of profit and loss (refer note 31)	-	22.50
The future minimum lease payments payable over the next one year	-	2.48
The future minimum lease payments payable later than one year but not later than five years	-	1.87

Company as lessor :

The Company has given land and office building on operating lease. The lease term is for non cancellable period of three years and renewable at the option of the Lessee. Future minimum lease receipts over non cancellable period of operating leases are as follows :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Lease income recognised in the statement of profit and loss for the year	-	2.01
The future minimum lease payments receivable over the next one year	-	1.32
The future minimum lease payments receivable later than one year but not later than five year	-	-

Note 38: Capital and Other Commitments

a] Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹ 100.09 crores (31 March 2019: ₹ 174.53 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
2017-18	2023-24	596.55	736.12
2018-19	2024-25	224.78	269.48
2019-20	2025-26	35.22	-

In this respect, the Company has given bonds of ₹ 881.49 crores (31 March 2019: ₹ 984.31 crores) to the Commissioner of Customs. The company expects to fulfil the export obligation within prescribed time.

c] For commitments relating to lease arrangements please refer note 37.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 39: Contingent Liabilities

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
1. Disputed liabilities		
a) Sales tax	-	0.81
b) Excise duty [refer note 22 and note 44]	18.50	238.28
c) Customs duty	74.90	75.72
d) Service tax	0.12	3.10
e) Goods and Service tax	0.57	-
f) Income tax	11.44	26.02
g) Claims lodged by a bank against the company*	18.87	18.87
f) Claims against the Company not acknowledged as debt	1.11	1.11

2. The Company 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 CIT(A) and ITAT orders against which the Department has filed an appeal with the High Court.

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.

*In an earlier year, one of the Bankers of the Company had wrongly paid an amount of ₹ 18.87 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the company, owing to discrepancies in the documents. Thereafter, the bank filed claim against the company in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the company and has dismissed the appeal filed by the bank. The bank has challenged the said order in WRIT petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

Note 40: Details of loans and advances given to subsidiaries

The details are provided as required by regulation 53 (f) read with Para A of Schedule V to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(₹ in crores)

Name of Subsidiary	31 March 2020		31 March 2019	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Global Ventures (Mauritius) Limited	0.35	0.35	0.34	0.34
Speedon Network Limited	8.64	30.72	29.60	29.60
Sterlite Tech Cables Solutions Limited	4.20	4.20	-	-
Maharashtra Transmission Communication Infrastructure Limited	4.38	4.38	3.66	3.66
Sterlite Technologies UK Ventures Limited	24.40	24.40	22.33	33.18
STH Inc USA	17.25	33.47	17.02	16.80
Sterlite Tech SPA (Italy)	4.85	4.85	1.33	1.33
Elitecore Technologies SDN. BHD	0.26	0.56	0.56	0.56
Metallurgica Bresciana S.p.A	0.14	0.14	-	-
Total	**64.47**		**74.84**	

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 41: 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ 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*	30.66	92.30
Interest amount due to supplier	0.96	0.19
(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	0.96	0.19
(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	-	-

* includes amount of ₹11.53 Crore (31 March 2019: ₹ 91.70 crore) outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2020.

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.

Note 42: 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Capital expenditure		
- Plants and machinery - capitalized during the year	24.83	12.36
- Plants and machinery - purchased during the year but pending for capitalization	2.95	3.26
- Software - capitalized during the year	4.33	0.58
- IT Equipments - capitalized during the year	2.10	-
- Furniture & Fixtures - capitalised during the year	4.14	-
- Office equipments and Electrical Installation - capitalised during the year	3.13	-
- Right of use assets - capitalised during the year	4.25	-
	45.73	**16.20**
Revenue expenditure		
- Salaries, wages and bonus	49.39	22.26
- Raw materials consumed	0.88	0.47
- General expenses	24.12	12.25
Total	**74.39**	**34.98**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

The company has four Research and Development Centres. Centre wise breakup of expenditure is as follows :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Sterlite Technologies - Aurangabad		
- Capital Expenditure	13.12	2.70
- Revenue Expenditure	17.67	17.38
	30.79	**20.08**
Sterlite Technologies - Gurgaon		
- Capital Expenditure	16.94	10.56
- Revenue Expenditure	13.84	5.56
	30.78	**16.12**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	-	2.94
- Revenue Expenditure	27.76	12.04
	27.76	**14.98**
Sterlite Technologies - Pune		
- Capital Expenditure	15.67	-
- Revenue Expenditure	15.12	-
	30.79	**-**

Note 43: Impact of Covid-19 Pandemic

The COVID-19 outbreak has developed rapidly in India and across the globe. Measures taken by the Government to contain the virus like lock-downs, travel bans and other measures have affected economic activity and caused disruption to regular business operations. For the preparation of these financial statements, Management has made an assessment of the implications of COVID 19 outbreak on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next one year, and concluded that no material adjustments are considered necessary. Further the company believes that all required disclosures have been made in these financials statements.

The Company is in the business of designing , manufacturing and deployment of high-capacity converged fibre, cable and wireless networks. Telecommunication is the largest end-use industry for the Company and the Company has special expertise in large scale integrated telecommunications projects and offers system integration services across network lifecycle. Management believes that the ongoing shift to remote work, reduced domestic and global travel and increasing need for connected devices is expected to result in a sharp increase in network usage which will drive the need to for networking infrastructure and connectivity.

Due to the lock down imposed by the government of India, the operations of the Company had to be temporarily suspended. However, since telecom networks have been identified as an essential service, the Company has been able to partially resume its operations as at the reporting date. The current situation is likely to continue for next few months and therefore expected to result in some delays in delivering the customer orders and completion of ongoing projects. Given the uncertainties around its impact on future global economic activity, Management will continue to monitor the impact on the operations of the Company.
As inventory verification was impracticable at the year end, Management has performed the 'wall to wall' inventory verification at a date subsequent to the year end in the presence of statutory auditor at one location and internal auditor (an external firm of Chartered Accountants) at other location to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.

Note 44: Excise /Customs Matter Pending With Honourable Supreme Court

During the current year, the Company has made an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS), for settlement of the disputed excise matter of ₹ 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at Supreme Court, and also some other litigations under Central Excise Act, 1944 and Chapter V of Finance Act, 1994 which were pending as of June 30, 2019. Based on the provisions of SVLDRS, Management has determined the duty payable in respect of all matters offered for settlement under the scheme and accordingly recognised

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

expense of ₹ 50.71 crores in the current year which has been disclosed as exceptional item in the statement of profit and loss. The Company is awaiting acceptance of the application by the department as of the reporting date.

Note 45: Corporate Social Responsibility

The Company has spent an amount of ₹ 9.15 crores (31 March 2019: ₹ 5.37 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹ 8.10 crores, in which directors/senior executives of the Company and their relatives are trustees, donation to IIT Madras of ₹ 1.00 crore and other miscellaneous donations of ₹ 0.05 crores.

Details of CSR expenditure:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
A. Gross amount required to be spent by the Company as per section 135 of the Companies Act, 2013	9.15	5.37
B. Amount spent during the year on	9.15	5.37
(i) Construction/acquisition of any assets	-	-
(i) On purpose other than (i) above	9.15	5.37

Note 46: Amortisation of Recognised Goodwill on Acquisition

During the year 2015-16, the Company had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited (‘ETPL’), a global telecom software product company. ETPL has been merged with the Company with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the “Scheme”). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 29.64 crores (31 March 2019: ₹ 29.65 crores) for the year.

Note 47: Financial Risk Management

The Company’s principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Company also enters into derivative transactions.

The Company’s activities expose it to market risk, credit risk and liquidity risk. The Company’s senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company’s policy that no trading in derivatives for speculative purposes should be undertaken.

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in market conditions and the Company’s activities. Management has overall responsibility for the establishment and oversight of the Company’s risk management framework. The risks to which Company is exposed and related risk management policies are summarised below -

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

risk and commodity risk. Financial instruments affected by market risk mainly includes loans given and borrowings, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2020 and 31 March 2019.

Interest rate risk

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

The Company is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2020, after taking into account the effect of interest rate swaps, approximately 84% of the Company's borrowings are at a fixed rate of interest (31 March 2019: 87%).

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Variable rate borrowings	412.22	333.74
Fixed rate borrowings	1,459.78	1,195.04
Total borrowings	**1,872.00**	**1,528.78**

As at the end of the year, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31 March 2020		31 March 2019	
	Balance	% of total loans	Balance	% of total loans
Variable rate borrowings	412.22	22%	333.74	22%
Interest rate swaps (notional principal amount)	113.49		138.35	
Net exposure to cash flow interest rate risk	298.73		195.39	

Interest rate sensitivity

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

(₹ in crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2020		
Base Rate	+50	1.49
Base Rate	-50	(1.49)
31 March 2019		
Base Rate	+50	0.98
Base Rate	-50	(0.98)

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company has a policy to keep minimum forex exposure on the books that are likely to occur within a 12-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. During the year ended 31 March 2020 and 2019, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Company has hedged the significant exposure as at 31 March 2020 and as at 31 March 2019.

The Company exposure to foreign currency risk at the end of the year expressed in INR are as follows.

31 March 2020

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	81.41	87.73	72.45	17.61
Bank Balances	9.73	14.77	4.21	-
Loans and advances	20.03	24.54	2.43	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	75.73	77.76	66.74	15.55
Net Exposure to foreign currency risk (Assets)	**35.44**	**49.28**	**12.35**	**2.06**

31 March 2020

(₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan (including deferred payment liabilities)	391.52	55.52	69.81
Payables for purchase of property, plant & equipments	97.19	108.54	7.55
Trade Payables	171.14	2.74	0.03
Derivative Liabilities			
Foreign exchange forward contracts - Buy foreign currency	525.96	164.49	0.27
Principal Swap	113.08	-	-
Net Exposure to foreign currency risk (Liabilities)	**20.81**	**2.30**	**77.12**

31 March 2019

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	77.15	112.90	36.90	12.14
Bank Balances	10.56	0.56	4.79	-
Loans and advances	19.51	21.53	0.75	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	30.70	97.19	36.90	12.14
Net Exposure to foreign currency risk (Assets)	**76.52**	**37.79**	**5.55**	**-**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

31 March 2019

(₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan (including deferred payment liabilities)	197.65	94.01	-
Payables for purchase of property, plant & equipments	262.04	8.46	-
Trade Payables	191.01	13.86	0.05
Derivative Liabilities			
Foreign exchange forward contracts - Buy foreign currency	238.01	25.96	0.05
Principal Swap	138.34	-	-
Net Exposure to foreign currency risk (Liabilities)	**274.35**	**90.37**	**-**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows:

(₹ in crores)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
31 March 2020	+5%	0.73/1.85	+5%	2.35/23.57	+5%	(3.24)/(1.65)
	-5%	(0.73)/(1.85)	-5%	(2.35)/(23.57)	-5%	3.24/1.65
31 March 2019	+5%	(9.89)/(4.18)	+5%	(2.63)/54.68	+5%	0.28/0.28
	-5%	9.89/4.18	-5%	2.63/(54.68)	-5%	(0.28)/(0.28)

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the company enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company has a risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates. Further, total exposure related to commodity derivative is not material.

Price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 27.87 crores (31 March 2019: ₹ 22.86 crores).

The Company also invests into highly liquid mutual funds which are subject to price risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds are made as a part of treasury management activities.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the company made write-offs of ₹ 5.05 crores (31 March 2019 : ₹ 17.19 crores) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

The Company's customer profile for customer contracts and software services include public sector enterprises, state owned companies and private corporates. Accordingly, the Company's customer credit risk is low. The Company's average network integration project execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/ corporate guarantees.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss.

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2020			31 March 2019		
	less than 3 65 days	more than 3 65 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	1,929.39	264.23	2,193.62	2,283.27	20.26	2,303.54
Expected credit loss rate	0.29%	15.00%		0.60%	75.00%	
Expected credit loss provision	5.68	39.63	45.31	13.78	16.21	29.99
Carrying amount of trade receivable (net of provision)	**1,923.71**	**224.60**	**2,148.31**	**2,269.49**	**4.05**	**2,273.55**

Financial instruments and cash deposits

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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The company assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The company charges interest on such loans at arms length rate considering counterparty's credit rating. Based on the assessment performed, the company considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts of each class of financial assets.

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	Total
As at March 31, 2020					
Borrowings	7.64	1,097.26	247.27	519.83	1,872.00
Other financial liabilities	4.89	10.97	102.56	3.49	121.91
Trade payables	279.54	452.33	634.60	-	1,366.47
Payables for purchase of Property, plant and equipments	-	207.04	298.53	0.62	506.18
Derivative instruments	-	-	9.73	3.21	12.94
	292.07	**1,767.59**	**1,292.69**	**527.15**	**3,879.50**
As at March 31, 2019					
Borrowings	41.92	738.51	166.65	581.70	1,528.78
Other financial liabilities	4.24	39.63	29.77	2.71	76.35
Trade payables	264.14	783.46	762.39	-	1,809.99
Payables for purchase of Property, plant and equipments	-	92.94	303.22	9.40	405.56
Derivative instruments	-	6.29	3.98	2.77	13.04
	310.30	**1,660.83**	**1,266.01**	**596.58**	**3,833.72**

Cash flow hedges
Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on 31 March 2020 and 31 March 2019.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

The cash flow hedges for such derivative contracts as at 31 March 2020 were assessed to be highly effective and a net unrealised gain of ₹ 18.83 crore, with a deferred tax liability of ₹ 4.75 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2019 were assessed to be highly effective and an unrealised gain of ₹ 122.95 crore, with a deferred tax liability of ₹ 42.96 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2020 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2021.

At 31 March 2020, the Company has currency/interest rate swap agreements in place with a notional amount of USD 1.5 crore (₹ 113.49 crore) (31 March 2019 : USD 2 crores) whereby the Company receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates. The Company also has multiple interest rate swap agreements in place with a total notional amount of USD 2.45 crores whereby the Company pays interest at fixed rate of 2.69%-3% and receives interest at a variable rate of 6M LIBOR.

The cash flow hedges for such derivative contracts as at 31 March 2020 were assessed to be highly effective and a net unrealised gain of ₹ 9.49 crore, with a deferred tax liability of ₹ 2.39 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2019 were assessed to be highly effective and an unrealised gain of ₹ 9.87 crore, with a deferred tax liability of ₹ 3.45 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2020 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2021.

Impact of hedging activities
(a) Disclosure of effects of hedge accounting on financial position:

31 March 2020

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts-Assets	342.60	22.67	April 2020 - December 2023	1:1	AED:INR- 20.29 AUD:INR- 46.65 EUR:INR- 90.25 GBP:INR- 97.19 USD:INR- 73.84	(58.30)	58.30
(ii) Foreign exchange forward contracts-Liabilities	193.46	(3.83)	April 2020 - January 2022	1:1	EUR:INR- 88.19 GBP:INR- 94.13 USD:INR- 73.25 CNH:INR-10.73	(3.18)	3.18
(iii) Foreign Currency Loan	(182.89)	11.36	03-January 2023	1:1	USD:INR 66.39	11.18	(11.18)
Interest rate risk							
Interest rate swap	(297.77)	(2.55)	03-January 2023	1:1	N/A	(1.51)	1.51

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

31 March 2019

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	1,233.38	80.97	April 2019 - December 2023	1:1	EUR:INR- 90.38 GBP:INR- 101.09 USD:INR- 70.29	80.92	(80.92)
(ii) Foreign exchange forward contracts- Liabilities	(39.36)	(0.65)	April 2019 - January 2021	1:1	EUR:INR- 79.04 USD:INR- 71.033	41.98	(41.98)
(iii) Foreign Currency Loan	(138.34)	0.18	03-January 2023	1:1	USD:INR 66.39	12.22	(12.22)
Interest rate risk							
Interest rate swap	(307.72)	(1.04)	03-January 2023	1:1	N/A	(2.35)	2.35

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.
The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.
The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2020

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(50.30)	-	(52.70)	Revenue and COGS
Interest Risk	(1.51)	-	-	N/A

31 March 2019

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	135.12	-	(21.66)	Revenue and COGS
Interest Risk	(2.35)	-	-	N/A

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

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve.

Note 48: Capital Management

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

Particulars	As at 31 March 2020 (₹ in crores)	As at 31 March 2019 (₹ in crores)
Interest Bearing Loans and borrowings	1,872.00	1,528.78
Less: Cash and Cash equivalents & current investment*	(395.53)	(228.43)
Net debt	**1,476.47**	**1,300.35**
Equity share capital	80.79	80.51
Other equity	1,728.78	1,507.70
Total capital	**1,809.57**	**1,588.21**
Capital and net debt	**3,286.04**	**2,888.56**
Gearing ratio	**44.93%**	**45.02%**

*includes other bank balance of ₹ 86 crores (31 March 2019 : ₹ 70 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Dividend Distribution Made and Proposed
As a part of Company's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	As at 31 March 2020 (₹ in crores)	As at 31 March 2019 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2019: ₹ 3.5 per share (31 March 2018: ₹ 2 per share)	141.09	80.30
Dividend Distribution Tax on final dividend	29.00	16.51
	170.09	**96.80**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2020: ₹ 3.5 per share (31 March 2019: ₹ 3.5 per share)	141.35	140.86
Dividend Distribution Tax on proposed dividend	-	28.68
	141.35	**169.54**

The Finance Act 2020 has repealed the dividend distribution tax. Companies are now required to pay / distribute dividends after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rate

During the year ended 31 March 2020 and 31 March 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 49: Fair Values

a) Financial Instruments by Category
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of 31 March 2020:

	31 March 2020			31 March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	1.53	-	-	0.26	-	-
Debentures	22.60	-	-	22.60	-	-
Preference shares	3.74	-	-	-	-	-
Mutual funds	233.00	-	-	100.00	-	-
Trade receivables	-	-	1,413.16	-	-	1,180.53
Loans	-	-	97.83	-	-	131.03
Cash and cash equivalents	-	-	170.45	-	-	147.36
Derivative financial assets	36.06	22.68	-	7.91	83.96	-
Other financials assets	-	-	15.00	-	-	33.05
Total financial assets	**296.93**	**22.68**	**1,696.44**	**130.77**	**83.96**	**1,491.97**
Financial liabilities						
Borrowings	-	-	1,872.00	-	-	1,528.78
Derivative financial liabilities	8.17	4.77	-	9.10	3.94	-
Trade Payables	-	-	1,366.47	-	-	1,809.99
Payables for purchase of Property, plant and equipment	-	-	506.18	-	-	405.56
Deposits from vendors	-	-	3.93	-	-	3.12
Other Financial Liabilities	-	-	117.98	-	-	73.23
Total financial liabilities	**8.17**	**4.77**	**3,866.56**	**9.10**	**3.94**	**3,820.68**

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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)
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Investments in Equity Shares of joint venture				
As at 31 March 2020	1.53	-	-	1.53
As at 31 March 2019	0.26	-	-	0.26
Investments in Debentures				
As at 31 March 2020	22.60	-	-	22.60
As at 31 March 2019	22.60	-	-	22.60
Investments in Preference shares				
As at 31 March 2020	3.74	-	-	3.74
As at 31 March 2019	-	-	-	-
Investments in Mutual Funds				
As at 31 March 2020	233.00	233.00	-	-
As at 31 March 2019	100.00	100.00	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at 31 March 2020	36.06	-	36.06	-
As at 31 March 2019	7.91	-	7.91	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at 31 March 2020	22.68	-	22.68	-
As at 31 March 2019	83.96	-	83.96	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at 31 March 2020	8.17	-	8.17	-
As at 31 March 2019	9.10	-	9.10	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at 31 March 2020	4.77	-	4.77	-
As at 31 March 2019	3.94	-	3.94	-

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.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

The fair values of the unquoted equity shares and debentures have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

(₹ in crores)

Particulars	Investments in Equity Shares of JV	Investments in Debentures	Investments in Preference share
As at 31 March 2019	**0.26**	**22.60**	**-**
Acquisitions	1.27	-	3.74
Changes in Fair value	-	-	-
As at 31 March 2020	1.53	22.60	3.74

e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares, preference shares and debentures	DCF method	Terminal Growth Rate	31 March 2020 : 2.5% 31 March 2019 : 5%	1% (31 March 2019 : 1%) increase/ (decrease) in the terminal growth rate would result in increase / (decrease) in fair value by ₹ 2.87/ (2.35) crore (31 March 2019 : ₹ 1.34/ (1.17) crore)
		WACC (pre-tax)	31 March 2020: 12.50% 31 March 2019: 20%	1% (31 March 2019 : 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 3.27/ (4.01) crore (31 March 2019 : ₹ 1.71/ (1.96))
		Long-term operating margin	31 March 2020 : (4.0)% - 25.2% 31 March 2019 : 3.1% - 14.2%	1% (31 March 2019 : 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 1.44/ (1.44) crore (31 March 2019: ₹ 0.73/ (0.73))

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

f) Valuation processes

The finance department of the company includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the company are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2020 and 31 March 2019 are as shown above.

g) Financial assets and liabilities measured at amortised cost

(₹ in crores)

Particulars	31 March 2020	
	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.45%	75.00	75.17
Debentures @ 8.70%	150.00	150.12

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 50: Related Party Transactions

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

(ii) Subsidiaries

Jiangsu Sterlite Tongguang Fiber Co. Ltd.
Sterlite Global Ventures (Mauritius) Limited
Maharashtra Transmission Communication Infrastructure Limited
Sterlite Technologies UK Ventures Limited
Speedon Network Limited
Sterlite Telesystems Limited
Elitecore Technologies (Mauritius) Limited
Elitecore Technologies SDN BHD. (Malaysia)
Sterlite (Shanghai) Trading Company Limited
Sterlite Tech Holding Inc.
Sterlite Technologies Europe Ventures Limited (liquidated with effect from May 16, 2018)
Sterlite Tech Holdings (UK) Limited
Sterlite Technologies Inc.
Sterlite Technologies S.p.A
Metallurgica Bresciana S.p.A
Sterlite Innovative Solutions Limited
Sterlite Tech Connectivity Solutions Limited
Sterlite Tech Cables Solutions Limited
Impact Data Solutions Limited
Impact Data Soultions B.V.
Vulcan Data Centre Solutions Limited
PT Sterlite Technologies Indonesia

(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
Fujairah Gold FZE

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda (58:42 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limiteda)
Metis Eduventures Private Limited

(iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director)
Mr. A. R. Narayanaswamy (Non executive & Independent Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Ms. Avaantika Kakkar (Non executive & Independent Director) (up to 22 May 2018)
Mr. Sandip Das (Non executive & Independent Director)
Mr Pratik Agarwal (Non executive Director)
Ms. Kumud Srinivasan (Non executive & Independent Director) (from 22 May 2018)

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

(iv) Relative of key management personnel (KMP)
Mr. Ankit Agarwal
Mrs. Jyoti Agarwal
Mrs. Ruchira Agarwal
Mrs. Sonakshi Agarwal
Mr. Navin Agarwal

(v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)
Universal Floritech LLP (EKMP)
Sterlite Tech Foundation (EKMP)

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. Anupam Jindal (Chief Financial Officer)
Mr. Amit Deshpande (Company Secretary)

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

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

S. No.	Particulars	Subsidiaries		Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/EKMP	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1	Remuneration	-	-	-	-	-	-	29.70	31.06	3.84	3.60	-	-
2	Sitting Fees	-	-	-	-	-	-	0.42	0.29	-	-	-	-
3	Commission	-	-	-	-	-	-	1.13	0.75	-	-	-	-
4	Consultancy	-	-	-	-	-	-	0.55	0.45	-	-	-	-
5	Dividend (received)/paid	-	-	-	-	73.29	41.88	0.94	0.49	0.41	0.24	1.67	0.95
6	Investment during the year	119.77	47.82	5.01	5.00	-	-	-	-	-	-	-	-
7	Sale of investments	0.82	-	-	-	-	-	-	-	-	-	-	-
8	Loans and advances given	29.67	16.53	-	-	-	-	-	-	-	-	0.30	6.28
9	Repayment of loans	31.89	1.12	-	-	-	-	-	-	-	-	29.14	3.27
10	Loan taken	-	-	-	-	-	-	-	-	-	-	4.05	7.50
11	Loan repaid	-	-	-	-	-	-	-	-	-	-	5.59	-
12	Interest charged on loans	2.97	2.43	-	-	-	-	-	-	-	-	-	2.81
13	Interest payable on loans	-	-	-	-	-	-	-	-	-	-	0.57	0.70
14	Management fees received	2.18	-	-	-	-	-	-	-	-	-	10.74	13.24
15	Reimbursement of expenses	9.70	11.98	-	-	-	-	-	-	-	-	3.10	-
16	Management fees paid	-	-	-	-	-	-	-	-	-	-	-	0.52
17	Corporate guarantee & SBLC commission charged	1.94	1.34	-	-	-	-	-	-	-	-	-	-
18	Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	0.42	-
19	Purchase of goods & services	130.42	302.29	-	-	-	-	-	-	-	-	2.51	7.31
20	Sale of goods & services	232.04	154.73	2.14	14.18	-	-	-	-	-	-	9.65	18.85
21	Contributions made for CSR	-	-	-	-	-	-	-	-	-	-	8.10	5.22
22	Rental income	-	-	-	-	-	-	-	-	-	-	0.06	0.06
	Outstanding Balances												
1	Loans/advance receivables##	64.47	74.84	-	-	-	-	-	-	-	-	11.11	40.09
2	Loans/advance payables##	-	-	-	-	-	-	-	-	-	-	7.31	8.28
3	Trade receivables	53.75	25.83	7.97	6.53	-	-	-	-	-	-	3.50	18.81
4	Trade payables	18.18	70.97	-	-	-	-	-	-	-	-	0.20	1.25
5	Investment in equity shares,preference shares & debentures	261.23	141.60	27.87	22.86	-	-	-	-	-	-	-	-
6	Investments classified as assets held for sale	28.27	28.27	-	-	-	-	-	-	-	-	-	-
7	Corporate and bank guarantees given and outstanding	7.60	10.16	-	-	-	-	-	-	-	-	114.00	114.00

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

(C) Disclosure in respect of material related party transaction during the year:

S. No.	Particulars	Relationship	31 March 2020	31 March 2019
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	14.86	14.34
	Dr. Anand Agarwal	KMP	10.76	12.40
	Mr. Anupam Jindal	KMP	3.44	3.44
	Mr. Ankit Agarwal	Relative of KMP	3.84	3.60
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.13	0.09
	Mr. A. R. Narayanaswamy	KMP	0.09	0.07
	Mr. Sandip Das	KMP	0.11	0.07
	Ms. Kumud Srinivasan	KMP	0.08	0.03
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.23	0.15
	Mr. A. R. Narayanaswamy	KMP	0.23	0.15
	Ms. Avaantika Kakkar	KMP	-	0.15
	Ms. Kumud Srinivasan	KMP	0.23	-
	Mr. Sandip Das	KMP	0.23	0.08
	Mr. Pratik Agarwal	KMP	0.23	0.15
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.55	0.45
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding Company	73.29	41.88
6	**Investment during the year**			
	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	119.72	-
	Sterlite Technologies S.p.A	Subsidiary	-	40.22
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	-	7.50
	Metis Eduventures Private Limited	Joint Venture	5.01	5.00
7	**Sale of investment in subsidiaries**			
	Elitecore Technologies (Mauritius) Limited	Subsidiary	0.82	-
8	**Loans & advances given**			
	Speedon Network Limited	Subsidiary	1.95	7.46
	Sterlite Tech Holding Inc.	Subsidiary	21.46	8.07
	Sterlite Tech Cables Solutions Limited	Subsidiary	4.20	-
	Twinstar Display Technologies Limited.	Fellow Subsidiary	0.21	3.44
	Sterlite Power Transmission Limited.	Fellow Subsidiary	-	2.52
9	**Repayment of loans**			
	Speedon Network Limited	Subsidiary	9.73	0.12
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	-	1.00
	Sterlite Tech Holding Inc.	Subsidiary	21.86	-
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	2.78
	Twinstar Display Technologies Limited	Fellow Subsidiary	29.07	0.24
10	**Loan taken**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	4.05	7.50
11	**Loan repaid**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	5.59	-
12	**Interest charged on loans**			
	Speedon Network Limited	Subsidiary	1.99	1.75
	Sterlite Technologies UK Ventures Limited	Subsidiary	0.33	0.31
	Sterlite Tech Holding Inc. USA	Subsidiary	0.64	0.36
	Twin Star Display Technologies Limited	Fellow Subsidiary	-	2.11
	Twin Star Technologies Ltd	Fellow Subsidiary	-	0.70
13	**Interest payable on loans**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	0.57	0.70

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

S. No.	Particulars	Relationship	31 March 2020	31 March 2019
14	**Management fees received**			
	Cairn India Holdings Ltd	Fellow Subsidiary	10.74	13.24**
	Sterlite Technologies Inc.	Subsidiary	2.18	-
15	**Reimbursement of expenses**			
	Cairn India Holdings Ltd	Fellow Subsidiary	3.10	-
	Speedon Network Limited	Subsidiary	9.70	11.98
16	**Management fees paid**			
	Vedanta Limited	Fellow Subsidiary	-	0.52
17	**Corporate guarantee & SBLC commission charged**			
	Sterlite Technologies S.p.A	Subsidiary	1.81	1.33
18	**Purchase of fixed assets**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.42	-
19	**Purchase of goods & services**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	112.70	261.32
	Fujairah Gold FZE	Fellow Subsidiary	2.18	4.52
20	**Sale of goods & services**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	91.39	88.05
	Metallurgica Bresciana S.p.A	Subsidiary	135.68	64.21
	Sterlite Conduspar Industrial Ltda	Joint Venture	2.14	14.18
	Sterlite Power Transmission Limited	Fellow Subsidiary	9.65	18.85
21	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	8.10	5.22
22	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.06

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2020	31 March 2019
Short term employee benefits	28.37	26.44
Long term & Post employment benefits	1.45	1.40
Share based payment transaction*	3.72	6.82
Total compensation paid to key management personnel	**33.55**	**34.66**

##Includes interest & expenses incurred and recoverable.

*Share-based payments include the perquisite value of stock incentives excercised during the year,determined in accordance with the provisions of the Income-tax Act,1961

**The amount is gross of the expenses incurred towards provision of these services.

Note 51: Changes in Accounting Policies

The Company applied Ind AS 115 for the first time in the year ended March 31, 2019 by using the cumulative catch-up transition method of adoption with the date of initial application of April 01, 2018. Under this method, company recognised the cumulative effect of initially applying the Ind AS 115 as an adjustment to the opening balance of retained earnings as on April 01, 2018. For all open contracts as on that date, comparative prior period has not been adjusted.

Particulars	Notes	01 April 2018 (₹ in crores)
Balances in retained earnings		804.45
Less: Adjustment on account of revenue recognition as per IND AS 115	(i)	(19.54)
Add: Increase in Deferred Tax Assets	(i)	6.83
Balances in retained earnings after adjustment		**791.74**

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

Note (i) :

Impact is mainly on account of :

1. Service warranty - As per Ind AS 115, service warranty has been considered as a separate performance obligation and accordingly contract price has been allocated to such seperate performance obligation resulting in an impact on estimated revenue & warranty cost recognised. There was no such requirement under Ind AS 11 and accordingly provision for warranty was recognised basis percentage of completion of contract.

2. Impact of variable considerations - As per Ind AS 115, variable consideration eg. liquidated damages and other penalties which are based on future events should be netted off against revenue and reassessed at every reporting period. Accordingly, such variable considerations have been adjusted against the contract price. Under the previous standard, these were considered as a part of estimated contract costs.

3. Impact of bought out components - Under previous standard cost incurred on bought out components was considered in the calculation of the percentage of completion of network integration project. As per Ind AS 115, revenue with respect to bought out components should be recognised equivalent to cost incurred to faithfully depict performance if all the prescribed conditions are met. Accordingly on transition, margin on cost related to bought out component was derecognised.

4. Revenue recognition on transfer of control - Under the previous revenue recognition standards, revenue was recognised when the entity has transferred the significant risks and rewards of ownership of goods. Under Ind AS 115, revenue is recognised when entity satisifies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence revenue with respect to cost incurred on construction work in progress is recognised on transition.

5. Milestone based accounting - As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognised once milestones were achieved.

The following table presents the amount by which each financial statement line item is affected in the year ended 31 March 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance Sheet (Extract)	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Current assets			
Inventories	493.33	(112.32)	381.01
Trade receivables	1,049.91	128.86	1,178.77
Contract assets	-	1,093.02	1,093.02
Other current assets	1,521.44	(1,189.24)	332.20
Equity			
Other Equity	1,510.87	(3.17)	1,507.70
Total Equity	1,591.38	(3.17)	1,588.21
Non-current liabilities			
Provisions	24.02	(23.30)	0.72
Deferred tax liabilities (net)	73.83	(1.70)	72.13
Current liabilities			
Trade payables	1,769.66	40.33	1,809.99
Contract liabilities	-	269.31	269.31
Provisions	26.99	(17.03)	9.96
Other current liabilities	393.72	(344.13)	49.59

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Statement of profit and loss (extract) year ended 31 March 2019	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Revenue from operations	4,885.27	(22.64)	4,862.63
Total Income (I)	4,899.59	(22.64)	4,876.95
Cost of raw materials and components consumed	2,620.75	(37.35)	2,583.40
Other expenses	880.01	0.04	880.05
Total Expense (II)	3,860.42	(37.31)	3,823.11
Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	1,039.17	14.67	1,053.84
Profit before tax before exceptional item and tax	796.65	14.67	811.32
Total tax expense	270.96	5.13	276.09
Profit for the year	525.68	9.55	535.23
Total comprehensive income for the year	606.96	9.55	616.51

Presentation of assets and liabilities related to contracts with customers:
The company also has changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

- Contract assets recognised was previously presented as a part of other current assets. Contract assets are in the nature of right to receive consideration which arises when entity satisfies a performance obligation but does not have an unconditional right to consideration as it has not reached the contractual billing milestone.

- Contract liabilities recognised was previously presented as a part of other current liabilities. Contract liabilities represent deferred revenue arising from revenue from network integration project contracts. It also includes advance received from customers.

Note 52: Changes in Accounting Policies

This note explains the impact of the adoption of Ind AS 116 Leases on the company's financial statements.

The company has adopted Ind AS 116 retrospectively from 01 April 2019, but has not restated comparatives for the year March 31, 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 01 April 2019.

The new accounting policies are disclosed in note 2.

Particulars	01 April 2019 (₹ in crores)
Balances in retained earnings	1,225.07
Less: Adjustment on account of leases as per IND AS 116 (net of tax of ₹ 4.19 crore)	(12.48)
Balances in retained earnings after adjustment	1,212.59

Adjustments recognised on adoption of Ind AS 116
On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 01 April 2019. The Lessee's incremental weighted average borrowing rate applied to the lease liabilities on April 01, 2019 was 10%.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

(i) Measurement of lease liabilities:

Particulars	Amount
Operating lease commitments disclosed as at 31 March 2019	4.35
Discounted using the lessee's incremental borrowing rate at the date of initial application	2.52
Add: adjustments as a result of a different treatment of extension and termination options	103.79
Lease liability recognised as at 1 April 2019	**110.66**

(ii) Measurement of right of use assets:

The associated right-of-use assets for leases were measured on a retrospective basis as if the new rules had always been applied.

Particulars	Amount
Building	44.81
Plant and machinery	49.18
Right of use assets recognised as at 1 April 2019	**93.99**

(iii) Adjustments recognised in the balance sheet as on 1 April 2019:

Balance Sheet (Extract)	01 April 2019 (without adoption of Ind AS 116)	Increase/ (Decrease)	01 April 2019 (with adoption of Ind AS 116)
Non-current assets			
Property, Plant and Equipments (Refer note 4)	1,750.31	93.99	1,844.30
Equity			
Other Equity (Refer note 18)	1,507.70	(12.48)	1,495.22
Non-current liabilities			
Lease liabilities (Refer note 4)	-	96.59	96.59
Deferred tax liabilities (Refer note 24A)	-	(4.19)	(4.19)
Current liabilities			
Lease liabilities (Refer note 4)	-	14.07	14.07

Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- relying on the assessment of whether leases are onerous as an alternative to performing an impairment review. There were no onerous contracts as at April 01, 2019.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix 4 Determining whether an Arrangement contains a Lease.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

Note 53: Segment Reporting

The Company has only one operating segment which is Connectivity and Network Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
(1) Revenue from external customers		
- Within India	3,476.50	3,279.13
- Outside India	1,284.00	1,583.50
Total revenue per statement of profit and loss	**4,760.50**	**4,862.63**
The revenue information above is based on the locations of the customers		
(2) Non-current operating assets		
- Within India	2,389.12	2,222.47
- Outside India	-	-
Total	**2,389.12**	**2,222.47**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, investment properties and intangible assets including Goodwill.

(3) Revenue from external customers
Revenue from two customers in India amounted to ₹ 2,098.68 crores (31 March 2019: ₹ 1,293.15 crores).

Note 54: Previous Year Figures
The financial statements for the year ended 31 March 2020 incorporate the impact of the change in accounting policies as mentioned in Note 52. Thus, current year numbers are not comparable to previous year numbers.

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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

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 associates and jointly controlled entity (refer Note 37 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of Changes in Equity, the consolidated cash flows Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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 associates and jointly controlled entity as at March 31, 2020, of consolidated total comprehensive income (comprising of consolidated profit and other comprehensive income), consolidated changes in equity and its 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 associates 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 ICAI 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 19 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 20 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 46 to the consolidated financial statements which describes that the Group had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Gujarat High Court. Our opinion is not modified in respect of this matter.

5. We draw your attention to Note 43 (a) to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact on the consolidated financial statements of the Group due to the lock-downs and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation which might impact the operations of the Group, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve. Further, we have attended physical inventory verification at locations where it was practicable. For those locations where it was impracticable for us to attend the physical verification under the current lock-down restrictions imposed by the government, we have relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at those locations. Our opinion is not modified in respect of this matter.

6. The following emphasis of matter paragraph was included by the auditor of Metallurgica Bresciana a subsidiary of the Company, who issued an unmodified opinion vide audit report dated April 29, 2020. Refer note 43 (b) to the consolidated financial statement for note referred in paragraph below.

   "Without qualifying our opinion, we would like to draw your attention to the Note included in the section "Significant event occurring after the end of year" of the financial statements, which describes the effects on the Company's activities deriving from the spread of COVID 19 and the urgent containment measures taken by the Italian government."

Key audit matters

7. 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 year. 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.

Key audit matter	How our audit addressed the key audit matter
a. Revenue Recognition	
(Refer note 2.3 (e), 3 and 26 to the Consolidated Financial Statements) The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by Management with respect to: • Combination of contracts entered into with the same customer; • Identification of distinct performance obligations; • Total consideration when the contract involves variable consideration involved; • Allocation of consideration to identified performance obligations; • Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. For assessment of the date of transfer of control, Management has obtained legal opinion in respect of certain arrangements. Further, for contracts where revenue is recognised over a period of time, the group makes estimates which impact the revenue recognition. Such estimates include, but are not limited to: • costs to complete, • contract risks, • price variation claims, • liquidated damages Further in determining the above estimates for ongoing contracts, Management has also evaluated the estimates, especially those resulting from expected delays in the completion of the performance obligations and available contractual remedies.. 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.	We performed the following procedures: Understood and evaluated the design and tested the operating effectiveness of controls relating to revenue recognition. In respect of certain large and complex contracts and certain other contracts our procedures included, among other things: • Reading of selected contracts to identify significant terms of the contracts; • Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation; • Evaluation of the contract terms and also consideration of the legal opinion obtained by Management with respect to assessment of the date of transfer of control; • Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts; • Testing the appropriateness of key assumptions used by Management 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. Reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies. • Testing of journal entries for unusual/irregular revenue transactions; and • Evaluating adequacy of presentation and disclosures. Based on above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by the applicable accounting standard.
b. First time adoption of Ind AS – 116 'Leases'	
(Refer note 2.3 (l), 3 and 56 to the consolidated financial statements) Effective April 1, 2019, Ind AS 116 Leases has replaced Ind AS 17 "Leases". The Group has applied the standard retrospectively and has chosen to recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings. To assess the impact of initial application of Ind AS 116, Management has applied judgements and estimates with respect to: • Identifying if a contract is or contains lease. • Segregation of lease and non-lease components where applicable. • Assessment of the lease term considering the renewal and termination options in the contract and other factors eg leasehold improvements, intention to continue etc. • Determine the interest rate implicit in the lease. We considered the first time application of the standard as a key audit matter due to the material impact of the same on the financial statements, and the significance of the judgements and estimates used by the Management. Further implementation process requires extraction and processing of extensive data which required significant audit efforts to test the completeness and adequacy of such information.	Our audit procedures included the following: • Obtain an understanding of the process followed by the management and testing of the design and operating effectiveness of key controls around accounting for leases. • Obtain understanding of the Group's implementation process including review of the Group policy and election of exemptions in accordance with Ind AS 116. • Evaluating the underlying lease contracts to verify the accuracy of the underlying data for a representative sample of leases. • Assessing the completeness of identified leases by reviewing key service and supply contracts to assess whether they contain a lease under Ind AS 116. • Assessing the appropriateness of of the assumptions used in determination of lease terms and interest rate used by the Management for determining lease liability. • Testing of the mathematical accuracy by recalculating the amount of Lease Liabilities and Right of Use asset for a sample of lease contracts. • Assessing whether the disclosures in the financial statements are appropriate and are in line with the requirements of Ind AS 116. Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the management in recording right of use asset and lease liability in accordance with Ind AS 116 and related presentation and disclosure requirements.

Independent Auditors' Report contd.

c. Appropriateness of accounting for Business Combination	
(Refer note 2.3 (a), 3 and 47 to the Consolidated Financial Statements) On September 24, 2019, the group through its subsidiary, completed the acquisition of Impact Data Solutions Limited and Vulcan Data Centre Solutions Limited, (together known "IDS group". The group has acquired 80% of the IDS group for a total purchase consideration of ₹ 91 crores in the first stage and is committed to purchase the balance stake over the next 2-5 years based on an earn out model. Management determined that the acquisition of IDS group qualifies as a business combination under Ind AS 103. The Management, based on a report of an independent valuer, has provisionallly determined the fair value of the net identifiable assets acquired at ₹ 44.54 crores (including ₹ 38.46 crores relating to intangible assets), resulting in goodwill of ₹ 46.46 crores. Further Management has made a provision for amount payable at a future date towards the balance stake of 20% basis the best estimate of possible outcomes of conditions mentioned in the agreement. We focused on the identification and valuation of assets, including the intangible assets arising from the business combination as a significant area of judgement. The valuation methodology to determine the value of identified assets, as well as the inputs and assumptions like discount rate etc. used in the model, and the related disclosures, also require significant judgement.	Our audit procedures included: • Evaluating management's assessment that the acquisition of IDS group should be accounted for as a business combination; • Evaluating the design and testing the operating effectiveness of the controls on recognition of assets and liabilities acquired; • Assessing the appropriateness and completeness of the identifiable assets acquired and the liabilities assumed at the acquisition date of the acquiree and terms of the purchase laid out in the agreement; • Involving our experts to assess the valuation methodology and underlying assumptions relating to discount rate etc. used by the independent professional valuer to estimate the valuation; • Assessing the appropriateness of the useful lives of the identified intangible assets as determined by management; • Re-performing calculation of the goodwill arising from the acquisition of IDS group, being the difference between the total purchase consideration and the fair value of the net identifiable assets; • Assessing the appropriateness of assumptions used and adequacy of liability made for the amount payable at a future date for the balance stake of 20%; • Considering adequacy of the disclosures as required to be made by Management as per the standard. Based on the above procedures performed, no significant observations were noted on the accounting for business combination.

Other Information

8. 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.

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

10. 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 19 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

11. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, consolidated changes in equity of the Group including its associates 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 associates 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 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.

12. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates 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.

13. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

14. 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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 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 associates 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.

16. 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.

17. 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

Independent Auditors' Report contd.

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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

19. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 564.09 crores and net assets of ₹ 352.45 crores as at March 31, 2020, total revenues of ₹ 277.33 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ (19.35) crores and net cash flows amounting to ₹ (54.24) crores for the year ended on that date and financial statement of one subsidiary whose financial statements reflect total assets of ₹ 490.09 crores and net assets of ₹ 294.10 crores as at December 31, 2019, total revenues of ₹ 398.56 crores and total comprehensive income (comprising of profit and other comprehensive income) of ₹ 36.44 crores and net cash flows amounting to ₹ 12.93 crores for the year ended on that date, 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.

20. We did not audit the financial information of nineteen subsidiary whose financial information reflect total assets of ₹ 888.29 crores and net assets of ₹ 275.03 crores as at March 31, 2020, total revenue of ₹ 81.16 crores and total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ (59.66) crores and net cash flows amounting to ₹ 29.49 crores for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statement also includes the Group's share of net profit after tax of ₹ Nil and ₹ Nil and total comprehensive income of ₹ Nil and ₹ Nil for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of two associate companies and one jointly controlled entity respectively, whose financial information have not been audited by us. These financial information 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, associates and joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information 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

21. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity– Refer Note 22, 40 and 44 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2020– Refer (a) Note 20 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entity and (b) note 52 to the consolidated financial statements in respect of the Group's share of net profit/loss in respect of its associates and joint venture.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

23. The Holding 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: 20108391AAAADA7898

Place: Pune
Date: May 12, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 21 (f) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the consolidated financial statements for the year ended March 31, 2020

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, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

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 consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Also refer paragraph 5 of the main consolidated audit report).

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

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 20108391AAAADA7898

Place: Pune
Date: May 12, 2020

Consolidated Balance Sheet
as at March 31, 2020

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Note	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,840.28	2,317.46
Capital work-in-progress		132.78	419.44
Investment property	7	-	-
Goodwill	5,6	121.79	107.35
Other intangible assets	5	97.52	43.06
Deferred tax assets (net)	24A	14.47	-
Financial assets			
Investments	8	100.28	35.30
Trade receivables	9	-	1.76
Loans	10	36.59	58.48
Other non-current financial assets	11	14.95	33.59
Other non-current assets	12	82.05	24.74
		3,440.71	**3,041.18**
Current assets			
Inventories	13	451.81	589.65
Financial assets			
Investments	14	233.04	100.17
Trade receivables	9	1,563.12	1,354.86
Cash and cash equivalents	15A	149.60	143.29
Other bank balances	15B	94.94	90.39
Other current financial assets	11	52.80	92.34
Contract Assets	12	744.26	1,093.51
Other current assets	12	368.75	393.07
Assets classified as held for sale	16	109.97	113.82
		3,768.29	**3,971.10**
Total Assets		**7,209.00**	**7,012.28**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	80.79	80.51
Other Equity	18	1,838.99	1,638.79
Equity attributable to owners of the parent		**1,919.78**	**1,719.30**
Non-controlling interests		103.18	95.40
Total Equity		**2,022.96**	**1,814.70**
Non-current liabilities			
Financial liabilities			
Borrowings	19	969.99	934.84
Lease Liabilities	4	95.23	-
Other financial liabilities	20	22.55	14.88
Employee benefit obligations	25	47.24	32.35
Provisions	22	0.89	1.01
Deferred tax liabilities (net)	24A	71.72	74.39
		1,207.62	**1,057.47**
Current liabilities			
Financial liabilities			
Borrowings	19	1,230.57	982.69
Lease Liabilities	4	34.07	-
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		30.66	92.44
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,399.64	1,820.31
Other financial liabilities	20	950.89	708.54
Contract liabilities	23	135.94	270.36
Other current liabilities	23	76.07	81.77
Employee Benefit Obligations	25	14.53	22.34
Provisions	22	10.02	11.46
Current tax liabilities (Net)	24B	-	55.38
Liabilities directly associated with assets classified as held for sale	16	96.03	94.82
		3,978.42	**4,140.11**
Total liabilities		**5,186.04**	**5,197.58**
Total Equity & Liabilities		**7,209.00**	**7,012.28**
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

Neeraj Sharma
Partner
Membership Number :108391

Place: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Consolidated Statement of Profit and Loss
for the year ended March 31, 2020

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Note	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Continuing Operations			
INCOME			
Revenue from operations	26	5,154.40	5,087.26
Other income	27	25.39	19.94
Total Income (I)		**5,179.79**	**5,107.20**
EXPENSES			
Cost of raw materials and components consumed	29	2,367.74	2,591.32
Purchase of traded goods		2.12	30.58
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	97.63	(134.67)
Employee benefit expense	30	629.80	511.23
Other expenses	31	987.78	961.65
Total Expense (II)		**4,085.07**	**3,960.11**
Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**1,094.72**	**1,147.09**
Depreciation and amortisation expense	32	290.28	194.98
Finance costs	33	221.04	105.49
Finance Income	28	(8.91)	(16.92)
Profit before exceptional item, tax & share of loss of joint venture		**592.31**	**863.54**
Share of loss of joint venture		-	-
Profit before exceptional item and tax		**592.31**	**863.54**
Exceptional Item (refer note 44)		50.71	-
Profit before tax from continuing operations		**541.60**	**863.54**
Tax expense:			
Current tax	34	120.00	288.97
Deferred tax		(11.12)	(10.81)
Total tax expenses		**108.88**	**278.16**
Profit from continuing operations		**432.72**	**585.38**
Discontinued operation			
Loss from discontinued operation before tax (refer note 16)		(8.28)	(7.59)
Tax expense of discontinued operations (refer note 16)		-	-
Loss from discontinued operation		**(8.28)**	**(7.59)**
Profit for the year		**424.44**	**577.79**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(51.81)	132.77
Income tax effect on the above		20.20	(46.39)
Exchange differences on translation of foreign operations		(6.66)	(1.71)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(38.27)**	**84.67**
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurements of defined benefits plan		0.35	(7.84)
Income tax effect on the above		(0.09)	2.74
Change in fair value of FVOCI equity instruments		1.35	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**1.61**	**(5.10)**
Other comprehensive income for the year, net of tax		**(36.66)**	**79.57**
Total comprehensive income for the year		**387.78**	**657.36**
Profit for the year attributable to:			
Owners of the Parent		433.90	562.75
Non-controlling interests		(9.46)	15.04
		424.44	**577.79**
Other comprehensive income attributable to:			
Owners of the Parent		(39.70)	80.40
Non-controlling interests		3.04	(0.83)
		(36.66)	**79.57**
Total comprehensive income attributable to:			
Owners of the Parent		394.20	643.15
Non-controlling interests		(6.42)	14.21
		387.78	**657.36**
Total comprehensive income attributable to owners arising from:			
Continuing Operations		399.66	648.50
Discontinued Operations		(5.46)	(5.35)
		394.20	**643.15**
Earnings per equity share to owners of the parent	36		
Basic			
From continuing operations		10.89	14.14
From discontinued operations		(0.13)	(0.13)
Diluted			
From continuing operations		10.77	13.96
From discontinued operations		(0.13)	(0.13)
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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Consolidated Statement of Changes in Equity

(All amounts are in ₹ crores, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	Note	No. in Crs.	Amount
At 01 April 2018		**40.10**	**80.20**
Changes in equity share capital	17	0.15	0.31
At 31 March 2019		**40.25**	**80.51**
Changes in equity share capital	17	0.14	0.28
At 31 March 2020		**40.39**	**80.79**

B. Other Equity

	Capital Reserve	Redemption liability reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign currency translation reserve	Total	Non-Controlling interest
As at 31 March 2018	0.04	-	27.93	21.24	75.00	112.50	875.61	(32.36)	15.16	1,095.12	81.95
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	-	-	-	-	-	-	(12.71)	-	-	(12.71)	-
Restated balance as at 01 April 2019	**0.04**	**-**	**27.93**	**21.24**	**75.00**	**112.50**	**862.90**	**(32.36)**	**15.16**	**1,082.41**	**81.95**
Profit for the year	-	-	-	-	-	-	562.75	-	-	562.75	15.04
Other comprehensive income for the year	-	-	-	-	-	-	(5.10)	86.38	(0.88)	80.40	(0.83)
Total comprehensive income for the year	**0.04**	**-**	**27.93**	**21.24**	**75.00**	**112.50**	**1,420.55**	**54.02**	**14.28**	**1,725.56**	**96.16**
Addition on ESOPs Exercised	-	-	10.75	-	-	-	-	-	-	10.75	-
Transferred to Securities premium account	-	-	-	(10.75)	-	-	-	-	-	(10.75)	-
Employees stock option expenses for the year (refer note 35)	-	-	-	19.16	-	-	-	-	-	19.16	-
Equity dividend including taxes thereon (refer note 49)	-	-	-	-	-	-	(96.80)	-	-	(96.80)	-
Amount transferred to statement of profit and loss	-	-	-	-	-	-	-	(8.30)	-	(8.30)	-
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	(0.83)	(0.83)	-
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	16.26
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(17.02)
As at 31 March 2019	**0.04**	**-**	**38.68**	**29.65**	**75.00**	**112.50**	**1,323.75**	**45.72**	**13.45**	**1,638.80**	**95.40**
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 56)	-	-	-	-	-	-	(11.83)	-	-	(11.83)	-
Restated balance as at 01 April 2019	**0.04**	**-**	**38.68**	**29.65**	**75.00**	**112.50**	**1,311.92**	**45.72**	**13.45**	**1,626.97**	**95.40**
Profit for the year	-	-	-	-	-	-	433.90	-	-	433.90	(9.46)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	1.61	(31.61)	(9.70)	(39.70)	3.04
Total comprehensive income for the year	**0.04**	**-**	**38.68**	**29.65**	**75.00**	**112.50**	**1,747.43**	**14.11**	**3.75**	**2,021.16**	**88.98**
Addition on ESOPs Exercised	-	-	12.68	-	-	-	-	-	-	12.68	-
Transferred to Securities premium account	-	-	-	(12.68)	-	-	-	-	-	(12.68)	-
Employees stock option expenses for the year (refer note 35)	-	-	-	9.86	-	-	-	-	-	9.86	-
Amount transferred to general reserve	-	-	-	-	(18.75)	18.75	-	-	-	-	-
Equity dividend including taxes thereon (refer note 49)	-	-	-	-	-	-	(170.09)	-	-	(170.09)	-
Creation of Redemption liability (refer note 47)	-	(15.22)	-	-	-	-	-	-	-	(15.22)	-
Amount transferred to statement of profit and loss	-	-	-	-	-	-	-	(9.76)	-	(9.76)	-
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	3.04	3.04	-
Minority for IDS acquistion (refer note 47)	-	-	-	-	-	-	-	-	-	-	11.70
Issue of equity shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	2.50
As at 31 March 2020	**0.04**	**(15.22)**	**51.36**	**26.83**	**56.25**	**131.25**	**1,577.34**	**4.35**	**6.79**	**1,838.99**	**103.18**

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

Neeraj Sharma
Partner
Membership Number :108391

Place: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Consolidated Statement of Cash Flows
for the year ended March 31, 2020

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
A. Operating activities		
Profit before tax	541.60	863.54
From continuing operations	(8.28)	(7.59)
From discontinued operation	**533.32**	**855.95**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	245.04	156.91
Amortisation & impairment of intangible assets	45.24	37.98
Depreciation of investment properties	-	0.09
Provision for doubtful debts and advances	16.13	8.37
Bad debts / advances written off	5.05	17.33
(Profit) / Loss on sale of plant and equipment, net	(2.56)	(2.08)
Rental income	(0.28)	(2.01)
Change in Fair Value of Investment	-	1.74
Employees stock option expenses	9.86	19.16
Finance costs	221.04	105.49
Finance income	(8.97)	(16.92)
Unrealised exchange difference	(6.69)	(2.88)
	523.86	**323.18**
Operating profit before working capital changes	**1,057.18**	**1,179.13**
Working capital adjustments:		
Increase/(decrease)in trade payables	(387.07)	1,192.15
Increase (decrease) in long-term provisions	(0.17)	(24.15)
Increase/(decrease) in short-term provisions	(1.44)	(16.61)
Increase/(decrease) in other current liabilities	(9.47)	(59.57)
Increase/(decrease) in contract liabilities	(134.43)	270.36
Increase/(decrease) in other current financial liabilities	41.20	59.16
Increase/(decrease) in other non-current financial liabilities	2.81	(23.81)
Increase/(decrease) in current employee benefit obligations	(7.81)	(15.84)
Increase/(decrease) in non-current employee benefit obligations	15.24	24.37
Decrease/ (increase) in trade receivable	(222.72)	(339.60)
Decrease/ (increase) in non-Current trade receivable	1.76	2.33
Decrease/ (increase) in inventories	144.65	(121.28)
Decrease/ (increase) in loans given to related parties	21.89	(7.25)
Decrease/ (increase) in other current financial assets	(13.45)	(29.93)
Decrease/ (increase) in other non-current financial assets	18.64	(34.72)
Decrease/ (increase) in other current assets	19.60	(110.89)
Decrease/ (increase) in contract assets	353.51	(1,093.51)
Decrease/ (increase) in other non-current assets	(26.64)	3.47
Change in working capital	**(183.90)**	**(325.32)**
Cash generated from operations	**873.28**	**853.81**
Income tax paid (net of refunds)	(176.86)	(222.76)
Net cash flow from operating activities	**696.42**	**631.05**

Consolidated Statement of Cash Flows
for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
B. Investing activities		
Purchase of property, plant & equipments	(383.30)	(832.41)
Receipt of government grant for investment in property, plant & equipments	-	28.82
Purchase of intangible assets	(37.13)	(5.42)
Proceeds from sale of property, plant & equipment	37.06	5.96
Investment in Associates/JVs	(33.71)	(4.54)
Investment in subsidiaries, net of cash acquired	(82.29)	(366.17)
Purchase of current investments	(233.00)	(100.17)
Proceeds from current investments	100.00	155.00
Proceeds from sale of investment	1.35	-
Net movement in other bank balance	(3.73)	(71.60)
Unpaid dividend	(0.79)	(0.54)
Rental income	0.28	2.01
Interest received (finance income)	8.69	16.95
Net cash flow used in investing activities	**(626.57)**	**(1,172.11)**
C. Financing activities		
Proceeds of long term borrowings	388.08	438.82
Repayment of long term borrowings	(289.75)	(86.67)
Proceeds/(repayment) from/of short term borrowings (net)	242.06	422.59
Proceeds of issue of shares against employee stock options	0.28	0.31
Interest paid	(221.35)	(108.07)
Principal elements of lease payments	(17.13)	-
Dividend paid on equity shares	(141.08)	(80.43)
Tax on equity dividend paid	(29.01)	(16.37)
Net cash flow used in financing activities	**(67.90)**	**570.18**
Net increase/(decrease) in cash and cash equivalents	**1.95**	**29.12**
Foreign exchange relating to cash and cash equivalents of Foreign operations	2.52	0.33
Cash and cash equivalents as at beginning of year	149.01	119.56
Cash and cash equivalents as at year end	**153.48**	**149.01**
Components of cash and cash equivalents:		
Balances with banks	149.56	143.25
Cash in hand	0.04	0.04
Total cash and cash equivalents (Refer note 15A)	**149.60**	**143.29**
Cash & cash equivalents from discontinued operation (Refer note 16)	3.88	5.72
Total cash and cash equivalents	**153.48**	**149.01**

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

Neeraj Sharma
Partner
Membership Number :108391

Place: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Parent Company), its subsidiaries, joint venture and associates (collectively, the Group) for the year ended 31 March 2020. 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 E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Group is primarily engaged in the business of Connectivity and Network solutions.

The Group is a global leader in end-to-end digital 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 digital networks. The group partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

The consolidated Ind AS financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Group on May 12, 2020.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Share Based Payments
- Defined benefit plans- plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

The consolidated Ind AS financial statements are presented in Indian Rupees Crores, except when otherwise indicated

Amended standards adopted by the Group

The Group has applied Ind AS 116 for the first time for their annual reporting period starting from April 01, 2019. Group has disclosed the impact of adoption of Ind AS 116 in note 56 to the financial statements.

2.2 Principles of consolidation and equity accounting

The consolidated Ind AS financial statements comprise the financial statements of the Group, its subsidiaries, joint venture and associates as at 31 March 2020. 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

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2020 except one subsidiary, Metallurgica Bresciana S.p.A for which the financials are consolidated upto December 31, 2019 which is the most recent audited financial information available with management. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

(b) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated changes of statement of 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. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

b) Investment in joint ventures and associates

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Associates are all entities over which group has significant influence but not control. Investment in associates 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 or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of 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 (INR), which is Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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 has been issued with effect from April 1, 2018. The 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 Group has following streams of revenue:

(i) Revenue from sale of goods

(ii) Revenue from sale of services

(iii) Revenue from network integration projects

(iv) Revenue from software products/licenses and implementation activities

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group identifies distinct performance obligations in each contract. For most of the project contracts, the customer contracts with the Group to provide a

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognised 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 recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognised 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 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 expected value method of probability-weighted values at an amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognised 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 recognised 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 recognised. If the payment exceed the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes due to business combination, changes in the timeframe for a

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

performance obligation to be satisfied are disclosed by the Group at every reporting period.

Revenue recognised at a point-in-time

For sale of products, revenue is recognised at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

f) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

3. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

h) Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation in the countries where the Company and it's 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

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is not accounted when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

- In respect of deductible temporary differences differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised. In the year in which the MAT credit becomes eligible to be recognised as an asset, it is recorded by way of a credit to the statement of comprehensive income and shown as deferred tax assets. The Management reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Management will pay normal Income Tax during the specified future period.

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

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

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

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

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

Asset Category	Useful Life considered	Useful life (Schedule II#)
Plant and Machinery	3 – 25 Years *	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 5 Years *	Service and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *#	8 Years

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

Residual value considered as 15% on the basis of management's estimation, supported by technical advice.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

The Group depreciates building using straight line method over 30 to 60 years from the date of original purchase.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The asset residual values and useful lives are reviewed at each financial year end and adjusted, if appropriate, at the end of each reporting period.

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

k) 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.

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

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortised over the period of the consent/permission on a straight line basis.

Softwares are amortised on a straight line basis over a period of five to six years.

All other intangible assets are amortised on a straight line basis over a period of five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Customer relationships recognised as a part of business combination are amortised over period of five to ten years.

Research costs are expensed as incurred.

l) Leases

Accounting policies till March 31, 2019:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly stated in the arrangement.

Group as a lessee

A lease was classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group was classified as a finance lease.

Finance leases were capitalised at the leases inception at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, were included in borrowings or other financial liabilities as appropriate. Finance charges were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Group's general policy on the borrowing costs.

A leased asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership were not transferred to the group were classified as operating lease. Operating lease payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment were structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

Group as a lessor

Leases in which the Group did not transfer substantially all the risks and rewards of ownership of an asset were classified as operating leases. Rental income from operating lease was recognised on a straight-line basis over the term of the relevant lease. unless the receipts were structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease were added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases were classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases were recorded as receivables at the Group's net investment in the leases. Finance lease income was allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

The respective leased assets were included in the balance sheet based on their nature.

Accounting policies with effect from April 01, 2019:
As a Lessee:
The group leases various assets which includes building & plant and machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options as described in (ii) 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

Until the 2018-19 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, 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. 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 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. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

n) Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) Provisions 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 or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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

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.

p) Employee benefits
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations
The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations
The Group operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity and

(b) Defined contribution plans such as provident fund.

Gratuity obligations
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans
The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

q) Share-based payments
The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

r) Investments and Other Financial assets
i) Classification & Recognition:
The Group classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commit to purchase or sale the financial asset.

ii) Measurement:
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

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.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries and joint venture are carried at historical cost as per the accounting policy choice given by IND AS 27.

The Group makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

iii) Impairment of financial assets

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

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

b) Lease receivables under Ind AS 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 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 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) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

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

iv) De-recognition of financial asset

A financial asset is derecognised only when the group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

s) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

t) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

u) Derivatives and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

v) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

w) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

x) Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

y) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

z) Presentation of EBITDA

The Group presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the group's financial position or performance.

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

aa) Trade receivable
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there are significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

bb) Segment Reporting
Operating segments are 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 57 for segment information presented.

cc) 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.

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

ee) 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.

2.2 Recent Accounting Pronouncements
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3: Significant Accounting Judgements, Estimates and Assumptions
The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. 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 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.

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Ind AS 116 - Leases
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and equipment's, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and equipment leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed periodically whether an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Share-based payments
The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte Carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

Defined benefit plans
The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Business Combinations
In accounting for business combinations, judgement is required for valuation of assets and 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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 4: Property, Plant & Equipment

(Amounts ₹ crores)

	Freehold land	Leasehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Right of Use asset	Total
Cost											
At 01 April 2018	**67.04**	**36.30**	**263.00**	**1,687.97**	**16.67**	**54.82**	**14.34**	**46.56**	**11.20**	**-**	**2,197.90**
Additions	-	7.65	201.98	968.43	0.76	6.17	2.12	11.81	5.45	-	1,204.37
Transfer from Investment property (refer note 7)	-	-	10.03	-	-	-	-	-	-	-	10.03
Assets Acquired under business combination (refer note 47)	53.30	-	51.04	33.31	-	-	-	-	-	-	137.65
Translation Adjustments	(0.89)	(0.09)	(2.66)	(6.51)	-	(0.02)	(0.01)	-	(0.12)	-	(10.30)
Disposals/Adjustments	-	-	(0.24)	(17.28)	(0.22)	(0.86)	(0.12)	(0.05)	(4.16)	-	(22.93)
At 31 March 2019	**119.45**	**43.86**	**523.15**	**2,665.92**	**17.21**	**60.11**	**16.33**	**58.32**	**12.37**	**-**	**3,516.72**
Adjustment on transition to Ind AS 116 (refer note 56)	-	-	-	-	-	-	-	-	-	108.27	108.27
Additions	7.55	-	126.39	490.23	11.03	13.14	4.34	10.42	1.48	21.27	685.85
Assets Acquired under business combination (refer note 47)	-	-	-	0.22	-	-	0.06	-	0.26	-	0.54
Translation Adjustments	-	(0.81)	4.77	13.74	0.59	0.00	0.17	-	0.01	0.22	18.69
Disposals/Adjustments	-	(16.75)	(28.58)	(20.23)	(0.82)	(1.26)	(0.82)	(4.37)	(0.20)	(0.10)	(73.13)
At 31 March 2020	**127.01**	**26.30**	**625.73**	**3,149.88**	**28.01**	**71.99**	**20.08**	**64.37**	**13.92**	**129.66**	**4,256.94**
Depreciation, Amortization & Impairment											
At 01 April 2018	**-**	**2.72**	**69.11**	**906.09**	**10.12**	**34.47**	**9.82**	**25.67**	**4.80**	**-**	**1,062.80**
Additions	-	0.52	17.80	119.02	2.03	8.30	1.71	5.77	1.76	-	156.91
Transfer from Investment property (refer note 7)	-	-	1.24	-	-	-	-	-	-	-	1.24
Translation Adjustments	-	(0.01)	(1.05)	(1.45)	-	(0.01)	-	-	(0.11)	-	(2.63)
Disposal/Adjustments	-	-	(0.09)	(14.71)	(0.16)	(0.84)	(0.11)	(0.05)	(3.10)	-	(19.06)
At 31 March 2019	**-**	**3.23**	**87.01**	**1,008.95**	**11.99**	**41.92**	**11.42**	**31.39**	**3.35**	**-**	**1,199.26**
Additions	-	0.24	28.62	175.40	2.22	9.49	2.57	5.54	2.14	18.82	245.04
Translation Adjustments	-	-	1.12	7.89	0.58	-	0.23	-	0.11	0.04	9.97
Disposal/Adjustments	-	(2.06)	(9.83)	(18.46)	(0.74)	(1.24)	(0.77)	(4.36)	(0.10)	(0.04)	(37.61)
At 31 March 2020	**-**	**1.41**	**106.92**	**1,173.78**	**14.06**	**50.17**	**13.45**	**32.57**	**5.50**	**18.82**	**1,416.66**
Net Book Value											
At 31 March 2020	127.01	24.89	518.81	1,976.10	13.95	21.82	6.63	31.80	8.42	110.84	2,840.28
At 31 March 2019	119.45	40.63	436.14	1,656.97	5.22	18.19	4.91	26.93	9.02	-	2,317.46

Movement in Capital work in progress	
Opening balance as at 01 April 2019	**419.44**
Additions during the year	418.28
Borrowing cost capitalised during the year (Refer Note 33)	11.12
Transfers during the year	(716.06)
Closing balance as at 31 March 2020	**132.78**

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

 # Buildings include those constructed on leasehold land:

	31 March 2020	31 March 2019
Gross Block	425.21	343.33
Depreciation for the year	7.15	12.74
Accumulated depreciation	61.11	53.96
Net Block	364.10	289.37

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

Refer note 39 for disclosure of capital commitments for the acquisition of property, plant & equipments.

The Group has revised the useful life of certain assets effective from October 01, 2019 based on the available evidence of their expected use and the impact of same on depreciation charge for current year is ₹ 15 crores. There will be similar impact in future years.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

Details of Leases :

The note provides information for leases where the group is a lessee. The group leases various offices and equipments. Rental contracts 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	31 March 2020 (₹ in crores)	01 April 2019 (₹ in crores)
Right of Use assets		
Buildings	80.48	59.09
Plant & Machinery	49.18	49.18
Total	**129.66**	**108.27**

Additions to the right of use assets during the year is ₹ 21.27 crores.

Particulars	31 March 2020 (₹ in crores)	01 April 2019 (₹ in crores)
Lease liabilities		
Current	34.07	16.08
Non-current	95.23	108.21
Total	**129.30**	**124.29**

(ii) Amount recognised in the statement of profit & loss

Particulars	31 March 2020 (₹ in crores)	01 April 2019 (₹ in crores)
Depreciation charge on right of use assets		
Buildings	14.79	-
Plant & Machinery	4.03	-
Total 32	**18.82**	**-**

Particulars	Note no.	31 March 2020 (₹ in crores)
Interest expenses (included in finance cost)	33	11.38
Expenses related to short term leases, low value assets (disclosed as rent in other expenses)	31	10.00

The total cash outflow for leases for the year ended 31 March 2020 was ₹ 28.16 crores.

Extension and Termination option :

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 5: Intangible Assets

(Amount ₹ in crores)

	Software/ licenses	Patents	Customer acquisition / Customer Relationships	Non-Compete	Indefeasible right of use	Goodwill (Refer note 6)	Total
Cost							
At 01 April 2018	**29.63**	**9.32**	**5.75**	**-**	**1.00**	**148.19**	**193.88**
Additions	4.87	-	-	-	-	-	4.87
Assets acquired under business combination (Refer note 47)	-	-	30.34	-	-	62.27	92.61
Translation Adjustments	(0.02)	-	-	-	-	0.80	0.78
At 31 March 2019	**34.48**	**9.32**	**36.09**	**-**	**1.00**	**211.26**	**292.14**
Additions	30.21	-	-	-	-	-	30.21
Assets acquired under business combination (Refer note 47)	0.46	-	37.40	1.06	-	46.46	85.38
Deletions/Adjustments (Refer note 47)	-	-	-	-	-	(4.57)	(4.57)
Translation Adjustments	0.10	-	-	-	-	2.19	2.29
At 31 March 2020	**65.25**	**9.32**	**73.49**	**1.06**	**1.00**	**255.34**	**405.43**
Amortisation and Impairment							
At 01 April 2018	**16.16**	**9.32**	**3.66**	**-**	**0.38**	**74.26**	**103.78**
Additions	4.67	-	3.57	-	0.07	29.65	37.96
Translation Adjustments	(0.01)	-	-	-	-	-	(0.01)
At 31 March 2019	**20.83**	**9.32**	**7.23**	**-**	**0.46**	**103.91**	**141.73**
Additions	7.10	-	8.38	0.05	0.07	29.64	45.24
Translation Adjustments	(0.86)	-	-	-	-	-	(0.86)
At 31 March 2020	**27.07**	**9.32**	**15.61**	**0.05**	**0.53**	**133.55**	**186.12**
Net Book Value							
At 31st March 2020	38.18	-	57.88	1.01	0.46	121.79	219.31
At 31st March 2019	13.65	-	28.86	-	0.54	107.35	150.41

Note 6: Impairment Testing of Goodwill

	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Goodwill (refer note 5)	121.79	107.35

Goodwill is monitored by management at CGU level. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount.

A CGU level summary of the goodwill allocation is given below:

	Network software CGU	Connectivity Solutions business in Europe Region CGU	Network service Solutions business in Europe Region CGU
31 March 2020			
Goodwill	14.66	60.67	46.46
31 March 2019			
Goodwill	44.29	63.06	-

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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:

	31 March 2020	31 March 2019
EBIDTA margins over the budgeted period	10.00%-24.00%	10.50%-16.50%
Long-term terminal Growth rate for Network software CGU	5.00%	5.00%
Long-term terminal Growth rate for Connectivity Solutions business	2.00%	5.00%
Long-term terminal Growth rate for Network service Solutions	2.00%	-
Pre-tax discount rate for Network software CGU	15.40%	15.70%
Pre-tax discount rate for Connectivity Solutions business	7.60%	10.70%
Pre-tax discount rate for Network service Solutions	16.00%	-

Management has determined the values assigned to each of the above key assumptions as follows:

Discount rate
Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

Growth rate assumptions
The Company 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 - Network software CGU and Network service Solutions business in Europe Region CGU

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Sensitivity to changes in assumptions - Connectivity Solutions business in Europe Region CGU
Discount rates
A rise in pre-tax discount rate to 9.22% would result in impairment.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 11% would result in impairment.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 7: Investment Property

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Cost		
Opening gross block	-	10.03
Addition	-	-
Transferred to property, plant & equipment during the year (refer note 4)	-	(10.03)
Closing gross block	**-**	**-**
Accumulated Depreciation		
Opening balance	-	1.15
Additions	-	0.09
Transferred to property, plant & equipment during the year (refer note 4)	-	(1.24)
Closing balance	**-**	**-**
Net Block	**-**	**-**

Notes

Amounts recognised in profit and loss for investment property

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Rental income derived from investment properties	-	0.57
Direct operating expenses (including repairs and maintenance) from property generating rental income	-	(0.01)
Profit arising from investment properties before depreciation	**-**	**0.56**
Less: Depreciation	-	(0.09)
Profit arising from investment properties	**-**	**0.47**

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Fair Value	**NA**	**NA**

The Group's investment property consisted of a commercial property in India.

During the previous year, Group has started using the property for its own use and therefore the same has been reclassified to buildings block under property plant and equipment. (Refer note 4)

Note 8: Investments

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current investments		
Investment in Joint Venture		
58.05% Equity investment in Sterlite Conduspar Industrial Ltda	-*	-*
Investment in Joint venture at fair value through P&L$		
511 (31 March 2019: 333) Equity shares of Metis Eduventures Private Limited	1.53	0.26
Investments - Other at fair value through OCI		
Nil (31 March 2019: 10) Equity shares of Singularity Healthcare IT	-	-*
Systems Private Limited of ₹ 10 each fully paid up$$		
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture at fair value through P&L		
17,600,000 (31 March 2019: 17,600,000) 0.001% Compulsorily	17.60	17.60
Convertible Debentures of Metis Eduventures Private Limited		
5,000,000 (31 March 2019: 5,000,000) 0.01% Cumulative Optionally	5.00	5.00
Convertible Debentures of Metis Eduventures Private Limited		

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Investment in debentures- (Others, at fair value through OCI)		
Nil (31 March 2019 : 3,199,990) 0.001% Compulsorily Convertible Debentures	-	-*
of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up$$		
Investment in preference shares - Joint Venture (at fair value through P&L)		
313 (31 March 2019: Nil) 0.01% Compulsorily Convertible	3.74	-
Preference Shares of Metis Eduventures Private Limited		
Investment in Associate		
40% stake in MB Maanshan Special Cable Limited	12.44	12.44
12.5% stake in ASOCS**	59.97	-
Total Investments	**100.28**	**35.30**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	100.28	35.30
Amount of impairment in the value of investments#	-	1.74

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

$ As described in Significant accounting policies (refer note 2), the Group makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. As permitted by Ind AS 28, the Group has elected to measure such investments in joint ventures and associates in accordance with Ind AS 109.

These amounts pertain to fair value change in the investment recognised during the year.

$$ During the year the Company has sold off the investment in Singularity Healthcare IT Systems Private Limited.

**Investment in ASOCS is classified as fair value through OCI.

Note 9: Trade Receivables

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Trade receivables	-	1.76
	-	**1.76**
Break-up for security details		
Unsecured, considered good	-	1.76
	-	**1.76**
Total Non-current trade receivables	**-**	**1.76**

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current		
Trade receivables	1,544.66	1,367.65
Receivables from related parties (refer note 51)	72.72	25.34
Less : Loss allowance	(54.26)	(38.13)
Break-up for security details	**1,563.12**	**1,354.86**
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,617.38	1,392.99
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	**1,617.38**	**1,392.99**
Less: Impairment Allowance*	54.26	38.13
Total Current trade receivables	**1,563.12**	**1,354.86**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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

Refer note 19 for information on trade receivables hypothecated as security by the Group.

* Includes impact on account of business combination.

Acquired receivables (refer note 47)
The fair value of acquired trade receivables is ₹ 11.37 crores (31 March 2019: ₹ 181.21 crores). The gross contractual amount for trade receivables due is ₹ 11.37 crores (31 March 2019: 184.54 crores) and of which ₹ Nil (31 March 2019: ₹ 3.33 crores) is expected to be uncollectible.

Note 10: Loans

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current (Unsecured, considered good)		
Loans to related parties (Refer note 51)	14.34	42.01
Security deposits	21.93	15.79
Loans to employees	0.32	0.68
Total non-current loans	**36.59**	**58.48**
Break-up for security details		
Loans Considered good - secured	-	-
Loans Considered good - Unsecured	36.59	58.48
Loans which have significant increase in credit risk	-	-
Loans Credit Impaired	-	-
Total	**36.59**	**58.48**

Note 11: Other Financial Assets

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	14.83	33.34
Others		
Others	0.12	0.25
Total other non-current financial assets	**14.95**	**33.59**
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	32.55	58.25
Currency/ Interest rate swaps	11.36	0.28
Others		
Interest accrued on investments/deposits	0.40	0.26
Others*	8.49	33.55
Total other current financial assets	**52.80**	**92.34**

*This includes expenses incurred on behalf of customer, amounting to ₹ 4.51 crores (31 March 2019: ₹18.04 crores)

Refer note 19 for information on financial assets hypothecated as security by the Company.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 12: Other Assets

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	28.52	16.99
Advance income tax, including TDS (net of provision)	22.82	4.11
Prepaid expenses	1.07	3.64
Advance to suppliers	29.64	-
Total other non-current assets	**82.05**	**24.74**
Contract Assets (Refer note 55)	**744.26**	**1,093.51**

Significant changes in Contract assets
Contract assets have decreased from previous year as entity has provided fewer services ahead of the agreed payment schedules for fixed price contracts.

There is no impairment allowance of the contract assets for current year and previous year.

During the year ended March 31, 2020, ₹ Nil (March 31, 2019: ₹ 148.98 crores) of opening gross amount due from customers from construction contract and ₹ 1,087.53 crores (March 31, 2019: ₹ 20.15 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 hypothecated as security by the Company.

	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current		
Capital advances (Unsecured, considered good)	-	7.94
Prepaid expenses	30.84	43.11
Balances with Government authorities	305.68	280.64
Advance to suppliers	15.01	57.40
Other advances	17.22	3.98
Total other current assets	**368.75**	**393.07**

Note 13: Inventories

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Raw materials	174.57	209.62
[Includes stock in transit ₹ 17.27 crores (31 March 2019: ₹ 20.28 crores)]		
Work-in-progress	66.05	74.46
Finished goods	135.11	219.36
[Includes stock in transit ₹ 28.88 crores (31 March 2019: ₹ 39.65 crores)]		
Traded goods	2.94	7.91
Stores, spares, packing materials and others	73.14	78.30
Total	**451.81**	**589.65**

Amounts recognised in profit or loss
Write-downs of inventories to net realisable value amounted to ₹ 36.36 crores (31 March 2019: ₹ 28.14 crores). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Refer note 19 for information on inventories hypothecated as security by the Group.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 14: Current Investments

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
In mutual funds(at fair value through profit or loss) (quoted)		
270,323.32 (31 March 2019: 102,567.82) units of SBI Liquid fund- Direct Growth Plan	84.00	30.00
Nil (31 March 2019: 87,774.43) units of Reliance Ultra Short duration fund - Direct growth plan	-	40.00
62,292.392 (31 March 2019: Nil) units of Kotak Liquid Fund - Direct growth plan	25.00	-
103,122.62 (31 March 2019: Nil) units of Nippon India Liquid Fund - Direct growth plan growth option	50.00	-
2,520,308.92 (31 March 2019: 1,086,454.63) units of ICICI Prudential Liquid Fund- Direct Plan- Growth Option	74.00	30.00
Investment in short term liquid funds	0.04	0.17
Aggregate amount of quoted investments [Market Value: ₹ 233.04 crores (March 31, 2019: ₹ 100.17 crores)]	**233.04**	**100.17**
Amount of impairment in the value of investments	-	-

Note 15A: Cash and Cash Equivalents

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Balances with banks:		
In current accounts (in INR)	115.05	127.33
In current accounts (in foreign currency)	34.51	15.92
Cash in hand	0.04	0.04
Total cash and cash equivalents	**149.60**	**143.29**

There are no repatriation restrictions with regards to cash and cash equivalents.

Note 15B: Other Bank Balances

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Deposits with original maturity of more than 12 months*	0.01	1.47
Deposits with original maturity of more than 3 months but less than 12 months**	88.86	85.00
In unpaid dividend account	4.16	3.37
Other bank balance	1.91	0.55
Total other bank balances	**94.94**	**90.39**

* Includes ₹ 0.01 crores (31 March 2019: ₹ 0.01 crores) held as lien by banks against bank guarantees.

** ₹2.86 crores (31 March 2019: ₹15.00 crores) held as lien by banks against bank guarantees.

Note 16: Asset Classified as Held For Sale

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Assets classified as held for sale		
Property, plant and equipment	85.32	90.40
Capital work-in-progress	0.95	4.27
Intangible assets	3.41	3.41
Other non-current financial assets	0.02	0.02
Other non-current assets	9.97	7.98
Trade receivables	5.00	0.88
Cash and cash equivalents	3.88	5.72
Other bank balances	1.26	1.02
Other financial assets	0.07	0.02
Other current assets	0.09	0.10
Total assets of disposal group held for sale	**109.97**	**113.82**

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Liabilities directly associated with assets classified as held for sale		
Borrowings	27.59	26.74
Trade payables	29.34	2.63
Employee benefit obligations	0.23	0.22
Other financial liabilities	10.16	48.28
Other liabilities	28.71	16.95
Total liabilities directly associated with assets classified as held for sale	**96.03**	**94.82**
Net assets of disposal group held for sale	**13.95**	**19.00**

Post demerger of the power business in the financial year ended March 31, 2017, the Company has been in the process of obtaining requisite approvals from government authorities to sell its equity interest in its subsidiary, Maharashtra Transmission Communication Infrastructure Limited (referred as disposal group or MTCIL) to Sterlite Power Transmission Limited. Management has filed an application with Department of Telecommunication for transfer of entity after its earlier application had been rejected. The Department of Telecommunication has requested certain clarifications to which the Management has responded. The Company is committed to the sale of MTCIL post requisite regulatory approvals.

Financial performance and cash flow information

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Revenue	6.24	4.52
Expenses	(14.52)	(12.11)
Loss before income tax	**(8.28)**	**(7.59)**
Income tax	-	-
Loss for the year	**(8.28)**	**(7.59)**
Other comprehensive income	-	-
Total comprehensive income	**(8.28)**	**(7.59)**
Net cash inflow / (outflow) from operating activities	17.83	18.59
Net cash inflow / (outflow) from investing activities	(17.34)	(10.89)
Net cash inflow / (outflow) from financing activities	(2.33)	(3.18)
Net (decrease) / increase in cash generated from discontinuing operation	**(1.84)**	**4.52**

Note 17: Share Capital

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2019: 75.00) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid-up shares (no. crores)		
40.39 (31 March 2019: 40.25) equity shares of ₹ 2 each fully paid - up.	80.79	80.51
Total issued, subscribed and fully paid-up share capital	**80.79**	**80.51**

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

	31 March 2020		31 March 2019	
	Nos in crores	(₹ in crores)	Nos in crores	(₹ in crores)
At the beginning of the year	40.25	80.51	40.10	80.20
Issued during the year against employee stock option	0.14	0.28	0.15	0.31
Outstanding at the end of the year	**40.39**	**80.79**	**40.25**	**80.51**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Buy-back of shares:
The Board of Directors have approved on March 24, 2020 the proposed buyback of Equity Shares for a total amount not exceeding ₹ 145 Crore, being 10% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 . The Company has bought back Nil shares as at March 31, 2020. Post March 31, 2020, the Company has bought back 2,418,719 shares for ₹ 20.30 crores (excluding taxes) upto the reporting date.

b. Terms and rights attached to equity shares
The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share except for the underlying Nil (31 March 2019: 74,700) equity shares held by custodian bank against Global Depository Receipts ('GDRs') which do not have voting rights.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2020		31 March 2019	
	Nos in crores	% holding	Nos in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company])	20.94	51.85%	20.94	52.03%
Vedanta Limited	0.48	1.18%	0.48	1.19%

d. Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium during the period of five years immediately preceding the reporting date	-	0.04

e. Detail of shareholders holding more than 5% of shares in the company

	31 March 2020		31 March 2019	
	Nos in crores	% holding	Nos in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	51.85%	20.94	52.03%

f. Shares reserved for issue under options
For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 35.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 18 : Other Equity

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
A. Securities premium account		
Opening balance	38.68	27.93
Add: Addition on ESOPs exercised	12.68	10.75
Closing balance	**51.36**	**38.68**
B. Other reserves		
Capital reserve	0.04	0.04
Redemption liability reserve		
Opening balance	-	-
Less: Creation of Redemption liability (refer note 47)	(15.22)	-
Closing balance	**(15.22)**	**-**
Employee stock option outstanding		
Opening balance	29.65	21.24
Add: Employees stock option expenses for the year (refer note 35)	9.86	19.16
Less: Transferred to Securities premium account	(12.68)	(10.75)
Closing balance	**26.83**	**29.65**
Foreign currency translation reserve		
Opening balance	13.45	15.16
Add: Exchange differences on translation of foreign operations for the year	(9.70)	(0.88)
Less: Transaction with non-controlling interest	3.04	(0.83)
Closing balance	**6.79**	**13.45**
Debenture redemption reserve		
Opening balance	75.00	75.00
Less: Amount transferred to general reserve	(18.75)	-
Closing balance	**56.25**	**75.00**
General reserve		
Opening balance	112.50	112.50
Add: Amount transferred from debenture redemption reserve	18.75	-
Closing balance	**131.25**	**112.50**
Cash flow hedge reserve		
Opening balance	45.72	(32.36)
Add: Cash flow hedge reserve created on currency forward contracts	(8.60)	144.55
Add: Cash flow hedge reserve created on swap contracts	9.49	9.88
Less: Amount reclassified to Statement of profit and loss	(52.70)	(21.67)
Less: Amount transferred to Statement of profit and loss	(9.76)	(8.29)
Less: Deferred tax	20.20	(46.39)
Closing balance	**4.35**	**45.72**
Total other reserves	**210.29**	**276.36**
C. Retained earnings		
Opening balance	1,323.75	875.61
Less: Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	-	(12.71)
Less: Impact of change in accounting policy on adoption of Ind AS 116 (refer note 56)	(11.83)	-
Add: Net profit for the year	433.90	562.75
Add: Remeasurement of post employment benefit obligation, net of tax	0.26	(5.10)
Less: Equity dividend and tax thereon (refer note 49)	(170.09)	(96.80)
Less: Change in fair value of FVOCI equity instrument	1.35	-
Total retained earnings	**1,577.34**	**1,323.75**
Total other equity (A+B+C)	**1,838.99**	**1,638.79**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Nature and Purpose of reserves, other than retained earnings

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve
General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Cash flow hedge reserve
The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee stock option outstanding
The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Group.

Redemption liability reserve
Redemption liability reserve is created on account of redemption liability pertaining to acquisition of IDS group in the current year. Refer note 47.

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 oustanding debentures out of the profits which are available for the purpose of redemption of debentures as per provisions of the Companies Act, 2013. The existing DRR is carried forward to the extent of outstanding amounts.

Note 19: Borrowings

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Debentures (Secured)		
750 (31 March 2019 :1,500) 8.45% Non convertible debentures of ₹ 10 lacs each	75.00	150.00
1,500 (31 March 2019 :1,500) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
Term loans		
Indian rupee loans from banks (secured)	90.00	50.00
Foreign currency loans from banks (secured)	633.80	491.48
Indian rupee loans from banks (unsecured)	129.61	100.00
Deferred payment liabilities (unsecured)	138.58	142.95
	1,216.99	**1,084.43**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
The above amount includes		
Secured borrowings	948.80	841.48
Unsecured borrowings	268.19	242.95
Total Non-current borrowings	**1,216.99**	**1,084.43**
Less: Current maturities of long term borrowings disclosed under the head "other current financial liabilities" (refer note 20)	247.00	149.59
Net Amount	**969.99**	**934.84**

Notes:

Sterlite Technologies Limited (STL)

a) 8.45% Non convertible debentures carry 8.45% rate of interest. The total outstanding amount is redeemable at par during the FY 2020-21. These non-convertible debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

b) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures is due in the FY 2021-22. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.

c) Indian rupee term loan from bank amounting to ₹ 10.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in twelve quarterly equated instalments of ₹ 10.00 crores (excluding interest) starting from July 2017. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli.

d) Foreign Currency term loan from bank amounting to ₹ 113.49 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

e) Foreign Currency term loan from bank amounting to ₹ 70.15 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.

f) Indian rupee term loan from bank amounting to ₹ 80.00 crores carries interest @ One Year MCLR +15 Bps p.a. Loan amount is repayable in 12 quarterly instalments from Oct'21 of ₹ 6.67 crores per Quarter (excluding interest) . The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future).

g) Unsecured Indian rupee term loan from NBFC amounting to ₹ 129.61 crores carries interest @ 8% p.a. Loan amount is repayable in FY 2020-21.

h) Deferred payment liabilities of ₹ 138.58 crores are as per the contractual terms with creditors for property, plant and equipment and amounts are payable after 1080 days from the due date. These amounts are presented as deferred payment liabilities under borrowings as per the disclosure requirements of Schedule III. The Interest payable on these deferred payment liabilities ranges from 6 months Libor + (100-200) bps per annum.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency loan from bank of ₹ 8.90 crores (31 March 2019: ₹ 17.61 crores) carries interest @ 4.75% p.a. This loan is secured by mortgage of immovable fixed assets of the Company located at China.

b) Foreign currency loan from bank of ₹ 55.40 crores (31 March 2019: ₹ Nil) carries interest @ 4.72% p.a. This loan is secured by way of hypothecation of Plant and Machinery. This loan is repayable by FY 2022-23.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Sterlite Technologies S.p.A

a) Foreign currency term loan from bank of ₹ 191.11 crores (31 March 2019: ₹ 178.48 crores) carries interest of EURIBOR + 1.90% p.a. This loan is backed by corporate guarantee from Sterlite Technologies Limited. This loan is repayable by FY 2023-24.

b) Foreign currency term loan from bank of ₹ 166.76 crores (31 March 2019: ₹ 155.20 crores) carries interest of EURIBOR + 1.70% p.a. This loan is backed by SBLC issued by Citi Bank, India. This loan is repayable by FY 2023-24.

Metallurgica Bresciana S.p.A.

a) Foreign currency loan from bank of ₹ 27.99 crores (31 March 2019: ₹ 1.84 crores) carries interest of EURIBOR + 1.25% p.a. This loan is backed by corporate guarantee from Sterlite Technologies Limited.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	0.33	33.62
Working capital demand loans from banks (secured)	315.00	50.00
Commercial paper from bank (unsecured)	350.00	300.00
Foreign Currency Loan (unsecured)	125.40	185.21
Other loan from banks (secured)	403.00	394.86
Other loans (unsecured)	29.53	10.72
Loans from related party (unsecured)	7.31	8.28
	1,230.57	**982.69**
The above amount includes		
Secured borrowings	718.33	478.48
Unsecured borrowings	512.24	504.21
Net Amount	**1,230.57**	**982.69**

Note:

Sterlite Technologies Limited

(i) Cash credit is secured by hypothecation of raw material inventory, work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 7.80 % -11.50 % p.a.

(ii) Working capital demand loan from banks 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 Loan has been taken for a period of 30 days to 90 days and carries interest @ 6.90 % to 8.25% p.a.

(iii) Commercial Papers are unsecured and are generally taken for a period from 60 to 90 days and carry interest @ 6.65% to 7.00% p.a.

(iv) Other loans include buyer's credit arrangements (secured) and export packing credit (unsecured). Buyer's credit are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges from 6.9% - 8.11% p.a.

(v) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand. The loan carries an interest rate of 10% p.a.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency term loan from bank of ₹ 74.12 crores (31 March 2019: ₹ 90.35 crores) carries interest @ 2.00% - 5.22% p.a.

b) Foreign currency term loan from bank of ₹ Nil (31 March 2019 : ₹ 9.85 crores) carries interest @ LIBOR + 0.70% - 0.90% p.a.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Metallurgica Bresciana S.p.A.

a) Foreign currency working capital loan from bank of ₹ 51.28 crores (31 March 2019: ₹ 59.47 crores) carries interest @ EURIBOR + 0.75% - 1.05% p.a.

b) Foreign currency term loan from bank of ₹ Nil (31 March 2019 : ₹ 25.59 crores) carries interest @ EURIBOR + 0.75% - 1.30% p.a.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Cash and cash equivalents*	153.48	149.01
Current investments **	319.04	170.17
Current Borrowings	(1,230.57)	(982.69)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings.)***	(1,246.34)	(1,111.17)
Net Debt	**(2,004.39)**	**(1,774.68)**

The amount of net debt would have been ₹ 2,133.69 crores considering the amount of lease liabilities of ₹ 129.30 crores.

*Includes cash and cash equivalents of ₹ 3.88 crores (March 31, 2019: ₹ 5.72 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

** Includes other bank balance of ₹ 86 crores (March 31, 2019 : ₹ 70 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Group at any time without any major penalties.

*** Includes non current borrowing ₹ 29.28 crores (March 31, 2019: ₹ 26.74 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

Non-current borrowings

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**1,111.17**	**618.50**
Cashflows	146.27	496.83
Interest expense	70.99	51.34
Interest paid	(72.35)	(55.14)
Forex adjustment	(9.74)	(0.36)
Closing balance	**1,246.34**	**1,111.17**

Current borrowings

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**982.69**	**462.74**
Cashflows	247.88	519.95
Interest expense	100.39	32.10
Interest paid	(100.39)	(32.10)
Closing balance	**1,230.57**	**982.69**

Cash and cash equivalent

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**149.01**	**120.76**
Cashflows	4.47	28.25
Closing balance	**153.48**	**149.01**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Current Investments

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening balance	**170.17**	**155.00**
Cashflows	146.64	13.28
Realised gain on current investment	2.23	1.89
Closing balance	**319.04**	**170.17**

Note 20: Other Financial Liabilities

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	1.96	1.64
Currency / Interest Rate Swaps	1.25	1.13
Others		
Payables for purchase of property, plant and equipment	0.63	9.40
Redemption liability (refer note 47)	15.22	-
Deposits from vendors	3.49	2.71
Total non-current financial liabilities	**22.55**	**14.88**
Current		
Derivative instruments		
Foreign exchange forward contracts	8.26	10.27
Currency / Interest Rate Swaps	1.47	-
	9.73	**10.27**
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	1.76	3.12
Current maturities of long-term borrowings (refer note 19)	247.00	149.59
Unclaimed dividend*	4.16	3.37
Deposit from customers	0.29	0.46
Deposit from vendors	0.44	0.41
Payables for purchase of property, plant and equipment (Including deferred payment liabilities)	552.05	475.03
Employee benefits payable	94.96	49.65
Others#	40.50	16.64
	941.16	**698.27**
Total current financial liabilities	**950.89**	**708.54**

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

This includes amount of ₹ 31.26 crores payable towards acquisition of an associate company.

Note 21: Trade Payables

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 41)	30.66	92.44
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 51)	0.20	1.25
Others	1,399.45	1,819.06
Total Trade Payables	**1,430.30**	**1,912.75**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 22: Provisions

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non-current		
Provision for warranty	0.89	0.72
Others	-	0.29
Total non-current provision	**0.89**	**1.01**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	0.52	0.46
Others	-	1.50
Total current provision	**10.02**	**11.46**

Provision for litigations / contingencies
The provision of ₹ 9.50 crores as at 31 March 2020 (31 March 2019: ₹ 9.50 crores) is towards contingencies in respect of disputed claims against the Group as described in note 40, the quantum of outflow and timing of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty
The Group has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
At the beginning of the year	1.18	42.29
Arising during the year	0.23	-
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	-	(40.33)
Utilised during the year	-	(0.78)
At the end of the year	**1.41**	**1.18**
Current portion	0.52	0.46
Non-current portion	0.89	0.72

Note 23: Other Current Liabilities

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Contract Liabilities (Refer note 55)		
Unearned revenue	43.59	89.40
Advance from customers	92.35	180.96
Total contract liabilities	**135.94**	**270.36**

Significant changes in Contract liabilities
Contract liabilities have decreased as entity has recognised the revenue from the opening unearned revenue & utilised the advance from customers during the year.

During the year ended March 31, 2020, the group recognised revenue of ₹ 87.78 crores (March 31, 2019: ₹ 35.40 crores) arising from opening unearned revenue.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current		
Indirect taxes payable	7.26	7.38
Withholding taxes (TDS) payable	9.30	10.26
Others	59.51	64.13
Total other current liabilities	**76.07**	**81.77**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 24: Deferred Tax Liabilities (Net)

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	126.69	119.00
Impact of fair valuation of Land as at Ind AS transition date	11.44	15.88
Net movement on cash flow hedges	5.49	29.27
Others	10.48	-
Gross deferred tax liability	**154.10**	**164.15**
Deferred tax assets		
Provision for doubtful debts, loans and advances, allowed for tax purpose on payment basis	15.18	10.48
Expenditure allowed for tax purposes on payment basis	19.58	19.48
Provision for inventory	6.56	6.90
Provision for litigations / contingencies	3.42	2.53
Unused Tax Credit	-	18.90
Impact of fair valuation of Plant & Machinery	2.66	5.54
Lease Liability	25.11	-
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	2.46	11.96
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 56)	4.19	-
Re-measurement loss defined benefits plans	-	2.74
Others	17.69	11.23
Gross deferred tax assets	**96.85**	**89.76**
Net deferred tax liability	**57.25**	**74.39**

Reconciliation of deferred tax liability / deferred tax asset

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening deferred tax liability, net	74.39	22.16
Deferred tax (credit) / charge recorded in statement of profit and loss	(11.12)	(10.81)
Deferred tax (credit) / charge recorded in OCI	(20.11)	43.65
Utilisation of Tax Credit	18.90	-
Deferred tax on acquisition of subsidiary (refer note 47)	-	22.55
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	-	(6.83)
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 56)	(4.19)	-
Others	(0.62)	3.67
Closing deferred tax liability, net	**57.25**	**74.39**

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Profit or loss section		
Current tax		
Current tax on profit for the year	120.00	288.97
Deferred Tax		
Relating to origination and reversal of temporary differences	(11.12)	(10.81)
Income tax expenses reported in the statement of profit or loss	**108.88**	**278.16**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	20.20	(46.39)
Re-measurement loss defined benefit plans	(0.09)	2.74
Income tax charged through OCI	**20.11**	**(43.65)**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Profit before tax & share in loss of joint venture	541.60	863.54
Tax at India's statutory income tax rate of 25.17% (31 March 2019: 34.94%)	136.32	301.72
Tax at lower tax rate of Subsidiaries	(2.08)	(18.61)
Adjustments in respect of current income tax of previous years	1.51	-
Tax benefits available under various sections of income tax act	(4.09)	(8.37)
Income taxed at lower tax rate	(5.47)	-
Income tax rate difference	(21.21)	-
Other adjustments	3.90	3.42
Income tax expense	**108.88**	**278.16**
Income tax expense reported in the statement of profit and loss	**108.88**	**278.16**

Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the parent company, basis their current assessment, is expected to opt for a lower corporate tax rate as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2019-20 onwards. Accordingly, the parent company remeasured the Deferred Tax Liability basis the revised lower tax rate and impact of the same was recognised in the current year. The parent company has also recognised provision for Income Tax and Deferred Tax Liability for the year ended March 31, 2020 basis the revised lower tax rate.

Note 24B: Current Tax Liabilities (Net)

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Opening Current tax liabilities/(assets)	51.27	(24.86)
Add: Current tax payable for the year	120.00	288.97
Less: Tax paid	(176.86)	(222.76)
Less: Utilisation of Tax Credit	(18.90)	-
Add/(less): Other adjustments	1.67	9.92
Total current tax liabilities/(assets)	**(22.82)**	**51.27**
Disclosed as current tax assets in note 12	22.82	4.11
Disclosed as current tax liability	-	55.38

Note 25: Employee Benefit Obligations

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Non Current		
Provision for gratuity	25.66	19.59
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	6.08	-
Provision for compensated absences	15.50	12.76
Total non-current employee benefits obligation	**47.24**	**32.35**
Current		
Provision for gratuity	9.88	10.27
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	0.13	7.82
Provision for compensated absences	4.52	4.25
Total current employee benefits obligation	**14.53**	**22.34**

i) Compensated Absences

The compensated absences cover the Group's liability for sick and earned leave. The amount of the provision is ₹ 20.02 crores (31 March 2019: ₹ 17.01 crores). The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

ii) Post employment benefit - 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Defined benefit obligation at the beginning of the year	34.18	22.98
Current service cost	5.29	2.85
Interest cost	2.61	1.99
Actuarial (gain)/loss	(0.35)	7.33
Benefits paid	(0.87)	(0.97)
Defined benefit obligation, at the end of the year	**40.86**	**34.18**

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Fair value of plan assets at the beginning of the year	4.32	3.77
Expected return on plan assets	0.33	0.51
Contribution by employer	1.54	0.97
Benefits paid	(0.87)	(0.93)
Fair value of plan assets at the end of the year	**5.32**	**4.32**

The Group expects to contribute ₹ 2.50 crores (31 March 2019: ₹ 4.50 crores) to its gratuity plan in FY 2020-21.

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

Particulars	31 March 2020 (%)	31 March 2019 (%)
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Present value of defined benefit obligation	40.86	34.18
Fair value of plan assets	(5.32)	(4.32)
Benefit liability	**35.54**	**29.86**

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Present value of funded obligations	40.86	34.18
Fair value of plan assets	(5.32)	(4.32)
Deficit of funded plan (A)	**35.54**	**29.86**
Unfunded plans (B)	-	-
Total net obligation (A+B)	**35.54**	**29.86**

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current service cost	5.29	2.85
Interest cost on benefit obligation	2.61	1.99
Expected return on plan assets	(0.33)	(0.51)
Net benefit expense	**7.57**	**4.33**

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Actuarial (gains)/losses on Obligation For the Period	(0.35)	7.33
Return on Plan Assets, Excluding Interest Income	0.00*	0.51
Net (income)/expense For the Period Recognized in OCI	**(0.35)**	**7.84**

Amounts for the current and previous periods are as follows:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Defined benefit obligation	40.86	34.18	22.80	19.65	16.22
Plan assets	5.32	4.32	3.77	3.37	2.59
(Surplus) / deficit	35.54	29.86	19.03	16.28	13.63
Experience adjustments on plan liabilities	(3.22)	3.08	(0.01)	(0.14)	1.90
Experience adjustments on plan assets	-	-	-	(0.15)	0.00*

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

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

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Discount rate	6.56%	7.64%
Expected rate of return on plan asset	6.56%	7.64%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	10.00%	10.00%

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

Sensitivity Analysis

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
+1% Change in discount rate	(2.66)	(2.10)
-1% Change in discount rate	3.04	2.39
+1% Change in rate of salary increase	2.91	2.31
-1% Change in rate of salary increase	(2.61)	(2.08)
+1% Change in rate of employee turnover	(0.73)	(0.44)
-1% Change in rate of employee turnover	0.81	0.49

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Risk exposure
Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.

Changes in bond yields:
A decrease in bond yields will increase plan liabilities.

Future salary escalation and inflation risk:
Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

Life expectancy
Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Group's assets are maintained in a trust fund managed by public sector insurance Company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

The weighted average duration of the defined benefit obligation is 8 years (2019 - 7 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:
The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	5.55	5.03
Between 1 to 2 years	2.76	2.52
Between 2 to 5 years	9.58	8.46
Over 5 years	54.36	49.26

(iii) Employee benefit obligations of Metallurgica Bresciana 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.

Note 26: Revenue From Operations

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
- Finished goods	2,438.69	3,131.30
- Traded goods	2.63	48.49
Revenue from sale of products	**2,441.32**	**3,179.79**
Revenue from sale of services	76.66	74.71
Revenue from network integration projects	2,466.37	1,570.70

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Revenue from software products/licenses and implementation activities	92.60	171.04
	5,076.95	**4,996.24**
Other operating revenue		
- Scrap sales	23.55	25.94
- Export incentives	53.90	65.08
Revenue from operations	**5,154.40**	**5,087.26**

Revenue disaggregation in terms of nature of good and service has been included above.

The total contract price of ₹ 5,148.02 crores is reduced by the consideration of ₹ 71.07 crores towards variable components.

Refer note 2, 3 and 55 for accounting policy, significant judgements and details about impact of changes in accounting policies on adoption of Ind AS 115 respectively.

The Group's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 2,935.45 crores which is expected to be recognised over a period of one to three 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.

Note 27: Other Income

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Management Fees	10.74	4.33*
Rental Income	0.28	2.01
Profit on sale of assets, net	2.57	2.08
Exchange differences, net	-	1.65
Miscellaneous Income	11.80	9.87
Total other income	**25.39**	**19.94**

*The amount disclosed above is net of expenses for provision of services (refer note 51).

Note 28: Finance Income

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Interest income on		
- Bank deposits	6.31	0.60
- Loans to related parties (refer note 51)	-	2.81
- Others	0.37	0.17
Income from current investments	2.23	1.89
Interest subvention	-	11.45
Total finance income	**8.91**	**16.92**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Inventory at the beginning of the year (refer note 13)	209.62	91.24
Adjustment on account of business combination (refer note 47)	-	49.77
Add : Purchases	2,332.69	2,659.93
	2,542.31	**2,800.94**
Less : Inventory at the end of the year (refer note 13)	174.57	209.62
Cost of raw material and components consumed	**2,367.74**	**2,591.32**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	7.91	4.68
Work-in-progress	74.46	25.25
Construction work-in-progress	-	98.80
Finished goods	219.36	55.62
	301.73	**184.35**
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55) - Construction work-in-progress	-	(97.78)
Adjustment on account of business combination (refer note 47)		
Work-in-progress	-	46.41
Finished Goods	-	34.08
	301.73	**167.06**
Closing inventories		
Traded goods	2.94	7.91
Work-in-progress	66.05	74.46
Construction work-in-progress	-	-
Finished goods	135.11	219.36
	204.10	**301.73**
(Increase)/Decrease in inventories	**97.63**	**(134.67)**

Note 30: Employee Benefit Expense

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Salaries, wages and bonus	563.85	452.79
Contribution to provident fund (refer note below)	25.62	12.80
Gratuity expenses (refer note 25)	10.35	4.33
Employees stock option expenses (refer note 35)	9.86	19.16
Staff welfare expenses	20.12	22.15
Total Employee benefit expense	**629.80**	**511.23**

Defined Contribution Plans:

The Group has certain defined contribution plans. 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 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Contribution to Employees Provident Fund	25.62	12.80
Total	**25.62**	**12.80**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 31: Other Expenses

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Consumption of stores and spares	97.35	141.42
Consumption of packing materials	78.49	90.78
Power, fuel and water	139.18	121.97
Labour Charges	53.95	40.88
Repairs and maintenance		
Building	1.67	2.85
Plant & machinery	11.53	14.85
Others	23.07	24.36
Corporate Social Responsibility (CSR) expenses (refer note 45)	9.15	5.37
Sales commission	48.54	35.36
Sales promotion	24.33	10.49
Carriage outwards	60.98	67.84
Rent	10.00	27.20
Insurance	20.28	12.85
Legal and professional fees	84.20	77.64
Rates and taxes	11.28	13.26
Travelling and conveyance	54.87	64.27
Bad debts / advances written off	5.05	17.33
Provision for doubtful debts and advances	16.13	8.37
Directors sitting fee and commission	3.59	1.57
Exhange difference, (net)	1.65	-
Payment to auditor	1.50	1.07
Research and development expenses (refer note 42)		
Salaries, wages and bonus	49.39	22.26
Raw materials consumed	0.88	0.47
General expenses	24.12	12.25
Total Research and development expenses	**74.39**	**34.98**
Less Amount transferred to individual expense line item	(74.39)	(34.98)
Research and development expenses	-	-
Miscellaneous expenses*	230.98	181.92
Total other expenses	**987.78**	**961.65**

*This includes loss of ₹ Nil (March 31, 2019: ₹ 1.74 crores) pertaining to investments classified as FVTPL. (refer note 8)

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Depreciation of tangible assets	226.22	156.91
Depreciation of right of use assets	18.82	-
Depreciation of investment property	-	0.09
Amortisation of intangible assets	45.24	37.98
Total depreciation and amortisation expense	**290.28**	**194.98**

Note 33: Finance Cost

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	171.38	83.44
Interest on lease liabilities	11.38	-
Bank charges	18.54	13.64
Exchange difference to the extent considered as an adjustment to borrowing costs	19.74	8.41
Total finance cost	**221.04**	**105.49**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

* During the year, the Group has capitalised borrowing costs of ₹ 11.12 crores (31 March 2019: ₹ 53.37 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings, in this case 8.49% p.a. (March 31, 2019: 8.49% p.a.).

Note 34: Tax Expenses

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current tax*	120.00	288.97
Deferred tax#	(11.12)	(10.81)
Total tax expenses	**108.88**	**278.16**
Unused tax losses for which no deferred tax asset has been recognised	31.93	31.85
Potential tax benefit @ 25.17% (31 March 2019 : 34.94%)	8.04	11.13
Unrecognised temporary differences		
Temporary differences relating to investments in subsidiaries	521.35	228.25

Certain subsidiaries of the group have undistributed earnings where an assessable temporary difference exists, but no deferred tax has been recognised considering applicable tax regulations in countries where subsidiaries are domiciled and the parent entity is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

*For current year, the current tax expense is net of adjustment of ₹ 8.90 crores pertaining to current tax of previous year.

#For current year, the deferred tax includes ₹ 10.41 crores for adjustment for deferred tax expense of previous year.

Note 35: Employee Share Based Payments

The Group has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Group has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of one year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹ 2 per option.

The Group has charged ₹ 9.86 crores(31 March 2019: ₹ 19.16 crores) to the statement of profit and loss in respect of options granted under ESOP schemes.

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

	31 March 2020		31 March 2019	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	4,614,478	2	5,050,978
Granted During the year	2	1,741,630	2	1,636,950
Forfeited During the year	2	-	2	-
Exercised During the year	2	(1,421,264)	2	(1,551,202)
Expired During the year	2	(1,000,954)	2	(522,248)
Closing Balance		**3,933,890**		**4,614,478**
Vested and Exercisable		423,130		341,195

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Average share price for the year ended 31 March 2020 is 141.89 (31 March 2019: ₹ 307.95).

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2020	Share options outstanding on 31 March 2019
30 April 2014	30 April 2020	2	33,050	216,100
30 March 2015	30 March 2021	2	438,500	813,750
13 July 2016	13 July 2022	2	85,521	287,598
25 July 2016	25 July 2022	2	293,290	493,100
28 January 2016	26 January 2022	2	-	483,000
18 January 2017	18 January 2023	2	-	-
19 July 2017	19 July 2023	2	390,470	725,330
16 October 2017	16 October 2023	2	20,650	27,850
17 January 2018	19 January 2023	2	5,260	7,100
19 July 2018	19 July 2024	2	1,013,749	1,496,750
24 January 2019	24 January 2023	2	44,600	63,900
24 October 2019	24 October 2029	2	1,608,800	-
Total			**3,933,890**	**4,614,478**
Weighted Average remaining contractual life of the options outstanding at the end of the period			3.11	2.68

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved two grants. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

Date of Grant- October 24, 2019

The company has granted options under ESOP scheme based on following two criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company

   Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	01-Nov-20	01-Nov-21	01-Nov-22	01-Nov-23	01-Nov-24
Weighted Average Stock Price	145.35	145.35	145.35	145.35	145.35
Expected volatility	47.87%	48.72%	49.78%	49.33%	48.31%
Risk Free rate	6.19%	6.40%	6.52%	6.77%	6.90%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	3.50	4.50	5.50	6.50	7.50
Dividend Yield	1.07%	1.07%	1.07%	1.07%	1.07%
Outputs					
Option Fair value	138.37	136.99	135.62	134.27	132.92
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**136.86**

The expected price volatility is based on historical volatality (based on remaining life of the options) adjusted for any expected change to future volatility due to publicly available information.

2. Vesting criteria - 70% Vesting based on total Shareholders return based on market performance

   Fair Valuation Method - Monte Carlo Simulation model

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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

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

Assumptions used are as follows:

Variables	
Price of underlying stock	145.35
Expected volatility	47.87%
Risk Free rate	6.19%
Exercise Price (₹ per Option)	2.00
Dividend Yield	1.07%
Fair Value of the option	**44.32**

Note 36: Earnings Per Share (EPS)

The following table shows the computation of basic and diluted EPS.

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Profit/(Loss) for the year from continuing operations attributable to owners of the company	439.36	568.10
Profit/(Loss) for the year from discounted operations attributable to owners of the company	(5.46)	(5.35)
Weighted average number of equity shares in calculating basic EPS	40.33	40.19
Adjustments for classification of diluted EPS:		
Employee stock options outstanding during the year	0.45	0.49
Weighted average number of equity shares in calculating diluted EPS	40.78	40.68
Earnings/(loss) per share		
Basic		
From continuing operations	10.89	14.14
From discontinued operations	(0.13)	(0.13)
Diluted		
From continuing operations	10.77	13.96
From discontinued operations	(0.13)	(0.13)

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 35.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 37: 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 31 March 2020	Effective ownership as on 31 March 2019	Country of incorporation
List of subsidiaries			
Speedon Network Limited	100.00%	100.00%	India
Maharashtra Transmission Communication Infrastructure Limited	65.99%	70.49%	India
Sterlite Telesystems Limited	100.00%	100.00%	India
Sterlite Innovative Solutions Limited	100.00%	100.00%	India
Sterlite Tech Connectivity Solutions Limited	100.00%	100.00%	India
Sterlite Tech Cables Solutions Limited	100.00%	-	India
Sterlite Global Ventures (Mauritius) Limited	100.00%	100.00%	Mauritius
Jiangsu Sterlite and Tongguang Fiber Co. Limited	75.00%	75.00%	China
Sterlite (Shanghai) Trading Co. Limited	100.00%	100.00%	China
Sterlite Technologies S.p.A	100.00%	100.00%	Italy
Metallurgica Bresciana S.p.A.	100.00%	100.00%	Italy
Elitecore Technologies (Mauritius) Limited	100.00%	100.00%	Mauritius
Elitecore Technologies SDN. BHD	100.00%	100.00%	Malaysia
Sterlite Technologies UK Ventures Limited	100.00%	100.00%	United Kingdom
Sterlite Tech Holdings (UK) Limited	100.00%	-	United Kingdom
Sterlite Tech Holding Inc.	100.00%	100.00%	USA
Sterlite Technologies Inc.	100.00%	100.00%	USA
Impact Data Solutions Limited	80.00%	-	United Kingdom
Impact Data Solutions B.V.	80.00%	-	Netherlands
Vulcan Data Centre Solutions Limited	80.00%	-	United Kingdom
PT Sterlite Technologies Indonesia	100.00%	-	Indonesia
List of Associate			
MB Maanshan Special Cable Limited**	40.00%	40.00%	China
ASOCS	12.50%	-	Israel
List of joint venture			
Sterlite Conduspar Industries Ltda	58.05%	58.05%	Brazil

** Associate company is not considered for consolidation as the operations of the associate company is insignificant for the Group.
Joint Venture with Metis Eduventures Private Limited is not considered for consolidation as the same is accounted as per Ind AS 109 (Refer note 2s(ii))

Note 38: Leases

Operating lease

Company as lessee :

The Group has taken office buildings and premises on operating lease. The lease term is for periods of three to nine years and renewable at the option of the Group.

Future minimum lease payments over non cancellable period of operating leases are as follows :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Lease payments recognised in the statement of profit and loss (refer note 31)	-	27.20
The future minimum lease payments payable over the next one year	-	2.85
The future minimum lease payments payable later than one year but not later than five years	-	3.03

Group as lessor :

The Group has given land and office building on operating lease. The lease term is for non cancellable period of three years and renewable at the option of the Lessee.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Future minimum lease receipts over non cancellable period of operating leases are as follows :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Lease income recognised in the statement of profit and loss for the year	-	2.01
The future minimum lease payments receivable over the next one year	-	1.32
The future minimum lease payments receivable later than one year but not later than five year	-	-

Note 39: Capital and Other Commitments

a] a] Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹ 100.09 crores (31 March 2019: ₹ 215.88 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
2017-18	2023-24	596.55	736.12
2018-19	2024-25	224.78	269.48
2019-20	2025-26	35.22	-

In this respect, the Group has given bonds of ₹ 881.49 crores (31 March 2019: ₹ 984.31 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

c] For commitments relating to lease arrangements please refer note 38.

Note 40: Contingent Liabilities

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
1. Disputed liabilities		
a) Sales tax	-	1.16
b) Excise duty [refer note 22 and note 44]	18.50	238.28
c) Customs duty	74.90	75.72
d) Service tax	0.12	3.10
e) Goods and Service tax	0.57	-
f) Income tax	11.44	26.02
g) Claims lodged by a bank against the company*	18.87	18.87
f) Claims against the Company not acknowledged as debt	1.11	1.11

2. The Company 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 CIT(A) and ITAT orders against which the Department has filed an appeal with the High Court.

The Group has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

* In an earlier year, one of the Bankers of the Group had wrongly paid an amount of ₹ 18.87 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the Group, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Group in the Debt Recovery Tribunal (DRT). Against the DRT

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the Group and has dismissed the appeal filed by the bank. The bank has challenged the said order in WRIT petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

Note 41: Details of Dues to Micro and Small Enterprises as Defined Under Msmed Act, 2006

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ 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*	30.66	92.44
Interest due on above	0.96	0.19
(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.	0.96	0.19
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

* includes amount of ₹11.53 Crore (31 March 2019: ₹ 91.70 crore) outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2020.

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.

Note 42: 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	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Capital expenditure		
- Plants and machinery - capitalised during the year	24.83	12.36
- Plants and machinery - purchased during the year but pending for capitalisation	2.95	3.26
- Software - capitalised during the year	4.33	0.58
- IT Equipments - capitalised during the year	2.10	-
- Furniture & Fixtures - capitalised during the year	4.14	-
- Office equipments and Electrical Installation - capitalised during the year	3.13	-
- Right of use assets - capitalised during the year	4.25	-
	45.73	**16.20**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Revenue expenditure		
- Salaries, wages and bonus	49.39	22.26
- Raw materials consumed	0.88	0.47
- General expenses	24.12	12.25
Total	**74.39**	**34.98**

The company has four Research and Development Centres. Centre wise breakup of expenditure is as follows :

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Sterlite Technologies - Aurangabad		
- Capital Expenditure	13.12	2.70
- Revenue Expenditure	17.67	17.38
	30.79	**20.08**
Sterlite Technologies - Gurgaon		
- Capital Expenditure	16.94	10.56
- Revenue Expenditure	13.84	5.56
	30.78	**16.12**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	-	2.94
- Revenue Expenditure	27.76	12.04
	27.76	**14.98**
Sterlite Technologies - Pune		
- Capital Expenditure	15.67	-
- Revenue Expenditure	15.12	-
	30.79	**-**

Note 43A: Impact of COVID-19 Pandemic

The COVID-19 outbreak has developed rapidly in India and across the globe. Measures taken by the Government to contain the virus like lock-downs, travel bans and other measures have affected economic activity and caused disruption to regular business operations. For the preparation of these financial statements, Management has made an assessment of the implications of COVID 19 outbreak on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next one year, and concluded that no material adjustments are considered necessary. Further the company believes that all required disclosures have been made in these financials statements.

The Company is in the business of designing , manufacturing and deployment of high-capacity converged fibre, cable and wireless networks. Telecommunication is the largest end-use industry for the Company and the Company has special expertise in large scale integrated telecommunications projects and offers system integration services across network lifecycle. Mangement believes that the ongoing shift to remote work, reduced domestic and global travel and increasing need for connected devices is expected to result in a sharp increase in network usage which will drive the need to for networking infrastructure and connectivity.

Due to the lock down imposed by the government of India, the operations of the Company had to be temporarily suspended. However, since telecom networks have been identified as an essential service, the Company has been able to partially resume its operations as at the reporting date. The current situation is likely to continue for next few months and therefore expected to result in some delays in delivering the customer orders and completion of ongoing projects. Given the uncertainties around its impact on future global economic activity, Management will continue to monitor the impact on the operations of the Company.

As inventory verification was impracticable at the year end, Management has performed the ‘wall to wall’ inventory verification at a date subsequent to the year end in the presence of statutory auditor at one location and internal auditor (an

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

external firm of Chartered Accountants) at other location to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.

Note 43B: Impact of COVID-19 Pandemic Metallurgica Bresciana S.p.A. Financials

“From the point of view of the Covid pandemic, the board of directors has considered, even with the instruments and provisions currently available, the potentially estimable impacts referring to the Covid-19 pandemic both from the point of view of business activities and from a financial point of view; to date it is difficult to estimate the economic impact expected that the company is part of a production chain serving fiber networks which, according to the latest indications of the Italian government, should represent a sector of public interest. The financial situation of the company, in any case, is such as to be able to support, in this period, the cash requirements related to the corporate structure.

The unfolding COVID-19 epidemic is worsening the outlook for the global economy as embedded in the March 2020 ECB staff macroeconomic projections. Developments since the cut-off date for the projections suggest that the downside risk to global activity related to the COVID-19 outbreak has partly materialised, implying that global activity this year will be weaker than envisaged in the projections. The outbreak hit the global economy as signs of a stabilisation in activity and trade had started to emerge and the signing of the so-called Phase 1 trade agreement between the United States and China, accompanied by cuts in tariffs, had reduced uncertainty. Looking further ahead, the projected global recovery is expected to gain only modest traction.

The first months of 2020 were characterised by an acceleration of the activities by national operators to fill up the delays accumulated previously in the development of the national optical network and by the will of the two giants TIM and Openfiber to arrive strengthened in view of an imminent merger between the two.

Thanks to the remarkable degree of reliability and the consolidated relationship built in previous years with customers and thanks to the synergy with the STL Group that has allowed us to optimize the process, to double the production capacity and significantly reduce the production costs, we are now the successful tenderers of important contracts with TIM, Openfiber and the main Italian installers in a market with constant decreasing prices due to the aggressive commercial policy of mainly foreign competitors (Chinese and Korean). These contracts, whose validity is extended until 2021, guarantee a solid basis for the continuation of production activities in the whole year 2020. Our position is also consolidated by the acquisitions of important foreign orders.

Note 44: Excise /Customs Matter Pending With Honourable Supreme Court

During the current year, the Company has made an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS), for settlement of the disputed excise matter of ₹ 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at Supreme Court, and also some other litigations under Central Excise Act, 1944 and Chapter V of Finance Act, 1994 which were pending as of June 30, 2019. Based on the provisions of SVLDRS, Management has determined the duty payable in respect of all matters offered for settlement under the scheme and accordingly recognised expense of ₹ 50.71 crores in the current year which has been disclosed as exceptional item in the statement of profit and loss. The Company is awaiting acceptance of the application by the department as of the reporting date.

Note 45: Corporate Social Responsibility

The Group has spent an amount of ₹ 9.15 crores (31 March 2019: ₹ 5.37 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹ 8.10 crores, in which directors/senior executives of the Group and their relatives are trustees, donation to IIT Madras ₹ 1.00 crore and other miscellaneous donations of ₹ 0.05 crores.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Details of CSR expenditure:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
A. Gross amount required to be spent by the Group	9.15	5.37
B. Amount spent during the year	9.15	5.37
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	9.15	5.37

Note 46: Amortisation of Recognised Goodwill on Acquisition

During the year 2015-16, the Group had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product Company. ETPL has been merged with the Group with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "Scheme"). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 29.64 crores(31 March 2019: ₹ 29.65 crores) for the year.

Note 47 : Business Combinations

Summary of acquisition FY 2019-20

The Group, on 24th September 2019 (the "Acquisition date") has entered into definitive agreements to acquire 100% stake in Impact Data Solutions Group (IDS, UK) comprising it's wholly owned subsidiary, Impact Data Solutions B.V. and a group company Vulcan Data Centre Solutions Limited (collectively referred as "IDS Group"). The Group has acquired 80% of the shares of IDS Group for a purchase consideration of GBP 10.2 million subject to subsequent adjustment based on actual enterprise value calcuated in accordance with the agreement.

Group has an obligation to acquire the balance 20% over the next 2 to 5 years for a consideration based on an earn out model. Accordingly, the Group has recognised ₹ 15.22 crore with respect to the redemption liability.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Fair Value Amount in GBP Crores	Fair Value Amount in ₹ crores
Tangible Assets	0.01	0.54
Intangible Assets	0.01	0.46
Intangible Assets: Customer Relationships & Contracts	0.43	37.40
Intangible Assets: Non-compete	0.01	1.06
Cash & Cash equivalents	0.19	16.29
Trade receivables	0.13	11.37
Contract assets	0.05	3.95
Other assets	0.01	0.84
Trade and other payables	(0.13)	(11.03)
Other liabilities	(0.05)	(4.64)
Net identifiable asset required	**0.65**	**56.24**
Non-controlling interest	0.14	11.70
Net identifiable asset required	**0.52**	**44.54**

Calculation of goodwill	Amount GBP in Crores	Amount ₹ in crores
Consideration transferred	1.02	91.00
Less: Net identifiable assets required	(0.52)	(44.54)
Goodwill	**0.50**	**46.46**

The goodwill is attributable to the synergies from combining operations with group and workforce. It will not be deductible for tax purposes.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Acquired receivables
The fair value of acquired trade receivables is ₹ 11.37 crores.

Accounting policy choice for non-controlling interests (NCI)
The Group recognises NCI in an acquired entity either at fair value or at non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on acquisition-by-acquisition basis. For the NCI in IDS Group, the Group recognised NCI at it's proportionate share of acquired net identifiable assets.

Revenue & Profit Contribution :
If the acquisitions had occurred on 1 April 2019, consolidated pro-forma revenue and profit for the year ended 31 March 2020 would have been ₹ 5,195.74 crores and ₹ 435.19 crores respectively. These amounts have been calculated using the subsidiary's results

i) adjusting for the accounting policies between the group and subsidiaries and

ii) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to Property, plant and equipment and intangible assets had applied from 1 April 2019, together with the consequential tax effects. The working of it as per the following:

Particulars	Revenue (₹ in crores)	Profit (₹ in crores)
Total revenue and profit of group excluding IDS Group	5,107.20	428.35
Revenue and profit of IDS Group	88.54	6.83
Total	**5,195.74**	**435.19**

Purchase Consideration - cash outflow
The cash outflow for acquisition of IDS Group is ₹ 74.72 crores, net of cash acquired.

Acquisition related costs
Acquisition related costs of ₹ 1.84 crores is included in other expenses in Statement of profit & loss.

Measurement period
The group does not expect any further significant changes till the end of measurement period to the goodwill amount recognised subject to changes in purchase consideration.

Summary of acquisition - FY 2018-19
The parent company on 20 July 2018 (the "Acquisition date"), through its wholly owned subsidiary Sterlite Technologies S.p.A, acquired 100% equity of Metallurgica Bresciana S.p.A (Metallurgica), a manufacturer of specialised optical cable, for a purchase consideration of Euro 46.5 million in cash. This acquisition will enable the group to locally operate in the European market.

In the current year, the group has received a refund of Euro 0.55 million (₹ 4.57 Crs) against purchase consideration paid for acquisition of Metallurgica Bresciana S.p.A. in the previous year. This refund was made for the subsequent identification of slow moving/obsolete inventory. This refund of purchase consideration has been deducted from the goodwill amount recognised in previous year (refer note 5).

Note 48: Financial Risk Management
The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Group also enters into derivative transactions.

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's senior management oversees the activities to manage of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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 2020 and 31 March 2019.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2020 and 31 March 2019.

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 2020, after taking into account the effect of interest rate swaps, approximately 70% of the Group's borrowings are at a fixed rate of interest (31 March 2019: 75%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Variable rate borrowings	849.36	663.17
Fixed rate borrowings	1,598.20	1,403.95
Total borrowings	**2,447.56**	**2,067.12**

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31 March 2020		31 March 2019	
	Balance (₹ In crores)	% of total loans	Balance (₹ In crores)	% of total loans
Variable rate borrowings	849.36	35%	663.17	32%
Interest rate swaps (notional principal amount)	113.49		138.34	
Net exposure to cash flow interest rate risk	735.87		524.83	

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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

(₹ in crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2020		
Base Rate	+50	3.68
Base Rate	-50	(3.68)
31 March 2019		
Base Rate	+50	2.62
Base Rate	-50	(2.62)

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP and Chinese renminbi (RMB). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in foreign currency risk. During the years ended 31 March 2020 and 2019, 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, 2020 and as at March 31, 2019. The Group's foreign currency exposure at the year end is as follows:

31 March 2020

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	91.21	98.03	72.45	17.61
Bank Balances	10.33	19.98	4.21	-
Loans and advances	-	-	3.23	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	75.73	77.76	66.74	15.55
Net Exposure to foreign currency risk (Assets)	**25.81**	**40.24**	**13.14**	**2.06**

31 March 2020

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	AED
Bank Loan (including deferred payment liabilities)	480.78	74.08	69.81	-
Payables for purchase of property, plant & equipments	97.19	108.54	7.55	-
Trade Payables	215.46	6.49	0.40	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	525.96	164.49	0.27	-
Principal Swap	113.08	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**154.40**	**24.62**	**77.50**	**-**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

31 March 2019

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	103.91	117.81	36.90	12.14
Bank Balances	10.56	0.56	4.79	-
Loans and advances	-	-	1.92	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	30.70	97.19	36.90	12.14
Net Exposure to foreign currency risk (Assets)	**83.77**	**21.18**	**6.71**	**-**

31 March 2019

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	AED
Bank Loan (including deferred payment liabilities)	197.65	94.01	-	-
Payables for purchase of property, plant & equipment's	262.04	8.46	-	-
Trade Payables	191.01	13.86	0.05	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	238.01	25.96	0.05	-
Principal Swap	138.34	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**274.35**	**90.37**	**-**	**-**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows:

(₹ in crores)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
31 March 2020	+5%	(6.43)/(5.32)	+5%	0.78/22.00	+5%	(3.22)/(1.63)
	-5%	6.43/5.32	-5%	(0.78)/(22.00)	-5%	3.22/1.63
31 March 2019	+5%	(9.53)/(3.82)	+5%	(3.46)/53.85	+5%	0.34/0.34
	-5%	9.53/3.82	-5%	3.46/(53.85)	-5%	(0.34)/(0.34)

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet these requirements the Group enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates. Further, total exposure related to commodity derivative is not material.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Price risk
The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 100.28 crores (31 March 2019: ₹ 35.30 crores).

The group invests into highly liquid funds which are subject to price risk changes. These investments are generally for short durations and therefore impact of price change is generally not significant.

(b) Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables and Contract assets
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of default risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. During the period, the group made write-offs of ₹ 5.05 crores (31 March 2019 : ₹ 17.33 crores) trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

The Group's profile for customer contracts and software services include public sector enterprises, state owned companies and private corporates. Accordingly, the Group's customer credit risk is low. The Group's average network integration project execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/ corporate guarantees.

The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss.

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2020			31 March 2019		
	less than 365 days	more than 365 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	2,053.19	308.45	2,361.64	2,467.99	20.27	2,488.26
Expected credit loss rate	2.06%	15.00%		0.89%	80.00%	
Expected credit loss provision	7.99	46.27	54.26	21.91	16.22	38.13
Carrying amount of trade receivable (net of provision)	**2,045.20**	**262.18**	**2,307.38**	**2,446.08**	**4.05**	**2,450.13**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Financial instruments and cash deposits

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

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The Group assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The Group charges interest on such loans at arms length rate considering countparty's credit rating. Based on the assessment performed, the Group considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts of each class of financial assets.

(c) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2020						
Borrowings	7.64	1,149.77	320.19	969.96	-	2,447.56
Other financial liabilities	4.91	42.23	94.96	18.72	-	160.82
Trade payables	279.54	510.11	640.65	-	-	1,430.30
Payables for purchase of Property, plant and equipments	-	207.04	345.02	0.62	-	552.68
Derivative instruments	-	-	9.73	3.21	-	12.94
	292.09	**1,909.15**	**1,410.56**	**992.51**	**-**	**4,604.31**
As at March 31, 2019						
Borrowings	41.92	777.40	312.98	934.82	-	2,067.12
Other financial liabilities	4.24	39.63	29.77	2.71	-	76.35
Trade payables	264.13	778.28	816.52	53.62	0.20	1,912.75
Payables for purchase of Property, plant and equipments	-	162.94	312.10	9.40	-	484.44
Derivative instruments	-	6.29	3.98	2.77	-	13.04
	310.29	**1,764.54**	**1,475.35**	**1,003.32**	**0.20**	**4,553.70**

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on 31 March 2020 and 31 March 2019.

The cash flow hedges for such derivative contracts as at 31 March 2020 were assessed to be highly effective and a net unrealised gain of ₹ 18.83 crore, with a deferred tax liability of ₹ 4.75 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2019 were assessed to be highly effective and an unrealised gain of ₹ 122.95 crores, with a deferred tax liability of ₹ 42.96 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2020 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2021.

At 31 March 2020, the Group has currency/interest rate swap agreements in place with a notional amount of USD 1.5 crores (₹ 113.49 crore) (31 March 2019 : USD 2 crores) whereby the Group receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-₹ rate fixed at ₹ 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates. The Group also has multiple interest rate swap agreements in place with a total notional amount of USD 2.45 crores whereby the Group pays interest at fixed rate of 2.69% -3% and receives interest at a variable rate of 6M LIBOR.

The cash flow hedges for such derivative contracts as at 31 March 2020 were assessed to be highly effective and a net unrealised gain of ₹ 9.49 crores, with a deferred tax liability of ₹ 2.39 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2019 were assessed to be highly effective and an unrealised gain of ₹ 9.87 crores, with a deferred tax liability of ₹ 3.45 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2020 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2021.

Impact of hedging activities
(a) Disclosure of effects of hedge accounting on financial position:

31 March 2020

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts-Assets	342.60	22.67	April 2020 - December 2023	1:1	AED:INR- 20.29 AUD:INR- 46.65 EUR:INR- 90.25 GBP:INR- 97.19 USD:INR- 73.84	(58.30)	58.30
(ii) Foreign exchange forward contracts-Liabilities	193.46	(3.83)	April 2020- January 2022	1:1	EUR:INR- 88.19 GBP:INR- 94.13 USD:INR- 73.25 CNH:INR-10.73	(3.18)	3.18
(iii) Foreign Currency Loan	(182.89)	11.36	3 January 2023	1:1	USD:INR 66.39	11.18	(11.18)
Interest rate risk							
Interest rate swap	(297.77)	(2.55)	3 January 2023	1:1	N/A	(1.51)	1.51

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

31 March 2019

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts-Assets	1,233.38	80.97	April 2019 - December 2023	1:1	EUR:INR- 90.38 GBP:INR- 101.09 USD:INR- 70.29	80.92	(80.92)
(ii) Foreign exchange forward contracts-Liabilities	(39.36)	(0.65)	April 2019-January 2021	1:1	EUR:INR- 79.04 USD:INR- 71.033	41.98	(41.98)
(iii) Foreign Currency Loan	(138.34)	0.18	3 January 2023	1:1	USD:INR 66.39	12.22	(12.22)
Interest rate risk							
Interest rate swap	(307.72)	(1.04)	3 January 2023	1:1	N/A	(2.35)	2.35

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.

The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2020

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(50.30)	-	(52.70)	Revenue and COGS
Interest Risk	(1.51)	-	-	N/A

31 March 2019

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	135.12	-	(21.66)	Revenue and COGS
Interest Risk	(2.35)	-	-	N/A

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve.

Note 49: Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, 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.

Particulars	As at 31 March 2020 (₹ in crores)	As at 31 March 2019 (₹ in crores)
Interest Bearing Loans and borrowings	2,447.56	2,067.12
Less: Cash and Cash equivalents & current investment*	(468.64)	(313.46)
Net debt	**1,978.92**	**1,753.66**
Equity share capital	80.79	80.51
Other equity	1,838.99	1,638.79
Total capital	**1,919.78**	**1,719.30**
Capital and net debt	**3,898.70**	**3,472.96**
Gearing ratio	50.76%	50.49%

*includes other bank balance of ₹ 86 crores (31 March 2019 : 70 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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	As at 31 March 2020 (₹ in crores)	As at 31 March 2019 (₹ in crores)
Sterlite Technologies Limited		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2020: ₹ 3.5 per share (31 March 2019: ₹ 2 per share)	141.09	80.30
Dividend Distribution Tax on final dividend	29.00	16.50
Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited		
Dividend declared and paid to non controlling interests	-	17.02
	170.09	**113.82**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2020: ₹ 3.5 per share (31 March 2019: ₹ 3.5 per share)	141.35	140.86
Dividend Distribution Tax on proposed dividend	-	28.68
	141.35	**169.54**

The Finance Act 2020 has repealed the dividend distribution tax. Companies are now required to pay / distribute dividends after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rate.

During the year ended 31 March 2020 and 31 March 2019, the Group has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 50: Fair Values

a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of 31 March 2020:

	31 March 2020			31 March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	1.53	-	-	0.26	-	-
Debentures	22.60	-	-	22.60	-	-
Preference shares	3.74	-	-	-	-	-
Mutual funds	233.04	-	-	100.17	-	-
Trade receivables	-	-	1,563.12	-	-	1,356.62
Loans	-	-	36.59	-	-	42.69
Cash and cash equivalents	-	-	244.54	-	-	233.68
Derivative financial assets	36.06	22.68	-	7.91	83.96	-
Contract assets	-	-	744.26	-	-	1,093.51
Security deposits	-	-	-	-	-	15.79
Other financials assets	-	-	9.01	-	-	34.06
Total financial assets	**296.97**	**22.68**	**2,597.52**	**130.94**	**83.96**	**2,776.35**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

	31 March 2020			31 March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial liabilities						
Borrowings	-	-	2,447.56	-	-	2,067.12
Trade Payables	-	-	1,430.30	-	-	1,912.75
Derivative financial liabilities	8.17	4.77	-	9.10	3.94	-
Payables for purchase of Property, plant and equipment's	-	-	552.68	-	-	484.43
Deposits from vendors	-	-	3.93	-	-	3.12
Other Financial Liabilities	-	-	156.89	-	-	73.24
Total financial liabilities	**8.17**	**4.77**	**4,591.36**	**9.10**	**3.94**	**4,540.66**

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 Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Investments in Equity Shares of joint venture				
As at 31 March 2020	1.53	-	-	1.53
As at 31 March 2019	0.26	-	-	0.26
Investments in Debentures				
As at 31 March 2020	22.60	-	-	22.60
As at 31 March 2019	22.60	-	-	22.60
Investments in Preference shares				
As at 31 March 2020	3.74	-	-	3.74
As at 31 March 2019	-	-	-	-
Investments in Mutual funds				
As at 31 March 2020	233.04	233.04	-	-
As at 31 March 2019	100.17	100.17	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at 31 March 2020	36.06	-	36.06	-
As at 31 March 2019	7.91	-	7.91	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at 31 March 2020	22.68	-	22.68	-
As at 31 March 2019	83.96	-	83.96	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at 31 March 2020	8.17	-	8.17	-
As at 31 March 2019	9.10	-	9.10	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at 31 March 2020	4.77	-	4.77	-
As at 31 March 2019	3.94	-	3.94	-

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.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2020

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The fair values of the unquoted equity shares and debentures have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019:

(₹ in crores)

Particulars	Investments in Equity Shares of JV	Investments in Debentures	Investments in Preference share
As at 31 March 2019	**0.26**	**22.60**	**-**
Acquisitions	1.26	-	3.74
Changes in Fair value	-	-	-
As at 31 March 2020	1.53	22.60	3.74

e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares, preference shares and debentures	DCF method	Terminal Growth Rate	31 March 2020 : 2.5% 31 March 2019 : 5%	1% (31 March 2019 : 1%) increase/ (decrease) in the terminal growth rate would result in increase / (decrease) in fair value by ₹ 2.87/ (2.35) crores (31 March 2019 : ₹ 1.34/ (1.17) crore)
		WACC (pre-tax)	31 March 2020: 12.50% 31 March 2019: 20%	1% (31 March 2019 : 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 3.27/ (4.01) crores (31 March 2019 : ₹ 1.71/ (1.96))

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
		Long-term operating margin	31 March 2020 : (4.0)% - 25.2% 31 March 2019 : 3.1% - 14.2%	1% (31 March 2019 : 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 1.44/ (1.44) crores (31 March 2019: ₹ 0.73/ (0.73))

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Valuation processes

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the Group are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2020 and 31 March 2019 are as shown above.

g) Financial assets and liabilities measured at amortised cost

(₹ in crores)

Particulars	31 March 2020	
	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.45%	75.00	75.17
Debentures @ 8.70%	150.00	150.12

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 51: Related Party Transactions

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Fellow Subsidiaries

Cairn India Holdings Ltd
Sterlite Power Transmission Limilted
Twin Star Technologies Limited
Sterlite Grid 1 Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda (58:42 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limiteda)
Metis Eduventures Private Limited

(iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director)
Mr. A. R. Narayanaswamy (Non executive & Independent Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Ms. Avaantika Kakkar (Non executive & Independent Director) (up to 22 May 2018)
Mr. Sandip Das (Non executive & Independent Director)
Mr. Pratik Agarwal (Non executive Director)
Ms. Kumud Srinivasan (Non executive & Independent Director) (from 22 May 2018)

(iv) Relative of key management personnel (KMP)

Mr. Ankit Agarwal
Mrs. Jyoti Agarwal
Mrs. Ruchira Agarwal
Mrs. Sonakshi Agarwal
Mr. Navin Agarwal

(v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)

Universal Floritech LLP (EKMP)
Sterlite Tech Foundation (EKMP)

(vi) Associates

M.B Maanshan Special Cables Co. Ltd
ASOCS

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)

Mr. Anupam Jindal (Chief Financial Officer)
Mr. Amit Deshpande (Company Secretary)

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

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

(₹ in crores)

S. No.	Particulars	Joint Ventures/Associate		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/EKMP	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Transactions										
1	Remuneration	-	-	-	-	29.70	31.06	3.84	3.60	-	-
2	Sitting Fees	-	-	-	-	0.42	0.29	-	-	-	-
3	Commission	-	-	-	-	1.13	0.75	-	-	-	-
4	Consultancy	-	-	-	-	0.55	0.45	-	-	-	-
5	Dividend (received) / paid	-	-	73.29	41.88	0.94	0.49	0.41	0.24	1.67	0.95
6	Investment during the year	64.98	5.00	-	-	-	-	-	-	-	-
7	Loans and advances given	0.39	0.11	-	-	-	-	-	-	0.30	6.28
8	Repayment of loans	-	-	-	-	-	-	-	-	29.14	3.27
9	Loan taken	-	-	-	-	-	-	-	-	4.05	7.50
10	Loan repaid	-	-	-	-	-	-	-	-	5.59	-
11	Interest charged on loans	-	-	-	-	-	-	-	-	-	2.81
12	Interest payable on loans	-	-	-	-	-	-	-	-	0.57	0.70
13	Management fees received	-	-	-	-	-	-	-	-	10.74	13.24
14	Reimbursement of expenses	-	-	-	-	-	-	-	-	3.10	-
15	Management fees paid	-	-	-	-	-	-	-	-	-	0.52
16	Purchase of goods & services	-	-	-	-	-	-	-	-	2.51	7.31
17	Purchase of fixed asset	-	-	-	-	-	-	-	-	0.42	-
18	Sale of goods & services	33.13	22.35	-	-	-	-	-	-	9.65	18.86
19	Contributions made for CSR	-	-	-	-	-	-	-	-	8.10	5.22
20	Rental income	-	-	-	-	-	-	-	-	0.06	0.06
	Outstanding Balances										
1	Loans/advance receivables##	3.23	1.92	-	-	-	-	-	-	11.11	40.09
2	Loans/advance payables##	-	-	-	-	-	-	-	-	7.31	8.28
3	Trade receivables	69.22	6.53	-	-	-	-	-	-	3.50	18.81
4	Trade payables	-	-	-	-	-	-	-	-	0.20	1.25
5	Investment in equity shares,preference shares & debentures	100.28	35.30	-	-	-	-	-	-	-	-
6	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114.00	114.00

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

(C) Disclosure in respect of material related party transaction during the year:

(₹ in crores)

S. No.	Particulars	Relationship	31 March 2020	31 March 2019
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	14.86	14.34
	Dr. Anand Agarwal	KMP	10.76	12.40
	Mr. Anupam Jindal	KMP	3.44	3.44
	Mr. Ankit Agarwal	Relative of KMP	3.84	3.60
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.13	0.09
	Mr. A. R. Narayanaswamy	KMP	0.09	0.07
	Mr. Sandip Das	KMP	0.11	0.07
	Mr. Kumud Srinivasan	KMP	0.08	0.03
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.23	0.15
	Mr. A. R. Narayanaswamy	KMP	0.23	0.15
	Ms. Avaantika Kakkar	KMP	-	0.15
	Ms. Kumud Srinivasan	KMP	0.23	-
	Mr. Sandip Das	KMP	0.23	0.08
	Mr. Pratik Agarwal	KMP	0.23	0.15
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.55	0.45
5	**Dividend (received) / paid**			
	Twin Star Overseas Limited	Holding Company	73.29	41.88
6	**Investment during the year**			
	Metis Eduventures Private Limited	Joint Venture	5.01	5.00
	ASOCS	Associate	59.97	-
7	**Loans and advances given**			
	Twinstar Display Technologies Limited.	Fellow Subsidiary	0.21	3.44
	Twin Star Technologies Ltd	Fellow Subsidiary	0.09	0.15
	Sterlite Power Transmission Limited.	Fellow Subsidiary	-	2.52
	Sterlite Conduspar Industrial Ltda	Joint Venture	0.39	0.11
8	**Repayment of loans**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	2.78
	Sterlite Grid 1 Limited	Fellow Subsidiary	-	0.25
	Twinstar Display Technologies Limited	Fellow Subsidiary	29.07	0.24
9	**Loan taken**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	4.05	7.50
10	**Loan repaid**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	5.59	-
11	**Interest charged on loans**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	-	2.11
	Twin Star Technologies Ltd	Fellow Subsidiary	-	0.70
12	**Interest payable on loans**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.57	0.70
13	**Management fees received**			
	Cairn India Holdings Ltd	Fellow Subsidiary	10.74	13.24**
14	**Reimbursement of expenses**			
	Cairn India Holdings Ltd	Fellow Subsidiary	3.10	-
15	**Management fees paid**			
	Vedanta Limited	Fellow Subsidiary	-	0.52
16	**Purchase of goods & services**			
	Vedanta Limited	Fellow Subsidiary	0.01	0.79
	Fujairah Gold FZE	Fellow Subsidiary	2.18	4.52
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.23	1.91

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

(₹ in crores)

S. No.	Particulars	Relationship	31 March 2020	31 March 2019
17	**Purchase of fixed asset**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.42	-
18	**Sale of goods & services**			
	Sterlite Conduspar Industrial Ltda	Joint Venture	19.27	14.18
	M.B Maanshan Special Cables Co. Ltd	Associates	13.86	8.17
	Sterlite Power Transmission Limited	Fellow Subsidiary	9.65	18.86
19	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	8.10	5.22
20	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.06

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2020	31 March 2019
Short term employee benefits	28.37	26.44
Long term & Post employment benefits	1.45	1.40
Share based payment transaction*	3.72	6.82
Total compensation paid to key management personnel	**33.55**	**34.66**

**The amount is gross of the expenses incurred towards provision of these services.

#Includes interest & expenses incurred and recoverable.

* Share-based payments includes the perquisite value of stock incentives exercised during the year, determined in accordance with the provisions of the Income-tax Act, 1961.

Note 52: Interests in Joint Venture and Associates

Set out below are the details of Joint venture of the Group which in the opinion of management are material to the Group. The Group has a 58.05% (31 March 2019: 58.05%) interest in Sterlite Conduspar Industrial Ltda, a joint venture engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda ('Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Current assets	29.54	30.96
Non-current assets	8.15	10.58
Total Asset (A)	**37.69**	**41.54**
Current liabilities	20.05	16.51
Non-current liabilities	26.82	31.56
Total Liabilities (B)	**46.87**	**48.07**
Net Assets (A+B)	**(9.18)**	**(6.53)**
Proportion of the Group's ownership	58.05%	58.05%
Carrying amount of the investment	-	-

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Summarised statement of profit and loss of the Joint Venture:

	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
Revenue	67.89	68.81
Other Income	0.19	0.18
Cost of raw material and components consumed	50.20	51.06
Depreciation & amortisation	1.02	1.16
Finance cost	1.53	1.55
Employee benefit	6.32	5.75
Other expense	15.99	13.54
Loss before tax	**(6.99)**	**(4.07)**
Income tax expense	-	-
Loss for the year	**(6.99)**	**(4.07)**
Other comprehensive income	-	-
Total comprehensive income for the year	**(6.99)**	**(4.07)**
Group's share of loss for the year	(4.06)	(2.37)
Unrecognised share of loss of joint venture	**(4.06)**	**(2.37)**

As per paragraph 39 of Ind AS 28, the group has not recongnised 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 2020 and 31 March 2019. \

Note 53: Disclosure for Non-Controlling Interests

This information is based on amounts before inter-company eliminations.

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name of the Company	Principal activity	Effective ownership as on 31 March 2020	Effective ownership as on 31 March 2019	Country of incorporation
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Power Transmission	34.01%	29.51%	India
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)	Manufacturing of Optical Fibre	25.00%	25.00%	China
Impact Data Solutions Limited*	Data centre network infrastructure design and deployment	20.00%	-	United Kingdom
Impact Data Solutions B.V.*		20.00%	-	Netherlands
Vulcan Data Centre Solutions Limited*		20.00%	-	United Kingdom

*collectively called as "IDS Group" and disclosed below:

Summarised statement of profit and loss for the year ended 31 March 2020:

	31 March 2020			31 March 2019	
	MTCIL	JSTFCL	IDS Group	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Revenue	6.24	277.33	47.20	4.52	461.32
Profit for the year	(8.28)	(30.07)	4.37	(7.59)	69.11
Total comprehensive income	**(8.28)**	**(19.35)**	**6.11**	**(7.59)**	**69.11**
Attributable to non-controlling interests	(2.81)	(4.83)	1.22	(2.24)	17.28
Dividends paid to non-controlling interests	-	-	-	-	(17.15)

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Summarised balance sheet as at 31 March 2019 and 31 March 2019:

	31 March 2020			31 March 2019	
	MTCIL	JSTFCL	IDS Group	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Non current assets	99.67	448.48	55.27	106.08	417.55
Current assets	10.30	115.61	52.45	7.74	266.67
Total Asset (A)	**109.97**	**564.09**	**107.72**	**113.82**	**684.22**
Non current liability	(54.07)	(64.29)	(0.13)	(20.02)	(17.61)
Current liability	(41.97)	(147.34)	(43.00)	(74.80)	(294.79)
Total Liability (B)	**(96.04)**	**(211.62)**	**(43.12)**	**(94.82)**	**(312.40)**
Net Assets (A+B)	**13.95**	**352.47**	**64.60**	**19.00**	**371.82**
Accumulated NCI	**2.37**	**87.89**	**12.92**	**2.68**	**92.72**

Summarised cash flows

	31 March 2020			31 March 2019	
	MTCIL	JSTFCL	IDS Group	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Net cash inflow from operating activities	17.83	3.50	12.35	18.59	201.52
Net cash inflow from investing activities	(17.34)	(51.50)	(0.79)	(10.89)	(162.16)
Net cash inflow from financing activities	(2.33)	(6.23)	0.15	(3.18)	(7.61)
Net increase /(decrease) in cash and cash equivalents	**(1.84)**	**(54.24)**	**11.71**	**4.52**	**31.75**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 54: Statutory Group Information

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
Parent								
Sterlite Technologies Limited								
Balance as at 31 March 2020	49.34%	998.20	108.61%	460.99	108.29%	(39.70)	108.64%	421.29
Balance as at 31 March 2019	60.05%	898.53	79.39%	458.72	101.04%	80.40	82.01%	539.12
Subsidiaries								
Indian								
1. Speedon Network limited								
Balance as at 31 March 2020	0.17%	3.51	-1.70%	(7.22)	-	-	-1.86%	(7.22)
Balance as at 31 March 2019	1.55%	10.73	0.07%	0.38	-	-	0.06%	0.38
2. Maharashtra Transmission Communication Infrastructure Limited								
Balance as at 31 March 2020	0.47%	9.55	-1.29%	(5.46)	-	-	-1.41%	(5.46)
Balance as at 31 March 2019	-0.51%	15.33	-0.93%	(5.35)	-	-	-0.81%	(5.35)
3. Sterlite Telesystems Limited								
Balance as at 31 March 2020	-0.01%	(0.15)	-0.01%	(0.03)	-	-	-0.01%	(0.03)
Balance as at 31 March 2019	0.00%	(0.12)	-0.01%	(0.04)	-	-	-0.01%	(0.04)
4. Sterlite Tech Connectivity Solutions Limited								
Balance as at 31 March 2020	0.00%	0.03	0.00%	(0.01)	-	-	0.00%	(0.01)
Balance as at 31 March 2019	0.00	0.04	(0.00)	(0.01)	-	-	(0.00)	(0.01)
5. Sterlite Innovative Solutions Limited								
Balance as at 31 March 2020	0.00%	-	0.00%	(0.02)	-	-	-0.01%	(0.02)
Balance as at 31 March 2019	0.00%	0.03	(0.00)	(0.02)	-	-	(0.00)	(0.02)
6. Sterlite Tech Cables Solutions Limited								
Balance as at 31 March 2020	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Balance as at 31 March 2019	-	-	-	-	-	-	-	-
Foreign								
1. Sterlite Global Ventures (Mauritius) Limited								
Balance as at 31 March 2020	11.96%	241.92	-0.07%	(0.30)	-	-	-0.08%	(0.30)
Balance as at 31 March 2019	0.24%	122.50	8.93%	51.61	-	-	7.85%	51.61
2. Jiangsu Sterlite and Tongguang Fibre Co. Ltd.								
Balance as at 31 March 2020	17.42%	352.45	-5.31%	(22.55)	-	-	-5.82%	(22.55)
Balance as at 31 March 2019	18.89%	371.81	8.97%	51.83	-	-	7.89%	51.83

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
3. Sterlite (Shanghai) Trading Company Limited								
Balance as at 31 March 2020	-0.10%	(2.00)	-0.71%	(3.02)	-	-	-0.78%	(3.02)
Balance as at 31 March 2019	-0.06%	1.02	0.00%	(0.02)	-	-	0.00%	(0.02)
4. Sterlite Technologies S.p.A (Italy)								
Balance as at 31 March 2020	0.44%	8.96	-2.09%	(8.85)	-	-	-2.28%	(8.85)
Balance as at 31 March 2019	2.21%	44.22	-1.33%	(7.66)	-	-	-1.17%	(7.66)
5. Metallurgica Bresciana S.p.A (Italy)								
Balance as at 31 March 2020	14.54%	294.10	6.71%	28.49	-	-	7.35%	28.49
Balance as at 31 March 2019	14.50%	257.01	1.90%	10.97	-	-	1.67%	10.97
6. Sterlite Technologies UK Ventures Limited								
Balance as at 31 March 2020	-0.10%	(1.95)	-0.16%	(0.68)	-	-	-0.18%	(0.68)
Balance as at 31 March 2019	0.10%	(1.27)	-0.06%	(0.34)	-	-	-0.05%	(0.34)
7. Sterlite Technologies Europe Ventures Limited								
Balance as at 31 March 2020	0.00%	-	0.00%	-	-	-	0.00%	-
Balance as at 31 March 2019	0.00%	(0.07)	-0.01%	(0.04)	-	-	-0.01%	(0.04)
8. Elitecore Technologies (Mauritius) Limited								
Balance as at 31 March 2020	0.03%	0.66	0.03%	0.12	-	-	0.03%	0.12
Balance as at 31 March 2019	0.00%	0.54	0.01%	0.06	-	-	0.01%	0.06
9. Elitecore Technologies Sdn Bhd.								
Balance as at 31 March 2020	0.16%	3.29	0.31%	1.31	-	-	0.34%	1.31
Balance as at 31 March 2019	0.21%	2.00	-0.12%	(0.71)	-	-	-0.11%	(0.71)
10.Sterlite Tech Holding Inc.								
Balance as at 31 March 2020	-0.07%	(1.40)	-0.20%	(0.86)	-	-	-0.22%	(0.86)
Balance as at 31 March 2019	0.01%	(0.53)	-0.05%	(0.30)	-	-	-0.05%	(0.30)
11.Sterlite Technologies Inc								
Balance as at 31 March 2020	-0.69%	(13.97)	-2.71%	(11.50)	-	-	-2.97%	(11.50)
Balance as at 31 March 2019	0.02%	(2.47)	0.63%	3.66	-	-	0.56%	3.66
12. Impact Data Solutions Limited								
Balance as at 31 March 2020	1.18%	23.82	0.77%	3.28	-	-	0.85%	3.28
Balance as at 31 March 2019	-	-	-	-	-	-	-	-
13. Vulcan Data Centre Solutions Limited								
Balance as at 31 March 2020	0.13%	2.72	0.05%	0.22	-	-	0.06%	0.22
Balance as at 31 March 2019	-	-	-	-	-	-	-	-

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
14. Share of Profit/(Loss) of Joint Venture								
Balance as at 31 March 2020	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	-	-	-
Non controlling interest in all subsidiaries								
Balance as at 31 March 2020	5.10%	103.18	-2.23%	-9.46	-8.29%	3.04	-1.66%	(6.42)
Balance as at 31 March 2019	2.78%	95.40	2.60%	15.04	-1.04%	(0.83)	2.16%	14.21
Total								
Balance as at 31 March 2020	**100.00%**	**2,022.96**	**100.00%**	**424.44**	**100.00%**	**(36.66)**	**100.00%**	**387.78**
Balance as at 31 March 2019	**100.00%**	**1,814.70**	**100.00%**	**577.79**	**100.00%**	**79.57**	**100.00%**	**657.36**

All eliminations and adjustments are netted off against balances of parent company for disclosure purpose

Associate company is not considered for consolidation as the operations of the associate company is insignificant for the Group.

Joint Venture with Metis Eduventures Private Limited is not considered for consolidation as the same is accounted as per Ind AS 109 (Refer note 2s(ii))

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 55: Changes in Accounting Policies

The Group applied Ind AS 115 for the first time by using the cumulative catch up transition method of adoption with the date of initial application of April 01, 2018. Under this method, Group recognised the cumulative effect of initially applying the Ind AS 115 as an adjustment to the opening balance of retained earnings as on April 01, 2018. For all open contracts as on that date, comparative prior period has not been adjusted.

Particulars	Notes	01 April 2018 (₹ in crores)
Balances in retained earnings		875.61
Less: Adjustment on account of revenue recognition as per Ind AS 115	(i)	(19.54)
Add: Increase in Deferred Tax Assets	(i)	6.83
Balances in retained earnings after restatement		**862.90**

Note (i) :

Impact is mainly on account of :

1. **Service warranty** - As per Ind AS 115, service warranty has been considered as a separate performance obligation and accordingly contract price has been allocated to such separate performance obligation resulting in an impact on estimated revenue & warranty cost recognised. There was no such requirement under Ind AS 11 and accordingly provision for warranty was recognised basis percentage of completion of contract.

2. **Impact of variable considerations** - As per Ind AS 115, variable consideration eg. liquidated damages and other penalties which are based on future events should be netted off against revenue and reassessed at every reporting period. Accordingly, such variable considerations have been adjusted against the contract price. Under the previous standard these were considered as a part of estimated contract costs .

3. **Impact of bought out components** - Under previous standard cost incurred on bought out components was considered in the calculation of the percentage of completion of network integration project. As per Ind AS 115, revenue with respect to bought out components should be recognised equivalent to cost incurred to faithfully depict performance if all the prescribed conditions are met. Accordingly on transition margin on cost related to bought out component was derecognised.

4. **Revenue recognition on transfer of control** - Under the previous revenue recognition standards, revenue was recognised when the entity has transferred the significant risks and rewards of ownership of goods. Under Ind AS 115, revenue is recognised when entity satisfies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence revenue with respect to cost incurred on construction work in progress is recognised on transition.

5. **Milestone based accounting** - As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognised once milestones were achieved.

The following table presents the amount by which each financial statement line item is affected in the year ended March 31, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Balance Sheet (Extract)	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Current assets			
Inventories	701.97	(112.32)	589.65
Trade receivables	1,226.00	128.86	1,354.86
Contract assets	-	1,093.51	1,093.51
Other current assets	1,582.80	(1,189.73)	393.07
Equity			
Other Equity	1,641.96	(3.17)	1,638.79
Total Equity	1,722.47	(3.17)	1,719.30
Non-current liabilities			
Provisions	24.31	(23.30)	1.01
Deferred tax liabilities (net)	76.09	(1.70)	74.39
Current liabilities			
Trade payables	1,872.42	40.33	1,912.75
Contract liabilities	-	270.36	270.36
Provisions	28.49	(17.03)	11.46
Other current liabilities	426.95	(345.18)	81.77

Statement of profit and loss (extract) year ended 31 March 2019	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Revenue from operations	5,109.90	(22.64)	5,087.26
Total Income (I)	5,129.84	(22.64)	5,107.20
Cost of raw material and components consumed	2,628.67	(37.35)	2,591.32
Other expense	961.61	0.04	961.65
Total Expense (II)	3,997.42	(37.31)	3,960.11
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	1,132.42	14.67	1,147.09
Profit before tax	848.87	14.67	863.54
Total tax expenses	273.03	5.13	278.16
Profit for the year	568.24	9.55	577.79
Total comprehensive income for the year, net of tax	647.81	9.55	657.36

Presentation of assets and liabilities related to contracts with customers:

The Group also has changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

- Contract assets recognised was previously presented as a part of other current assets. Contract assets are in the nature of right to receive consideration which arises when entity satisfies a performance obligation but does not have an unconditional right to consideration as it has not reached the contractual billing milestone.
- Contract liabilities recognised was previously presented as a part of other current liabilities. Contract liabilities represent deferred revenue arising from revenue from network integration project contracts. It also includes advance received from customers.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Note 56: Changes in Accounting Policies

This note explains the impact of the adoption of Ind AS 116 Leases on the group's financial statements.

The group has adopted Ind AS 116 retrospectively from 01 April 2019, but has not restated comparatives for the year ended March 31, 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 01 April 2019.
The new accounting policies are disclosed in note 2.

Particulars	01 April 2019 (₹ in crores)
Balances in retained earnings	1,323.75
Less: Adjustment on account of leases as per IND AS 116 (net of tax of ₹ 4.19 crores)	(11.83)
Balances in retained earnings after adjustment	1,311.92

Adjustments recognised on adoption of Ind AS 116

On adoption of Ind AS 116, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 01 April 2019. The Lessee's incremental weighted average borrowing rate applied to the lease liabilities on April 01, 2019 was 10%.

(i) Measurement of lease liabilities:

Particulars	Amount
Operating lease commitments disclosed as at 31 March 2019	5.88
Discounted using the lessee's incremental borrowing rate at the date of initial application	2.52
Add: adjustments as a result of a different treatment of extension and termination options	115.90
Lease liability recognised as at 1 April 2019	**124.30**

(ii) Measurement of right of use assets:

The associated right-of-use assets for leases were measured on a retrospective basis as if the new rules had always been applied.

Particulars	Amount
Building	59.09
Plant and machinery	49.18
Right of use assets recognised as at 1 April 2019	**108.27**

(iii) Adjustments recognised in the balance sheet as on 1 April 2019:

Balance Sheet (Extract)	01 April 2019 (without adoption of Ind AS 116)	Increase/ (Decrease)	01 April 2019 (with adoption of Ind AS 116)
Non-current assets			
Property, Plant and Equipments (Refer note 4)	2,317.46	108.27	2,425.73
Equity			
Other Equity (Refer note 18)	1,323.75	(11.83)	1,311.92
Non-current liabilities			
Lease liabilities (Refer note 4)	-	108.21	108.21
Deferred tax liabilities (Refer note 24A)	-	(4.19)	(4.19)
Current liabilities			
Lease liabilities (Refer note 4)	-	16.08	16.08

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Practical expedients applied
In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- relying on the assessment of whether leases are onerous as an alternative to performing an impairment review. There were no onerous contracts as at April 01, 2019.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying Ind AS 17 and Appendix 4 Determining whether an Arrangement contains a Lease.

Note 57: Segment Reporting

The Group has only one operating segment which is Connectivity and Network Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)
(1) Revenue from external customers		
- Within India	3,375.47	3,280.66
- Outside India	1,778.93	1,806.60
Total revenue per statement of profit and loss	**5,154.40**	**5,087.26**
(2) Non-current operating assets		
- Within India	2,505.91	2,253.60
- Outside India	686.46	633.72
Total	**3,192.37**	**2,887.32**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, investment properties and intangible assets including Goodwill.

(3) Revenue from external customers
Revenue from two customers in India amounted to ₹ 2,098.68 crores (31 March 2019: ₹ 1,293.15 crores).

Note 58: Previous Year Figures
The financial statements for the year ended 31 March 2020 incorporate the impact of the change in accounting policies as mentioned in Note 56. Thus, current year numbers are not comparable to previous year numbers.

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: Pune
Date: May 12, 2020

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

Anand Agarwal
CEO & Whole-time Director
DIN: 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

Form AOC-1 - Part A
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES AS PER COMPANIES ACT , 2013

₹ in crores

S. No.	Name of Subsidiary	Country of Incorporation	Reporting currency	Exchange rate (INR)	Share Capital	Reserve & Surplus	Total Liabilities	Total Assets	Investment	Turnover (Gross Revenue)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Holding
1	Speedon Network Limited	India	INR	NA	1.55	1.96	31.46	34.97	0.02	14.19	(7.22)	-	(7.22)	-	100.00
2	Sterlite Telesystems Limited	India	INR	NA	0.02	(0.17)	0.18	0.03	-	-	(0.03)	-	(0.03)	-	100.00
3	Elitecore Technologies (Mauritius) Limited	Mauritius	MUR	1.91	0.14	0.52	0.15	0.81	-	1.36	0.14	0.02	0.12	-	100.00
4	Elitecore Technologies Sdn Bhd.	Malaysia	MYR	17.45	-	3.29	3.67	6.96	-	9.95	1.69	0.38	1.31	-	100.00
5	Sterlite Global Ventures (Mauritius) Limited	Mauritius	US$	75.33	186.74	55.18	0.42	242.34	238.97	-	(0.30)	-	(0.30)	-	100.00
6	Maharashtra Transmission Communication Infrastructure Limited*	India	INR	NA	30.70	(21.14)	100.41	109.97	-	6.24	(8.28)	-	(8.28)	-	51.73%
7	Jiangsu Sterlite Tongguang Fiber Co. Limited	China	RMB	10.62	154.52	197.93	211.64	564.09	-	277.33	(39.91)	(9.85)	(30.06)	-	75.00
8	Sterlite Technologies UK Ventures Limited	UK	GBP	93.55	0.04	(1.99)	24.43	22.48	19.14	-	(0.68)	-	(0.68)	-	100.00
9	Sterlite Tech Holding Inc.	America	US$	75.33	-	(1.40)	17.33	15.93	-	-	(0.86)	-	(0.86)	-	100.00
10	Sterlite Technologies Inc	America	US$	75.33	-	(13.97)	19.24	5.27	-	3.61	(11.47)	0.03	(11.50)	-	100.00
11	Sterlite Conduspar Industrial Ltda	Brazil	Real	14.47	19.14	(28.33)	46.87	37.68	-	67.89	(6.99)	-	(6.99)	-	58.05
12	Sterlite (Shanghai) Trading Co. Limited	China	RMB	10.62	1.53	(3.53)	1.40	(0.60)	-	3.55	(3.01)	0.01	(3.02)	-	100.00
13	Sterlite Tech S.P.A.	Italy	EUR	83.09	40.22	(31.27)	367.20	376.15	368.71	-	(11.84)	(2.99)	(8.85)	-	100.00
14	Sterlite Innovative Solutions Limited	India	INR	NA	0.05	(0.05)	0.03	0.03	-	-	(0.02)	-	(0.02)	-	100.00
15	Sterlite Tech Connectivity Solutions Limited	India	INR	NA	0.05	(0.02)	0.01	0.04	-	-	(0.01)	-	(0.01)	-	100.00
16	Sterlite Tech Cables Solutions Limited	India	INR	NA	0.05	(0.01)	4.21	4.25	-	-	(0.01)	-	(0.01)	-	100.00
17	Impact Data Solutions Limited & Subsidiary	UK	GBP	93.55	0.02	23.80	43.08	66.90	-	47.20	4.69	0.59	4.10	-	80.00
18	Vulcan Data Centre Solutions Limited	UK	GBP	93.55	-	2.72	0.04	2.76	0.01	1.30	0.88	0.61	0.27	-	80.00
19	Metallurgica Bresciana S.P.A.	Italy	EUR	79.98	56.18	237.91	196.00	490.09	12.47	398.56	37.61	9.12	28.49	-	100.00

* The figures for this company have not been consolidated as it has been classified as 'Asset held-for-sale' under IndAS

Notes
to the Consolidated Financial Statements for the year ended March 31, 2020

FORM AOC-1 - PART B
STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

S. No.	Name of Associate / Joint Ventures	Sterlite Conduspar Industrial Ltda
1	Latest audited Balance Sheet date	31-03-2020
2	Shares of Associate/Joint Ventures held by the Company on the year end	
a	Number	NA
b	Amount of investment (At face value)	19.14
c	% of holding	58.05
3	Description of how there is significant influence	By way of onwership
4	Reason why the associate / joint venture is not consolidated	Equity Method Of Accounting (Refer IND AS 28)
5	Networth attributable to shareholding as per latest audited Balance sheet	(9.19)
6	Profit/Loss for the year	(6.99)
a	Considered in consolidation	(4.06)
b	Not considered in consolidation	(2.93)

1. Names of associate or joint ventures which are yet to commence operations :- Nil
2. Names of associate or joint ventures which have been liquidated or sold during the year :- Nil

For and on behalf of the Board of Directors of **Sterlite Technologies Limited**

Pravin Agarwal
Whole-time Director

Anand Agarwal
CEO & Whole-time Director

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: May 12, 2020

Corporate Information

Board of Directors
Anil Agarwal
Pravin Agarwal
Dr. Anand Agarwal
A.R. Narayanaswamy
Sandip Das
Arun Todarwal
Kumud Srinivasan
Pratik Agarwal

Chief Financial Officer
Anupam Jindal

Company Secretary
Amit Deshpande

Leadership Team
Dr. Anand Agarwal
Group CEO and Whole-time Director

Anupam Jindal
Group Chief Finance Officer

Ankit Agarwal
CEO - Connectivity Solutions Business

KS Rao
CEO - Network Services and Software Business

Dr. Badri Gomatam
Group Chief Technology Officer

Gaurav Basra
Chief Strategy Officer

Anjali Byce
Chief Human Resources Officer

Manish Sinha
Chief Marketing Officer

Nischal Gupta
Chief Transformation Officer

Akanksha Sharma
Head - CSR and Sustainability

Jitendra Balakrishnan
CTO - Connectivity Solutions

Sandeep Dhingra
CTO - Network Services

Rajesh Gangadhar
Head - Access Solutions

Shantanu Kulkarni
Head - Network Software

Ben Parker
CEO - IDS Group

Phill Coppin
Head – Application Engineering

Richard Eichhorn
Zonal Sales Head, Europe & Americas

Pankaj Priyadarshi
COO - Optical Fiber Operations

Venkatesh Murthy
COO - Cable Operations

Mohit Mathur
Head - Data Science

Girish Gupta
Regional Sales Head - India Private, Network Service and Software

Rahul Puri
Regional Sales Head - MEA

Abhishek Sandhir
Regional Sales Head - Europe

Saurabh Kumar
Regional Head - India Public, Network Services and Software Business

Tilemachos Koulouris
Regional Sales Head - Europe, Network Software

Aldo Santus
Head - Italy Operations

Samuel Leeman
Head - PLM, Optical Interconnect

Radheshyam Soni
COO - Network Software Business

Sushil Agarwal
COO - Network Services Business

Binod Balachandra
COO - Optical Interconnect Operations

Balram Sharma
Head - Supply Chain Management, Network Services

Navin Sharma
CFO - Connectivity Solutions

Pankaj Aggarwall
CFO - Network Software and Services

Bankers
Axis Bank Ltd.
Bank of Baroda
Citi Bank
CTBC Bank Co. Ltd.
Deustsche Bank
Export-Import Bank of India
FirstRand Bank Limited
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IDFC Bank Ltd.
IndusInd Bank Limited
Kotak Mahindra Bank Ltd.
RBL Bank Ltd.
Shinhan Bank
State Bank of India
The Federal Bank Limited
Union Bank of India
Yes Bank Ltd.
UNICREDIT, Italy
BNL Paribas, Italy
UBI BANCA, Italy

Registered Office
E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra - 431 136

Locations
Albania, Australia, Belgium, Brazil, China, Denmark, Egypt, France, Germany, Greece, India, Indonesia, Italy, Ivory Coast, Korea, Malaysia, Mauritius, Mexico, Netherlands, Philippines, Russia, South Africa, Spain, Sudan, Sweden, Thailand, UAE, UK, USA

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Amit Deshpande, Mrunal Dixit, Palash Mutha, Rohit Kulkarni, Sangeet Hunjan

Financials
Navin Sharma, Yogesh Deshpande

Project Sponsors
Dr. Anand Agarwal, Anupam Jindal

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YEARS OF OPTICAL FIBRE

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