Sterlite Tech

Transforming Everyday Living

By Delivering Smarter Networks

Sterlite Technologies Limited
Annual Report 2016-17 Vol:17

Corporate Information

BOARD OF DIRECTORS

Anil Agarwal
Pravin Agarwal
A.R. Narayanaswamy
Arun Todarwal
C.V. Krishnan
Avaantika Kakkar
Dr. Anand Agarwal
Pratik Agarwal

CHIEF FINANCIAL OFFICER

Anupam Jindal

COMPANY SECRETARY

Amit Deshpande

LEADERSHIP TEAM

Pravin Agarwal (Vice Chairman)
Dr. Anand Agarwal (CEO)
Anupam Jindal (CFO)
K.S. Rao (COO - Telecom Products & Services)
Dr. Badri Gomatam (CTO)
Nikhil Jain (Head - Telecom Software)
Ankit Agarwal (Head - Global Sales, Telecom Products)
Vikas Sehgal (Head Sales - Telecom Services)
Vaibhav Mehta (Head Sales - Telecom Software)
Amitabh Hajela (Chief People Officer)
Nischal Gupta (Chief Transformation Officer)
Gaurav Basra (Chief Strategy Officer)
Swati Rangachari (Chief of Corporate Affairs)
Pankaj Priyadarshi (Chief Fulfilment Officer - Telecom Products)
Sanjeev Bedekar (Chief Delivery & Technology Officer - Telecom Services)

AUDITORS

S R B C & CO LLP

BANKERS

Axis Bank
Bank of Baroda
Bank of Maharashtra
Citibank
Corporation Bank
Exim
HDFC Bank
ICICI Bank
Kotak Mahindra Bank
Oriental Bank of Commerce
State Bank of India
Union Bank of India
Yes Bank
Deutsche Bank
Federal Bank
Societe Generale
IDBI Bank
IndusInd Bank
Shinhan Bank
Bank of India
Indian Overseas Bank

REGISTERED OFFICE

E 1, MIDC Industrial Area,
Waluj, Aurangabad,
Maharashtra – 431 136

LOCATIONS

Brazil, China, Czech Republic, Denmark, Dubai-UAE, France, Germany, Hungary, India, Ireland, Italy, Malaysia, Mexico, Norway, Poland, Portugal, Romania, South Africa, South Korea, Spain, Sweden, Turkey, United States, United Kingdom, Vietnam

REGISTRAR AND TRANSFER AGENTS

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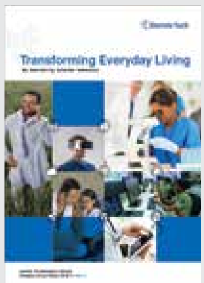
FORWARD- LOOKING & CAUTIONARY STATEMENT: Certain words and statements in this report concerning Sterlite Technologies Limited and its prospects, and other statements relating to Sterlite Technologies' expected financial position, business strategy, the future development of Sterlite Technologies' operations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



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

Content

Corporate Overview

Chairman's Message **03**
Letter to the Shareholders **04**
In the News **06**
Awards and Recognition **10**
Financial Highlights **12**
Management Discussion and Analysis **14**
Financial Discussion and Analysis **20**
Risk Management **22**
Corporate Social Responsibility **26**
Board of Directors **32**
Leadership Team **34**
Advisory Board **36**

Governance Reports

Directors' Report **38**
Corporate Governance Report **64**
Business Responsilbility Report **76**

Financial Statements

Standalone Financials **86**
Consolidated Financials **157**

Integrating the organisation's core business with social and environmental concerns of our communities

At Sterlite Tech, we look at holistically integrating the organisation's core business with the social and environmental concerns of our communities. This in turn helps us give an impetus to economic development and improves the living standards of community members and society at large.

www.sterlitetech.com

Chairman's Message

Dear Shareholders,

I am delighted to present Sterlite Tech's 17th Annual Report to the Company's shareholders.

Anil Agarwal
Chairman, Board of Directors

We are very excited to be a part of the digital revolution that is taking place globally – positive shifts in technology, national policies and consumption patterns are all coming together to create an environment of immense optimism. We are seeing developing technologies, such as Cloud Computing, Augmented Reality, Driverless Cars, Internet of Things and 3D printing that will impact the everyday lives of humans through advanced and more accessible healthcare, education, potable water, utilities and other critical services.

Governments, globally, are committed to enabling this digital revolution. Over 150 countries have announced national and rural broadband plans, with India being among those at the forefront with the honourable Prime Minister Sri Narendra Modi's vision of Digital India, BharatNet and Smart Cities.

WE HAVE A UNIQUE SILICON-TO-SOFTWARE CAPABILITY, WHICH IS UNPARALLELED IN THE WORLD.

Underlying all these trends is data – exponential amounts of data that needs to travel at extremely high speeds in secure environments. Optical fibre is the ideal medium to enable smarter networks on which this data is carried, and we are one of the only few fully integrated fibre manufacturers, globally. We have a strong system integration business, which gets further strengthened with our telecom software capabilities for network operations, billing and monetisation. This creates a unique silicon-to-software capability, which is unparalleled in the world.

Our Company is fortunate to be a part of this revolution. Sterlite Tech's capacity and capability mix is ideal to lead the designing, building and managing of these smarter networks. And, with these unique capabilities, we are privileged to be in a position to impact the lives of over a billion people as we enable them to come online. We are proud to be associated with digitally building the nation and impacting the lives of fellow citizens.

Globally, too, we partner with customers in over 100 countries to enable the digital revolution. We work with eight of the top 10 global telcos with significant global presence.

Our Company's purpose is to transform everyday living by delivering smarter networks. We design, build and manage broadband networks for key customers - Global Service Providers, Smart Cities, Rural Broadband and Large Enterprises, such as Defence.

This is supported by our three key pillars of Technology and Innovation, Exponential Customer Engagement and extremely strong Talent and Culture. Underlying these are the core values of our Company – Promises Delivered; Hunger to Learn; Respect and Empathise; and Keep it Simple.

We believe we have a unique opportunity to make a difference, and are thankful for your continued support as we work towards impacting lives globally through our smarter networks. We are also thankful to our employees for believing in this dream and joyfully playing their role in transforming everyday living by delivering smarter networks.

Anil Agarwal
Chairman, Board of Directors

Letter to the Shareholders

Pravin Agarwal
Vice Chairman

Dr. Anand Agarwal
Chief Executive Officer

Dear Shareholders,

It is with great pleasure that we present to you the Annual Report for FY17. Last year was a watershed year for the Company – we continued to deliver responsible and committed growth on operational and financial milestones, and also transformed towards leading the way for digital transformation.

Globally, data consumption is continuing to grow exponentially with emerging technologies, such as Cloud Computing, Internet of Things, Machine to Machine, Virtual Reality and Artificial Intelligence. In India, too, applications, such as Aadhar-based e-payments, e-authentication and e-commerce are growing manifold, transforming the everyday lives of citizens. In this increasingly hyper-connected world, there is a need for new, dense networks based on extremely high data speeds and low response time. Optical fibre remains the fastest medium to carry the exponential growth in data, and 2016 maintained the growth in global fibre demand. Moreover, trends over the last 10 years also suggest a 36% CAGR growth in IP traffic, resulting in a 17% CAGR growth in fibre deployment. 5G will further bolster this demand for fibre.

We believe that Sterlite Tech is at the start of such a growth cycle of building new fibre-based smarter networks, globally. Last year, we laid the foundation to enable this, as we transformed to a strategy of capacity and capability deeply integrated with designing, building and managing smarter networks. This continues to be reinforced by focus and investment in continuous research and innovation, laser-sharp customer engagement, and developing world-class talent and culture.

As a company, we focus on four key customer segments – Global Service Providers, Smart Cities, Rural Broadband and Large Enterprises, such as Defence – meeting their needs through integrated products (optical fibre connectivity products), services (system and network integration) and software (OSS/BSS) offerings.

We showed key developments and growth across all these customer segments through the year.

Business and Operational Highlights

Last year we saw robust organic growth in our partnership with global service providers. Internationally, our sales crossed 100 countries and our annual exports grew 75%. Our fibre enabled smarter broadband networks in some of the world's toughest terrains, including in Iceland and in the Amazonian rain forests. We now work with eight of the global top 10 telecom operators on fibre for tower/data backhaul and last-mile connectivity. Our optical communication products also qualified with Europe's Construction Products Regulations in being flame retardant, while ensuring ultra-fast connectivity, long-lasting performance, efficiency and scalability. In India, our partnership with service providers continues to be very strong, and was further strengthened as we rolled out the first commercial sale of smarter FTTH solutions to one of India's top telecom operators. Today, over 40% of all data in India travels on Sterlite Tech's fibre.

Our software business, too, achieved a major milestone in partnering with telco customers on their digital transformation journey. We enabled the largest roll out of LTE network for VoLTE services for YTL, a leading operator in Malaysia, and 4G LTE for STI, a leading operator in Indonesia. Moreover, as a part of digital India initiative, we partnered with BSNL in their massive nationwide public Wi-Fi rollout.

We reinforced our position as the leading player in Smart Cities, with development in several Indian cities. Gandhinagar Smart City services were rolled out in December 2016; the Jaipur Smart City project is complete and currently in the operations and maintenance phase; and the Ahmedabad project that focuses on enabling an optical-fibre backhaul infrastructure to interconnect Ahmedabad's BRTS corridor to the main data centre through passive network integration, is on the verge of completion. We take pride in designing, building and managing Smart City solutions for urban India, and we continue to be in active engagement with several other new Smart Cities being planned in the country.

We are also fully committed to rural broadband through BharatNet, which aims to provide broadband access to 2,50,000 gram panchayats in India. This will have a large societal and economic impact on the lives of people in the hinterlands. The government allocated ₹ 10,000 crore for rural broadband in the Union Budget 2017-18, giving a big impetus to the vision of bringing 1 billion people online. We are in active dialogue with the ecosystem on centralised guidelines and standardisation, public-private partnership and a managed-service model to ensure Service Level Agreements and Quality of Service.

At the same time, despite geo-political challenges, we are continuing to build highly secure and intrusion-proof smarter networks to keep our borders secure. Our teams on the network for spectrum project in Jammu and Kashmir are making progress as they roll out several thousand kilometres of fibre in a very tough terrain.

At the heart of this growth is our focus on capacity and capability. Sterlite Tech maintained its leadership position in this segment, once again posting its highest-ever annual sales of optical fibre. The Company is on track to achieving 30 million fkm fibre capacity this year, and also announced the next phase of optical fibre capacity expansion to 50 million fkm. With 50 million km of a fully-integrated optical fibre facility, Sterlite Tech will be among the top integrated fibre providers, globally.

Research and Innovation

This scale is complemented with our focus on research and innovation. Our commitment to the future can be seen in our Centre of Excellence (CoE) at Aurangabad where, in collaboration with the IITs and other research-oriented Indian and global institutions, some of the best scientific minds are working towards innovation that will drive the networks of tomorrow. Our growing patent portfolio at CoE now stands at 146. Sterlite Tech Academy is another effort at nurturing knowledge and innovation. Through this initiative, we aim to create a certified talent pool of smarter network professionals. Over 200 professionals from leading telecom operators have been certified since the Academy's inception last year.

Last year, we also got ready with our technology innovation centre, Centre for Smarter Networks, a one-of-a-kind centre in India that demonstrates how smarter networks can positively impact healthcare, education, waste management, transportation, agriculture, and much more. The Centre is ready with technology and demos, and we will be launching it soon.

Sterlite Tech also formed an Advisory Board in 2016, with industry leaders Sandip Das and B S Shantharaju to provide strategic guidance on the Company's growth roadmap. Both are respected leaders and come with years of experience in navigating large organisations through change.

Financial Highlights

Our focus on designing, building and managing smarter networks for global service providers, cities, rural and defence customers was reflected in our very strong financials. We continued our financial journey of strong growth matched with right fiscal prudence.

With our strong focus on delivering superior returns, the ROCE in the current financial year improved to 21% as against 20% in FY16. The net debt of the Company also reduced from ₹ 1,005 crore as on March 31, 2016 to ₹ 919 crore as on March 31, 2017, resulting in a marked improvement in the net debt-equity ratio to 1.0 as at the end of FY17, compared to 1.3 a year ago.

The Company also closed FY17 with an all-time high order book of ₹ 3,018 crore, providing greater visibility and confidence for future growth across all business verticals.

The Board recommended a final dividend of ₹ 0.75 per share (in addition to the interim dividend of ₹ 0.50 per share declared and paid in October 2016), resulting in total dividend of ₹ 1.25 per share for FY17.

Social Impact

We, at Sterlite Tech, believe in transforming everyday living through technology. Our technology enables programmes in education, healthcare, women's empowerment and rural and community development. We also believe in responsible business – we have always aimed to keep our environmental impact as neutral as possible. We maintain zero water discharge at our manufacturing units and employ technologies to bring in efficiencies in our energy consumption.

Awards and Recognition

Our work received many accolades last year. There is a detailed list in the 'Awards' section of this Annual Report, but a few to highlight: our position improved from 'Niche' to 'Visionary' in the Gartner Magic Quadrant for Integrated Revenue and Customer Management; we were honoured with the 'Broadband Infrastructure Leader Award' at the Telecom Leadership Forum; we won two Gold Frost & Sullivan India Manufacturing Excellence Awards. Our CSR initiatives also received good recognition through the year.

THE COMPANY IS ON TRACK TO ACHIEVING 30 MILLION FKM FIBRE CAPACITY THIS YEAR, AND HAS ALSO ANNOUNCED THE NEXT PHASE OF OPTICAL FIBRE CAPACITY EXPANSION TO 50 MILLION FKM.

In conclusion, we would like to thank all shareholders for believing in the Company, and for their continued support. We have had a strong year with a strong outlook, and have great aspirations for the future. Together, we will continue to transform everyday living by delivering smarter networks.

Pravin Agarwal
Vice Chairman

Dr. Anand Agarwal
Chief Executive Officer

In the News

FY17 saw significant media coverage of Sterlite Tech's wins and achievements towards designing, building and managing smarter networks. Below are excerpts from a few media clippings.

Sterlite Tech to implement Jaipur Smart City

Sterlite Technologies, India's leading one-stop solutions provider for smart city development, has won the Jaipur Smart City Phase - II Project – the second smart city project win. Jaipur, was selected under the Smart City Mission of Ministry of Urban Development launched in 2015. The project scope includes setting up citizen services kiosk with environmental sensors and Interactive Information Kiosks, Wi-Fi network extension, video surveillance for public safety and security at key locations, enabling remote expert government services, and provisioning of bandwidth. Additionally, Sterlite Tech will integrate the newly deployed network with the existing one, be responsible for operations and maintenance, revenue monetisation of network, and provide facility and management services for three years.

At the completion of this initiative, the citizens of Jaipur will be able to enjoy free hi-speed broadband at key locations. They will be able to access interactive content and information at the kiosks in real-time, improving loyalty and revenues, while increasing efficiencies in administrative business processes.

Sterlite Tech's Dr. Arvind Mishra appointed to the Board of FTTH Council APAC

Sterlite Tech announced the appointment of Dr Arvind Kumar Mishra as a member of the Board of Directors (BoD) of Fiber-to-the-Home Council (FTTH) Asia Pacific.

Dr. Mishra drive efforts in promoting reliable and secure fibre communication network for cities evolving from 'Standard to Smart'. The FTTx network provides unlimited super-fast broadband access and plays a crucial role in delivering future-proof smart services to all sections of the society.

The FTTH APAC Council is promoting standardisation in the design and operation of the fibre network. With the Government of India backing the 100 Smart Cities mission by 2022, standardisation will ensure quality-backed smart network development based on global standards.

Dr. Mishra's role will be to bring in standardisation in smart city development through global best practices and Sterlite Tech's R&D expertise.

Sterlite Tech brings high-quality optical fibre technologies to ANGACOM 2016

Globally, demand is increasing for optical fibre products suitable for managing surge in high-bandwidth consuming applications and smart network requirements. To address such requirements, the Company has developed a full portfolio of innovative optical fibre, optical fibre cable and data cable technologies. These offerings will be showcased at ANGACOM 2016 – a global platform for latest in broadband, cable and satellite technologies.

Sterlite Tech Software deploys 24online HIA solution

Sterlite Tech's Telecom Software Division announces successful deployment of its 24online Hospitality Internet Access (HIA) solution at 22 properties of Sarovar Hotels & Resorts across India. The 24online HIA solution provides reliable and premium internet access to guests, accommodating multiple devices carried by them. Additionally, this software will prevent network congestion and bandwidth misuse by allowing authenticated user traffic to access the hotel network. The 24online HIA solution enables users to access wired and wireless internet across the hotel network seamlessly without the need to re-login. The system is smart and displays device-based captive portal to guests. Features like login once, zero configuration and customisable login pages, further simplifies internet access network.

Sterlite Tech redefines data network deployment standards - launches Sterlite Tech Academy

Sterlite Tech Academy aims at creating a skilled talent pool of smarter network professionals in India to enable the creation of smart data networks for Digital India, Smart Cities and 4G rollout. It will also bring together its strong expertise in optical fibre network designing, building and management through global best practices and state-of-the-art research.

Sterlite Tech Academy will enable the entire value chain involved in broadband network deployment to solve challenges of low lifetime and low reliability of currently deployed networks. This will help bring true broadband experience to India and transform everyday lives of the citizens through high-speed internet.

Sterlite Tech recharges water table in 16 drought-hit Aurangabad villages; transforms Pophala into model village

Sterlite Tech Foundation (STF), the CSR arm of Sterlite Tech, announced the completion of the first phase of its water conservation initiatives in the drought-hit regions of Aurangabad.

STF launched Mega Water Conservation Drive in 2011. This led to the construction of over 22 check-dams in 16 villages. Due to the conservation of over 130 thousand cubic metres of water through these check dams, lives of over 32,000 people have improved.

Jaldoot Project

To further boost the ground water table, STF initiated the Jaldoot Project for re-development and de-silting of the 22 check-dams. This initiative began in May 2016, and within 15 days, STF achieved the feat of de-silting 10 check dams on a war footing at 1/5th the budget (as suggested by experts), and with 100% community participation. This project has added over 150% water storage capacity. With this, farmers have now modified cropping of cotton, maize, millet, tur, moong, soyabean, pomegranate and sweet lime in the region. As a result, cotton crop area has increased by approximately 40%. Over 230 farmers have benefited through renewed agricultural activities and 6,140 people have access to potable water in all working area villages.

Development of Model Village Pophala

To uplift the socio-economic demography of the region, Gram Samruddhi – a Model Village Development Project was initiated in partnership with Savitribai Phule Mahila Ekatma Samaj Mandal (SPMESM). As part of the project, STF adopted village Pophala in Taluka Fulambi in May 2012. Pophala was drought prone with a population of 480 villagers. The village had low literacy rate, poor nutrition, no sanitation facility, minimal accessibility to basic education with complete dependence on agriculture. Through the project, STF has transformed Pophla into a model village by enabling basic education, establishment of primary healthcare, construction of 70 plus toilets, adoption of healthy animal husbandry practices, introduction of agro-technology and modern practices for effective management of natural resources.


Sterlite Technologies Targets to Double Its Orders Book

Based on global growth potential in optical fiber communication, the company projects a very strong visibility of orders worth Rs 6,000 to Rs 7,000 Crore.

1. Anupam Jindal, CFO, speaking to CNBC TV18 regarding BharatNet
2. Sterlite Tech, represented by Anand Agarwal, CEO, and Swati Rangachari, Chief of Corporate Affairs, featured on a Voice & Data cover
3. Sterlite Tech's coverage regarding its order book in Wire & Cable
4. Anand Agarwal, CEO, speaking to ET Now at the Telecom Leadership Forum

Sterlite Tech brings smarter network capabilities to Indo-Africa ICT Expo 2016, Kenya

Sterlite Tech participated at the 2nd Indo-Africa ICT Summit 2016 in Nairobi, Kenya. The expo, organised by TEPC and NASSCOM from September 1-3, 2016, enables technology convergence among Indian and African ICT companies.

Discussing opportunities in Africa, Ankit Agarwal, Head - Global Sales, Telecom Products, said, "Africa's Telecom Industry is witnessing a surge in broadband network deployments due to push from multiple governments and Telcos to strengthen voice and data infrastructure. With mobile data traffic likely to increase 20-fold by 2020, we see growing opportunities to create smarter; long lasting networks for African telecom operators and governments." Highlighting Sterlite Tech's research-backed capabilities in true broadband creation, he noted, "With our high-quality optical communication offerings, African telecom operators can drive mobile broadband deeper into urban and non-urban areas. This will boost internet economy, bringing a positive change in the everyday lives of the citizens."

Sterlite Tech appoints industry leaders to its Advisory Board

Sterlite Technologies announced the formation of its Advisory Board with industry leaders Sandip Das and B S Shantharaju.

The Advisory Board will provide strategic guidance and direction on the Company's growth roadmap and focus capabilities in the highly evolving digital communications industry. Both Sandip Das and Shantharaju have experience in creating large customer and service oriented companies. Both are committed to work closely with Sterlite Tech in creating a smarter broadband infrastructure in the country.

CRISIL upgrades Sterlite Tech's long-term credit rating to AA-/Stable

Sterlite Tech received CRISIL's long-term rating of AA-/Stable and a short-term rating of A1+.

This upgrade is based on its sustained improvement in financial risk profile over the medium term, backed by healthy and steady net cash accrual. As per CRISIL, Sterlite Tech's strong business risk profile reflected in its dominant market position in optical communication products, OSS/BSS software, healthy operating efficiencies, and expected increase in revenue contribution from network and system integration services business.

Sterlite Tech brings end-to-end Smarter Telecom Solutions to MWC 2017

Sterlite Technologies showcased its end-to-end smarter telecom solutions at Mobile World Congress 2017.The showcase included high-quality optical communication and data cable products, network and system integration capabilities, OSS/BSS, FTTx and Smart City solutions. Sterlite Tech has enabled top telecom operators and governments with smarter networks in over 100 countries.

Sterlite Tech's Optical Communication Products Now Qualified with Europe's CPR

Sterlite Tech is now providing high-quality optical fibre cables qualified with harmonised European EU305/2011 Construction Products Regulation (CPR). All cable products in EU need to meet the CPR qualification and carry the CE marking by July 1, 2017.

Sterlite Tech is partnering with leading global telecom operators, ISPs and municipalities to realise the European Commission's aggressive targets to create a Gigabit society through ultra-fast internet access by 2025 - 1 Gbps connectivity for providers of public services and digitally intensive enterprises, 100 Mbps speed for all urban and rural homes, and uninterrupted 5G broadband coverage for all urban areas. Fibre connectivity is imperative to realise this vision, and as a leader in creating smarter digital infrastructures, Sterlite Tech is enabling this roll-out in Europe and other geographies. Having a strong presence in Europe, the Company is exploring other geographies in compliance with CPR. Moreover, in last nine months, Sterlite Tech's international sales contributed 37% of its overall revenues, while Europe contributed 28% of exports.

Sterlite Tech announces NetVertex PCRF V6.6 release for rapid service innovation and monetisation

Sterlite Tech's Telecom Software Division announces the version release of its NetVertex PCRF v6.6. The platform empowers CSPs with service agility, faster monetisation and optimisation, a key enabler for the operators to enhance customer experience. Additionally, customers can now support 20% more sessions in the same hardware capacity, thereby reducing TCO.

Sterlite Tech unveils Advanced Features in Wi-Fi SMP at WBA Wireless Global Congress, 2016 Liverpool

Sterlite Tech showcases advanced features in its Service Management Platform (SMP) modules including Captive Portal, Analytics and Monetisation Framework at Wireless Global Congress 2016, Liverpool. These functionalities will help service provider to deploy customer centric personalised services and accelerate time to market innovative plans, which includes own portal designing, Ad management and more.

YTL Communication deploys Sterlite Tech's RCM platform to launch 4G LTE data and VoLTE services

Sterlite Tech's Telecom Software Division announces that YTL Communication - a leading Telecom Operator in Malaysia has deployed Elitecore Revenue and Customer Management (RCM) Platform to roll out its 4G LTE high speed data & VoLTE services.

The platform will enable the operator to roll out new business models like, HD Voice (VoLTE), Enterprise LTE and LTE Roaming, this is in addition to the innovative Double buckets, one for wireless Broadband & other for Mobile Internet, VoLTE and Data services bundled with device(s). YTL Communication is the only operator in Asia Pacific to commercially launch Nationwide Voice over LTE (VoLTE) services.

Sterlite Tech announces innovative Wi-Fi solutions for carriers and enterprises at MWC – 2017, Barcelona

Sterlite Tech's Telecom Software Division – Elitecore announces next generation Wi-Fi solutions including Enterprise Wi-Fi, Wi-Fi Global Roaming, Wi-Fi calling and Middleware for Carriers and Enterprises at MWC 2017.

The Company's service management platform (SMP) will enable Carriers and Enterprises in quick roll-out of customised revenue models. It will offer differentiated Wi-Fi services across segments like hospitality, transportation, education, retail, smart cities and healthcare, among others and transform the end user mobility experience. Along with the launch of these solutions, Sterlite Tech's flexible and modular SMP has expanded its Carrier Wi-Fi and monetisation business cases portfolio by integrating with multiple OEMs partners for cloud based WLAN infrastructure, advanced location computation appliance, and loyalty programme partner retail management platform.

Sterlite Tech showcases India's first smart city services success at MWC, Barcelona

Sterlite Tech announces deployment of first Smart City Services in India for Government of Gujarat. Sterlite Tech led the end-to-end design, development and management of Gandhinagar city to be the first Wi-Fi Capital City of India with citizen-centric smart city services.

The successful deployment enables Gandhinagar with city-wide Wi-Fi connectivity and installation of Smart City subsystems including IP based CCTV surveillance, Smart Lighting, Face Detection, Public Address system, Central Command Centre with Help Desk. A 24x7 Call Centre will address citizens' complaints and queries. All Smart City Services implemented in Gandhinagar Smart City can be controlled and monitored through the Central Command Centre. This will help the government to offer citizen centric efficient connectivity and innovative services as well as bring transformative changes in the everyday lives of the citizens.

Awards and Recognition

Sterlite Tech won several awards in FY17, reinforcing its position as a provider of integrated products, services and software to design, build and manage smarter networks.

Visionary in Magic Quadrant

Gartner IRCM MQ for CSPs

Sterlite Tech was positioned in the Visionary quadrant of Gartner's prestigious Magic Quadrant for integrated revenue and customer management of CSPs. Gartner recognised Sterlite Tech's broad-based product portfolio, which incorporates all IRCM components for CSPs. Sterlite Tech's IRCM product and solutions are aimed at software needs, managing the customer experience effectively and monetising networks of CSPs offering 3G/LTE/Wi-Fi/NGN. These solutions are highly flexible and interoperable with third-party ecosystems.

Gartner evaluated almost 20 vendors on solutions that provide billing, customer care, rating, charging, pricing, partner relationship management, policy management, mediation, self-service, analytics and other related functions.

The Company, through continuous research, has developed solutions that are network agnostic and support open standards, hence enabling operators to save on infrastructure cost and offering flexibility to scale quickly.

Optical-fibre Manufacturing Excellence

Frost & Sullivan IMEA Awards

Sterlite Tech's fully integrated optical fibre (OF) manufacturing units at Waluj and Shendra (Aurangabad) won the Frost & Sullivan India Manufacturing Excellence Awards (IMEA), 2016.

The Waluj facility won the 'Gold Award - Process Sector, Large Business', making it India's first facility to be recognised in the process sector for OF. The Shendra facility won the 'Gold Certificate of Merit'. Frost & Sullivan IMEA 2016 teams assessed the units' consonance with the Company's strategic business and organisational objectives, and the facilities' operational manufacturing performance.

Additionally, Sterlite Tech's Lean Six Project on 'Reduction of scrap due to bubble defect' was recognised as second runner-up in the 'Process Innovation' category under the Frost & Sullivan Project Evaluation and Recognition Program (PERP), 2016. This project was recognised for the methodology and approach towards problem-solving.

Broadband Infrastructure Leader

Voice and Data Telecom Leadership Forum Award

Sterlite Tech was honoured with the 'Broadband Infrastructure Leader Award' for transforming the broadband infrastructure space at the Voice & Data Telecom Leadership Forum 2016. The award was presented to Dr. Anand Agarwal, CEO, Sterlite Tech by Rahul Khullar, former Chairman TRAI, who has been responsible for the transformational leap that the telecom industry has taken in recent years. The award recognises Sterlite Tech as an industry thought leader, driving critical conversations on broadband as an essential service.

One of 100 Best Companies in India for Women

AVTAR and Working Mother Recognition

With increasing focus on gender diversity in the corporate world, AVTAR and Working Mother have jointly instituted the ranking of '100 Best Companies for Women in India'. In the debut edition of this ranking in 2016, Sterlite Tech was recognised as one of the best companies for women.

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In its effort to improve everyday living experiences, Sterlite Tech has been at the forefront of some remarkable initiatives for women employees. One of the most prominent among these is the all-women night shift at its OF manufacturing facilities at Waluj and Shendra. Working Mother is a well-known gender parity champion in the US, and AVTAR is India's first diversity advocate and workplace inclusion expert.

The Company also focuses on increasing gender diversity, with nearly 15-20% women candidates joining its workforce from India and from global universities. Additionally, Sterlite Tech undertakes women empowerment initiatives at the rural level through its Jeewan Jyoti CSR initiative. This initiative provides learning and skill development to women in and around Pune for financial independence.

Innovation in Telecom Infrastructure

Aegis Graham Bell Award

Sterlite Tech received the 'Innovation in Telecom Infrastructure' award for its unique Wi-Fi and Enterprise Network Backhaul Solution using neutral fibre-to-the-x (FTTX) infrastructure. With consumer behaviour shifting towards high-bandwidth consuming applications, smart homes and broadband-enabled services for security, the award recognises the Company's ability to deliver innovative and smarter solutions for its fibre-to-the-home customers.

Sterlite Tech developed an unmatched Wi-Fi Backhaul Solution using GPON technology that provides speed up to 1 Gbps. It removes the hassle of installing microwave pole accessories, while overcoming the challenges of laying new end-to-end infrastructure and operational maintenance. With this technology, the requirement from societies for Wi-Fi internet accessibility in common areas of the building can be provided seamlessly.

The award was presented by Dr. Jitendra Singh, Minister of State, Department of Atomic Energy and Space, Prime Minister's Office, and Sardar RP Singh, National Secretary, BJP.

Best CSR Practices

Lokmat Corporate Excellence Award

Sterlite Tech was awarded the Lokmat Corporate Excellence Award for Best CSR Practices. The Lokmat Corporate Excellence Awards seeks to identify and celebrate those companies and individuals who have had a positive impact on environment and society as well as in their respective businesses. Recognising Sterlite Tech's innovative efforts and work in water conservation, the award has reinforced Sterlite Tech's approach to CSR and of creating shared value. The award recognises Sterlite Tech's vision of transforming everyday living by delivering smarter networks.

Ankit Agarwal, Head - Global Sales, Telecom Products, accepted the award on behalf of the organisation, from Devendra Fadnavis, Honourable Chief Minister, Maharashtra in Mumbai.

Amity Global Business School CSR Award

For the second consecutive year, Sterlite Tech won the Amity Global Business School CSR Award for Best CSR Practices in the IT sector. This award recognises Sterlite Tech's contribution towards establishing excellence through high-impact CSR initiatives by enabling last mile connectivity and leveraging the same for social impact.

1. Dr. Anand Agarwal, CEO, receiving the Broadband Infrastructure Leader award

2. Sterlite Tech recognised as one of 100 best companies in India for women

3. Swati Rangachari, Chief of Corporate Affairs, accepting the Aegis Graham Bell award

4. Ankit Agarwal, Head - Global Sales, Telecom Products, accepting the Lokmat Corporate Excellence award

5. Nikhil Jain, Head - Telecom Software, receiving the Telecom Asia Readers' Choice award

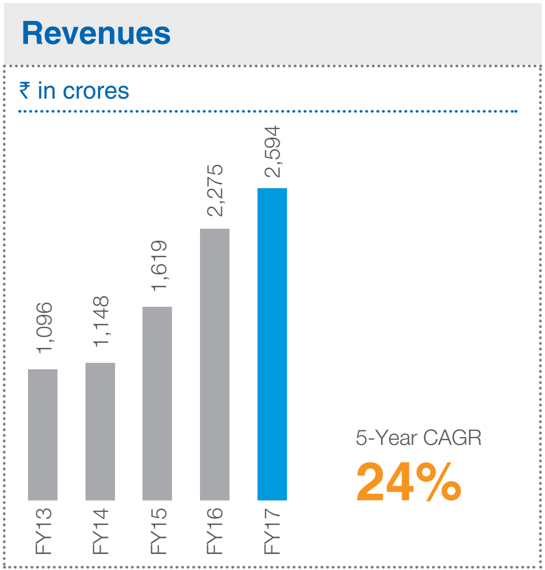
BSS Innovation

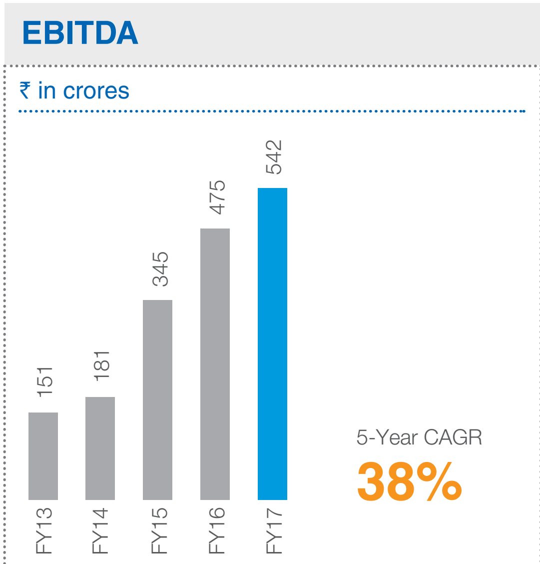
Telecom Asia Readers' Choice Award

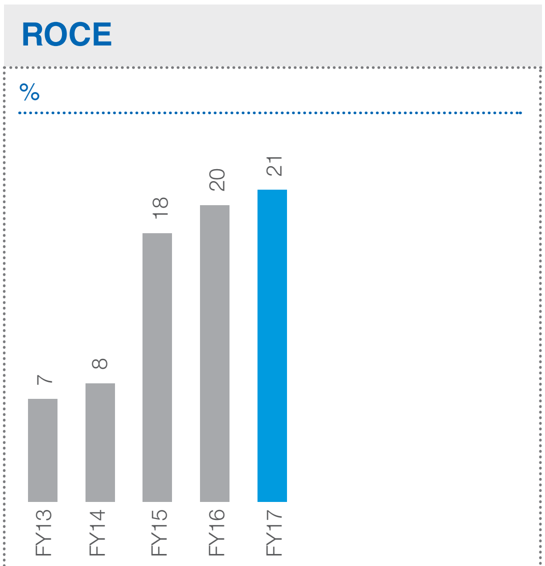
Held annually, the Telecom Asia Readers' Choice Award recognises Asia's best telecom partners who have successfully demonstrated advancements in their solutions to enable telecom service provider to achieve their business objective in most innovative ways. Sterlite Tech was recognised in the 'BSS Innovation of the Year' category for providing innovative billing and customer-management solutions.

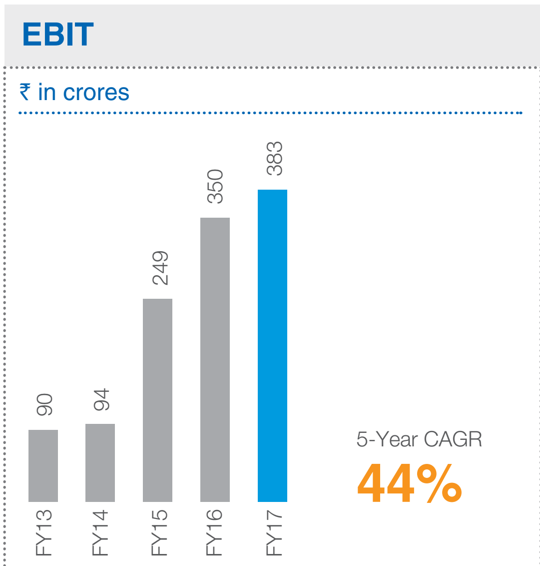
Financial Highlights

The Company closed FY17 with strong financial performance, with revenue and EBITDA growth at 14% each and PAT at 31% YoY. Five year CAGR is also very strong for all key parameters.









Note: All figures from FY13 to FY15 are proforma figures. FY16 and FY17 are audited figures.

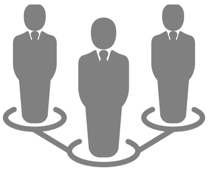
Consolidated Numbers

	Unit	FY13*	FY14*	FY15*	FY16#	FY17#
Gross Revenues	₹ crores	3,181	2,670	3,270	2,275	2,594
Growth	%	18	(16)	22	NA	14
EBITDA	₹ crores	238	298	512	475	542
EBIT	₹ crores	149	165	327	350	383
PBDT	₹ crores	132	118	185	357	419
PAT (After minority interest)	₹ crores	15	(36)	(3)	154	201
Diluted EPS		0.64	(0.90)	(0.07)	3.82	4.98
Net Revenues	$ million	489.3	410.8	503.1	350.0	399.0
EBITDA	$ million	36.6	45.8	78.8	73.1	83.4
EBIT	$ million	22.9	25.3	50.3	53.8	58.9
PBDT	$ million	20.3	18.2	28.5	54.9	64.5
PAT (After minority interest)	$ million	2.3	(5.5)	(0.5)	23.7	31.0
Capital Employed	₹ crores	4,608	5,793	7,270	1,791	1,844
Return on capital employed	%	3	3	4	20	21
Ratios						
EBITDA Margin	%	7.5	11.2	15.7	20.9	20.9
EBIT Margin	%	4.7	6.2	10.0	15.4	14.8
PBDT Margin	%	4.1	4.4	5.7	15.7	16.2
PAT Margin	%	0.5	(1.3)	(0.1)	6.8	7.8
Effective Tax Rate	%	42.8	NA	NA	29.0	15.4

Note: Conversion Rate 1 US $ = 65

* Consolidated financials for 2013-2015 for Telecom + Power businesses.
# Consolidated financials for 2016 and 2017 for demerged Telecom business only.
(Sterlite Tech and Sterlite Power business demerger effective 1st April 2015).

Management Discussion and Analysis



Evolving technologies, consumption patterns and policy shifts globally and in India are contributing to increased investment in, and a positive environment for, optical communication products, services and software.

Technology and Consumption Trends

Technologies and applications, such as Internet of Things (IoT), cloud computing, virtual reality, Aadhar-based authentication, video and audio streaming, and digital content are driving exponential data consumption. This is resulting in rapid growth of connected devices and non-human controlled devices. This trend can be seen both in mature and emerging markets.

The growth of the Indian market has been fairly rapid. In India, users have bypassed desktops and laptops, and graduated directly to smart phones to access the internet. The country has progressed from no connectivity to nearly 400 million mobile internet users, with over 60% of them being smartphone users. Moreover, smartphone subscriptions in India are expected to increase four-fold to 810 million users by 2021, while the total smartphone traffic is expected to grow seventeen-fold to 4.2 Exabytes (EB) per month by 2021, as per Ericsson Mobility Report.

DRIVERLESS CARS

4 Terabytes of data for 8 hrs of driving

Source – Intel

VIRTUAL REALITY

140 Petabytes of data per month by 2021

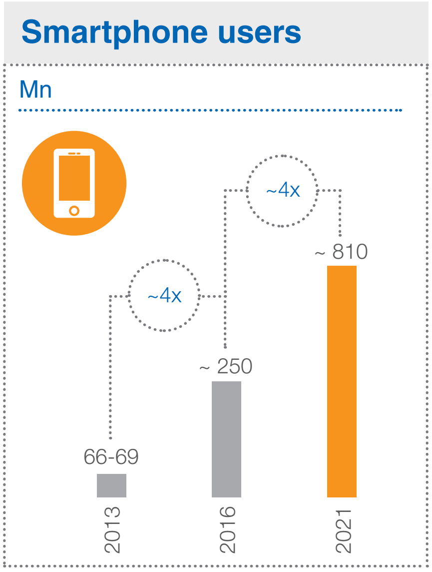
Source – Cisco VNI

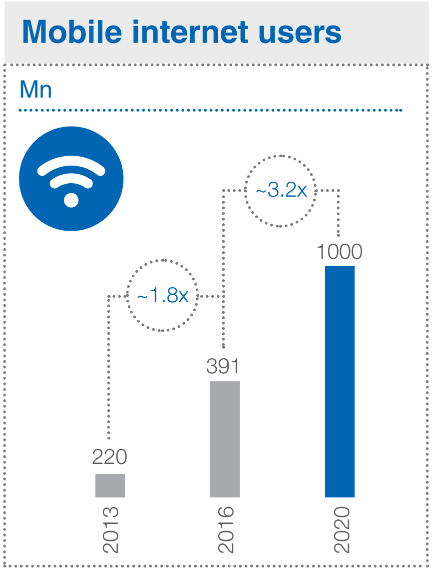
INTERNET OF THINGS

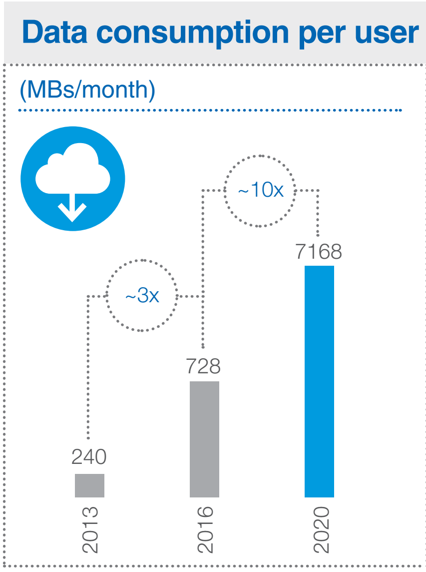
25 bn 'things' connected by 2020

Source – Gartner

INDIA AT A DATA INFLECTION POINT







Source – Ericsson, BCG, GSMA and Live Mint report

This growth is set to only accelerate as the next wave of digital penetration takes place and data usage continues to intensify. With voice penetration in India reaching almost 80%, the next wave of growth in the telecom industry will come through data. This will form a substantial part of industry revenues in the next three to four years. Moreover, 65% of India's population still has no internet access; connecting this section will call for huge network creation.

Recent developments such as the demonetisation announced late last year, gave a fillip to the digitalisation of India's financial sector, enabling people to transact in the digital economy. At the same time, the entry of a large operator in the 4G space, had a large-scale impact on data consumption, with users consuming about 10 GB per user per month.

India has leapfrogged in the area of digital financial technologies to build one of the world's largest digital infrastructures. What is unfolding in front of us is a massive digital inclusion ecosystem, driven by government initiatives to move towards a paperless, cashless and presence-less society. This connected ecosystem will propel data growth and call for robust networks to be created as a backbone, reaching the remotest parts of the country.

Digital Vision

Honourable Prime Minister Sri Narendra Modi's vision of Digital India, rural broadband (BharatNet), Smart Cities, secure defence networks, digital payments and more is steering the country towards rapid digitalisation. In the next few years, services and software solutions around optical fibre will be key to the nation's digitalisation. Sterlite Tech is committed to playing its role in nation building.

The Government of India (GoI) is committed to rural broadband through BharatNet, which aims to provide broadband access to 2,50,000 gram panchayats that will have a large societal and economic impact on the lives of people. The government allocated ₹ 10,000 crores for rural broadband in the Union Budget 2017-18, giving a big impetus to the vision of bringing 1 billion people online. We are in active dialogue with the ecosystem on centralised guidelines and standardisation, public-private partnership and a managed-service model to ensure SLAs and QoS.

Another key component of the digital vision is to build over a 100 Smart Cities, aimed to harness technology to drive economic growth and improve the quality of life of citizens. Sterlite Tech has emerged as the leading player in Smart City development. Through our Smart City suite, we have demonstrated our unique capabilities to design, build and manage smarter networks.

GoI is working to ensure India embraces 5G telecom networks in tandem with the rest of the world as per a recent statement from the Indian Telecom Secretary. GoI plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives, such as IoT, machine-to-machine communications, and instant high-definition video transfer.

Globally, too, governments are committed to national and rural broadband plans – today, over 150 countries have national broadband plans. Sterlite Tech partners with global telcos in over 100 countries to help realise these plans. In Europe, the European Commission has set aggressive targets to create a Gigabit society through ultra-fast internet access by 2025 - 1 Gbps connectivity for providers of public services and digitally intensive enterprises, 100 Mbps speed for all urban and rural homes, and uninterrupted 5G broadband coverage for all urban areas. Fibre connectivity is imperative to realise this vision, and as a leader in creating smarter digital infrastructures, Sterlite Tech is enabling this roll-out in Europe and other geographies.

Under its Mobile Black Spot programme, Australia has committed to investing in telecommunications infrastructure to improve mobile coverage along major regional transport routes, in small communities and in locations prone to natural disasters. Together, the first and second rounds of this programme are set to an investment of $600 million.

Similarly, most countries have plans to significantly improve connectivity in the next few years.

Network Innovation

In this increasingly hyper-connected world, technology evolution will continue to influence the shape of future data networks, which needs to be smarter – resilient, denser, faster and securer. 5G, distributed data centres, small cells, open source and software innovation will enable these broadband networks. Innovations in design will lead the next-generation of networks.

Transition from 3G to 4G and 5G

While currently a 4G network generates about four times more data than a 3G network, by 2021 5G is expected to generate 7.7 times more traffic than an average 4G connection, according to Cisco VNI, 2016.

In 2016, 4G networks carried 69% of the total mobile traffic, representing the largest share of mobile data traffic by network type. By 2021, 4G speeds will be nearly double than that of an average mobile connection, and 5G will have 0.2% of connections (25 million), according to Cisco VNI. In an era of evolution of mobile networks, 4G or LTE is forecasted to have the primary market share.

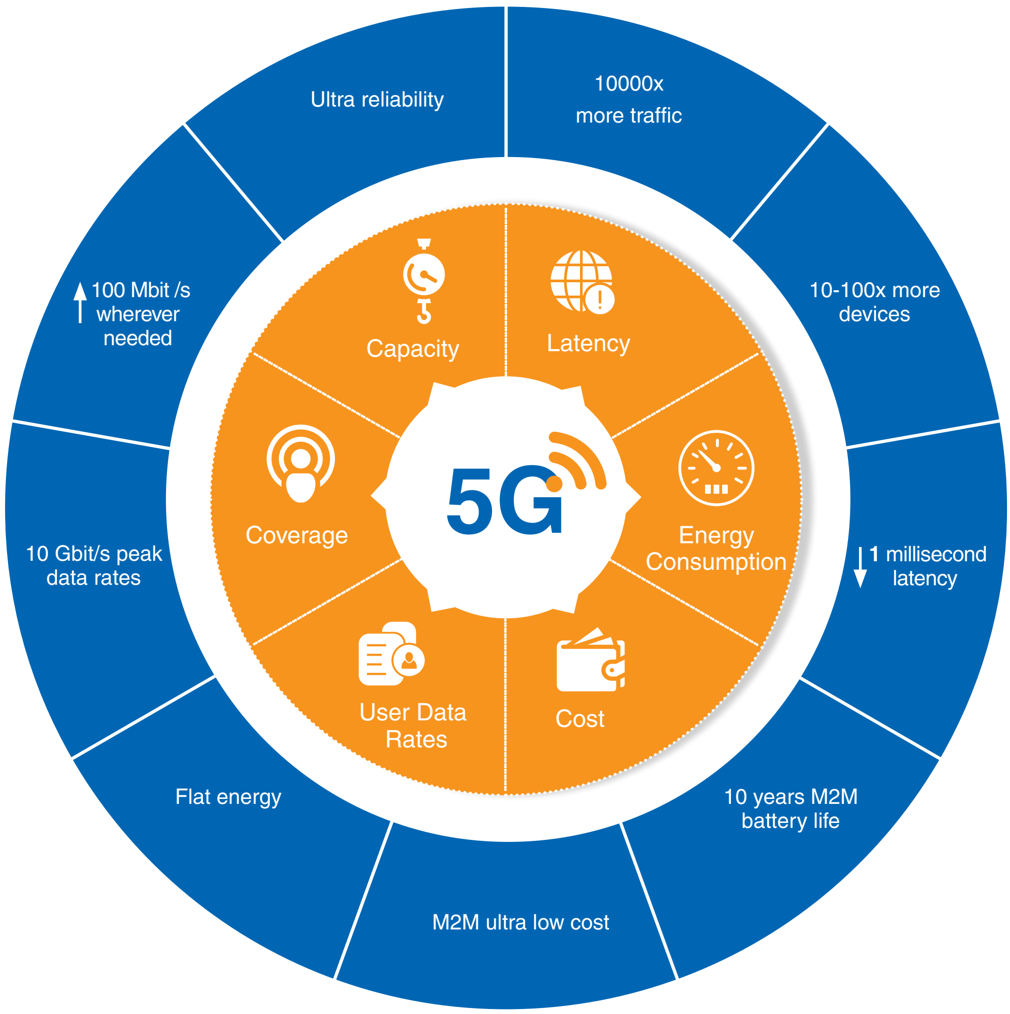
At the same time, 5G is expected to provide download speeds of up to 10 Gbps with latency of less than a millisecond, and support for a million connected devices per square kilometre.

4G / 5G rollouts will require a significant rise in the fibre deployment. Each change in generation (G to G) has seen an increase in fibre use – the roll out of 4G networks and FTTx in the last six years resulted in almost a tripling of fibre deployment, compared with a fibre volume deployed in the six years preceding 3G rollout. Next-generation networks will see a huge proliferation of dense micro sites and small cells, all connected through fibre backhaul, and offering high-speed data connectivity.

Moreover, transition period, from generation to generation, is significantly reducing with every technology – for example, a shift from 4G to 5G is expected in three years, while the transition from 3G to 4G took around five years.

5G OFFERS < 1 MS LATENCY AND MUCH HIGHER SPEEDS THAN 4G

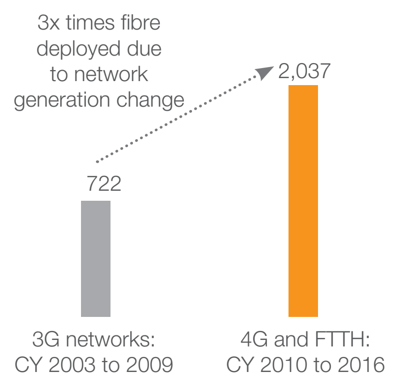
PERFORMANCE REQUIREMENTS 2020+



Source: Nokia Networks

Cumulative fibre deployed – 3G and 4G / FTTH

Mn fkm



Source: Qualcomm, CRU & Company estimates

FTTx (Fibre To The x)

FTTx will enable high-speed connectivity demand from small businesses and homes. This will require mobile backhaul as wireless mobile technologies shift from 4G-LTE to 4G. This will also see usage of Gigabit Passive Optical Networks (G-PON) technology to enable a single fibre feed from the provider to multiple homes and small businesses. Sterlite Tech has enabled 1,65,000 homes in six cities with FTTx, and also made its first commercial sales of smarter FTTH solutions to one of India's top telecom operator this year.

Software Defined Networking (SDN) and Network Function Virtualisation (NFV)

The transformation on legacy networks is being driven by innovations, such as SDN and NFV. SDN is the programmatic decomposition of the network, separating the control and management from the data plane. Enterprises are moving from MPLS-based VPN connectivity to a less expensive and operationally efficient software-defined WAN (SD-WAN). But as security threats originate from within the enterprise, WAN segmentation is increasingly becoming a must-have for many organisations. Sterlite Tech has been exploring this space to bring the efficiencies of SDN and NFV in delivering scalable and robust FTTx networks.

Hyper-converged Data-centre Infrastructure

Several hyper-converged infrastructure offerings are being deployed that combine hardware, including Open Compute (OCP Compliant) servers, storage, networking switches, and racks, with virtualisation and cloud software options. The new converged infrastructure solutions provide native hybrid cloud capabilities so businesses can leverage on-premises infrastructure for predictable, mission-critical applications and use public clouds for more elastic and unpredictable workloads.

Sensory Fibre Networks

Systems and applications in optical fibre sensor technology continue to expand and be driven to a very large extent by advances in optical fibre and photonic measuring systems. They play a key role in the optimisation of energy efficiency, health monitoring of structures and serve as a key innovation factor for new and future-oriented markets, including smart infrastructure and real-time network health-monitoring systems.

Network Infrastructure Innovation and MVNO

Getting more from existing networks and reducing operational cost is top priority for CSPs. Commercial considerations, rather than regulatory mandates, have become a key drive pressing CSPs to share their network infrastructure with either competition or launch multiple sub-brands (MVNOs) to optimise the investments made in network infrastructure, resulting in reduced capex.

India's Department of Telecommunications (DoT) now allows for active and passive infrastructure sharing, a move expected to help operators reduce capex costs. A leading operator has already started to reap the benefits of the modified rule, as it has entered into an exclusive spectrum sharing agreement.

The above trends demonstrate that the global telecom industry is changing at a rapid pace. At Sterlite Tech, we are investing in technologies, such as 5G, IoT, Cloud, SDN and NFV to offer future-ready products to our customers. We believe in world-class network design, build, manage and monetise capabilities, supplemented by innovative products that build smarter networks for the global user and customers.

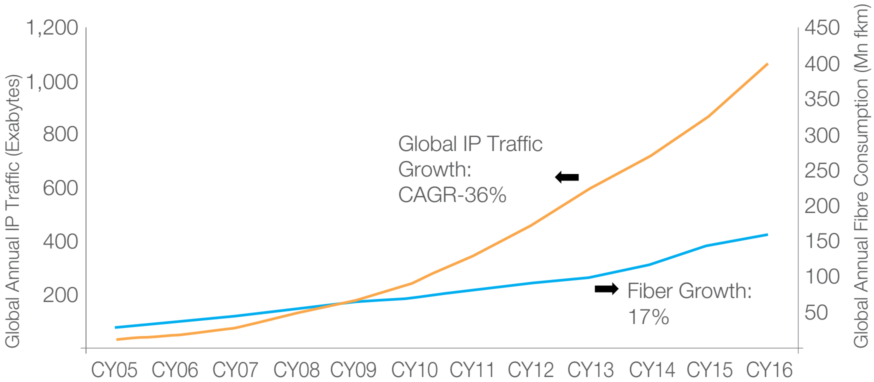
Fibre Demand

Given the trends in data consumption and technology innovations for networks, optical fibre continues to remain the fastest medium to carry this increased data. The densification of 4G network and the advent of 5G networks is further bolstering the demand for fibre. At the same time, fibre will enable wireless technology as it is critical for high-capacity backhaul and future proofing the network.

Fibre is ranked as the most important backhaul and transport technology for 5G due to its capability of delivering for high-capacity backhaul for intended data rates, according to a TIA and Interdigital joint study, 2017. Globally, it has been seen that the capex intensity increases significantly when the share of data increases in the total revenue pie.

Supporting these trends, global fibre consumption in 2016 was 425 million fkm, which represents an 11% increase from 415 million fkm in 2015, as per a CRU report. China's 4G network coverage is on its way to reaching a high level.

Global IP traffic driving fibre demand



Source: Cisco & CRU

Also, certain companies have stated that full-year fibre consumption could have been higher, if they had not been constrained by fibre-shortage scenario, as per a CRU report.

This increase in global demand provides Sterlite Tech an opportunity to partner with global telecom service providers in matching their smarter digital infrastructure requirements with best technologies and innovations.

Software Outlook

As the telecom industry evolves towards a more open and customer-centric network, software OSS/BSS will play a key role in enabling this transition – the OSS/BSS market globally are estimated at over $54 billion, according to Gartner.

Digital Transformation

Digital transformation is now a strategic imperative for CSPs globally, with two key dimensions – Network and IT. On the network side, virtualisation will increase network efficiency, scalability and agility with All Internet Protocol (IP); this will also mean that CSPs need to manage services and resources independently. On the IT side, changes in customer behaviour and expectations are driving the need for omni-channel capabilities and digital experiences facilitating digital customer engagements and interactions across multiple touchpoints. Data from CSPs suggests that 70% of customers are satisfied with a customer-service journey that is fully digital, compared with 50% satisfaction for interactions through traditional channels.

Traditionally, technology functions were segregated between Network and IT. However, the aforementioned technology trends are blurring the lines between these two functions. The convergence of Network and IT can offer CSPs numerous benefits, such as reduction in capital expenditure (capex) and operating expenditure (opex), faster cycle times and improved customer experience through streamlined operations.

MVNO in India

The entry of mobile virtual network operators (MVNOs) in the Indian telecom space could open several opportunities for telecom operators. It will result in the efficient use of telecom infrastructure and assets, and enhance the affordability and reach of telecom services. DoT also plans to issue licenses to MVNOs, for which it has already received over 60 applications from interested entities

MSO Offering Quad Play Services

TV consumption is changing. Time spent watching traditional TV is steadily declining, while on-demand takes hold fast with OTT companies, such as Netflix streaming huge amounts of SVOD content. As operators adjust, new bundles and options are starting to appear. Of particular interest is the younger demographic, who currently subscribe to as much OTT streamed service as they do to traditional TV. As a result, Multiple System Operators (MSOs) are quick to leverage their assets for delivering high-speed broadband along with investment in WiFi and OTT TV. From pure-play cable service they are moving to offering quad play services to their customers.

Enterprise M2M and IoT

The enterprise segment in India is valued at over ₹ 20,000 crore, and is expected to grow at a rate of 10-12% annually. Telcos are quite bullish on the enterprise segment and have plans to invest further and offer solutions across ICT, IoT, cloud and mobile applications.

Cloud Technologies for OSS/BSS

New-age CSPs are looking to incorporate next-generation competencies in their network to reduce operational costs, streamline operations and reduce time-to-market, particularly in a multi-location, multi-geography scenario. This is where cloud based OSS/BSS holds a key. With the help of cloud hosted OSS/BSS, CSPs automatically shift towards reducing capex in favour of an opex model, aiding organisations to focus on their core activities.

Sterlite Tech - Growth Dynamics

Our singular focus is the opportunity that stems from this digital connectivity landscape. Over the last few years, we have evolved our business from a manufacturing-led model for passive connectivity products to an integrated portfolio of products, services and software to enable smarter networks for our customers. With these new capabilities, we are now uniquely positioned to engage with our customers at the network design stage and become their trusted partners for end-to-end rollout and post execution management to deliver best-in-class network performance. Today, we design, build and manage smarter networks.

We believe that our smarter networks will impact the everyday lives of citizens. Applications enabling municipalities to manage solid-waste disposal and enabling potable water to those giving farmers access to information on soil and weather conditions, will ride on our networks. E-education, e-healthcare and other critical applications will be able to reach the remotest parts of the world because of our broadband networks.

We work with customers whom we can partner with to bring about this impact. Large Global Service Providers, Smart Cities, entities that enable rural broadband and large enterprises, such as the defence. Given our capability mix, we are uniquely positioned to offer integrated solutions to our customers – optical communication products, system and network integration services and telecom software.

We believe we can bring about the impact we envision by focusing on technology and innovation, exponential customer engagement and a very strong talent and culture. At Sterlite Tech, technology and innovation reside at the core of our offerings and remains our key differentiator. Our state-of-the-art Centre of Excellence in Aurangabad is one of its kinds globally and focuses on advanced fibre-optic research, which has resulted in a strong patent portfolio of 146 across geographies. At our recently opened Centre for Smarter Networks in Gurgaon, we are building advanced technologies, fibre-enabled solutions for 5G networks, pre-connected fibre-kit solutions to bring cutting-edge solutions for next-generation networks.

Our focus on technology innovation and continuous process improvements to drive efficiency position us to build an extremely strong supply base. Our manufacturing facilities in India, China and Brazil are world-class centres.

Given the backdrop of the strong fibre growth that we are witnessing globally, and our increasing market reach, we have decided on a next phase of capacity expansion toward 50 mn fkm, to be executed in phases. This capacity will come in a Greenfield set up at an estimated capex of ₹ 1,000-1,200 crore.

Our core values – Promises Delivered; Hunger to Learn; Respect and Empathise; and Keep it Simple – will enable us to lead in, and collaborate with, the ecosystem.

DESIGN, BUILD AND MANAGE BROADBAND NETWORKS

STERLITE TECH PARTNERS WITH SOME OF THE LARGEST CUSTOMER SEGMENTS TO DESIGN, BUILD AND MANAGE BROADBAND NETWORKS THROUGH OUR INTEGRATED OFFERINGS.

CUSTOMERS

- Global Service Providers
- Smart Cities
- Rural Broadband
- Large Enterprises e.g. Defence

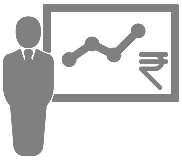
OFFERINGS

- Optical Products
- System Integration Services
- Telecom Software

FOCUS

- Talent & Culture
- Research & Technology
- Customer Engagement

Financial Discussion and Analysis



Sterlite Tech ended FY17 with a strong financial performance. The Company has an order book of ₹ 3,018 crores, and saw an annual revenue growth of 14%, PAT growth of 31% and exports growth of 75%.

Financials at a Glance

	FY16	FY17	Growth Y-O-Y
Gross Revenue (₹ crore)	2,275	2,594	14%
EBITDA (₹ crores)	475	542	14%
Net Profit (₹ crores) after minority interest	154	201	31%
EBITDA Margin (%)	21%	21%	
EPS (₹)	3.82	4.98	30%
ROCE (%)	20%	21%	
Net Debt (₹ crores)	1,005	919	
Debt Equity Ratio	1.3	1.0	

Note: All numbers are for consolidated financials

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

In India, demonetisation, announced by the Prime Minister in November 2016, propelled the growth of digitalisation in the financial market. Mobile wallets and Aadhar-led payment mechanism, riding on the 3G/4G network, are enabling people to transact in the digital economy. As the digital economy grows, there will be a growing need for a strong fibre-enabled infrastructure.

At the same time, a leading operator's offering of services is driving data consumption of about 10 GB per user per month, with these services riding on extensive fibre infrastructure. Driven by the strong demand for data and competition, other operators in India are also expected to increase their investment in fibre.

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

Gross Revenues

Sterlite Tech recorded revenues of ₹ 2,594 crores in FY17, higher than ₹ 2,275 crores in FY16, showing a 14% year-on-year improvement. The revenue growth was secular, driven by all product lines / business units.

Exports for the year increased to ₹ 957 crores against ₹ 547 crores in FY16, registering a growth of 75%. Exports as a percentage to the overall revenue were 37% in FY17, compared to 24% in FY16.

Profitability

The Company's earnings before interest, tax, depreciation and amortisation (EBITDA) showed a consistent growth of 14%, from ₹ 475 crores in FY16 to ₹ 542 crores in FY17. In terms of percentage, this translated into an EBITDA margin of 21% in FY17 at the same level as in FY16.

The interest costs increased marginally, from ₹ 119 crores for FY16 to ₹ 123 crores for FY17. The increase is a primarily on account of higher working capital requirement during the year due to increase in revenue.

The depreciation for the year was ₹ 159 crores, compared to ₹ 126 crores in the previous year. The increase in depreciation was mainly due to capitalisation of expansion projects executed during the year.

Tax expenses for the year were ₹ 40 crores, and include one-time gain of ₹ 32 crores on account of proposed de-merger of a part business of Speedon Networks Ltd. Adjusted with this tax expenses for the year was ₹ 72 crores and was slightly higher than previous year's tax expenses of ₹ 65 crores in absolute terms. The adjusted effective rate of tax stood at 28% for FY17, which is in line with FY16.

The net profit after tax after minority interest for the year thus is ₹ 201 crores, compared to ₹ 154 crores for last year.

Dividend

In continuation of the progressive dividend policy, the Board has recommended a final dividend of ₹ 0.75/- per equity share subject to the shareholders' approval. This final dividend, together with interim dividend already paid in November 2016, aggregates to ₹ 1.25/- per equity share for FY17.

Balance Sheet

Gross Block and Capital Work-in-progress

The Company has been expanding its facilities to meet the increase in demand in its telecom sector. As a result of this, gross block increased from ₹ 1,989 crores as on March 31, 2016 to ₹ 2,304 crores as on March 31, 2017.

The capital work-in-progress stood at ₹ 66 crores at the end of FY17 as against ₹ 172 crores at the end of FY16.

Borrowings, Cash and Bank Balance

The Company's gross debt increased slightly from ₹ 1,085 crores as on March 31, 2016 to ₹ 1,092 crores as on March 31, 2017. The total cash and bank balance, coupled with current investments at the end of FY17, was ₹ 173 crores as against ₹ 80 crores at the end of FY16.

The net debt reduced from ₹ 1,005 crores as on March 31, 2016 to ₹ 919 crores as on March 31, 2017. This results in reduction in net debt by ₹ 86 crores after funding payments for capital expenditure and dividend including taxes in FY17.

The Company has a long-term debt of ₹ 427 crores in FY17 as against ₹ 468 crores for FY16.

The Company's net debt-equity ratio stood at 1.0 as at end of FY17, compared to 1.3 a year ago.

Working Capital

(₹ crores)

	March 2016	March 2017
Inventories	205	333
Trade receivables	713	691
Current Investment	-	35
Cash and Bank Balances	80	138
Others including Loans & Advances	307	374
(A) Total Current assets	1,306	1,571
(B) Total Current liabilities	754	933
Working Capital (A)-(B)	552	638

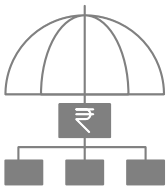
The Company's current ratio stood at 1.7 times in FY17, same as previous year.

Return on Capital Employed and Capital Structure

The ROCE in current financial year improved to 21% as against 20% a year ago. ₹ 1,844 crores employed in business as on March 31, 2017 as against ₹ 1,791 crores as on March 31, 2016.

The Company's total equity as on March 31, 2017 stood at ₹ 925 crores as against ₹ 786 crore as on March 31, 2016.

Risk Management



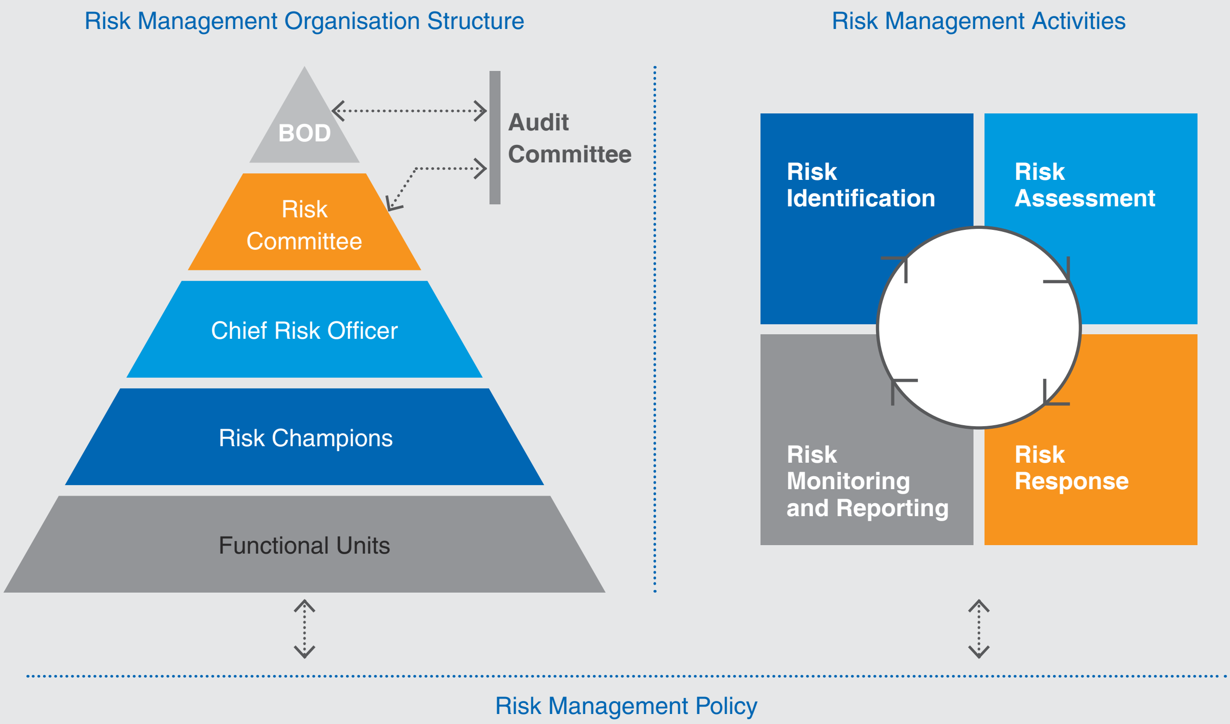
Enterprise Risk Management at Sterlite Tech is aimed at protecting and enhancing stakeholder value by establishing a suitable balance between harnessing opportunities and containing risks.

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

We're aware that we cannot completely eliminate the risks, as it would simultaneously eliminate all opportunities. We, therefore, aim to develop a focused approach that enables us to identify and address key risks impacting our business objectives through our Enterprise Risk Management (ERM) initiative.

Sterlite Tech's ERM policy states the framework that includes a risk-management organisation structure and the risk-management activities to be conducted.

Our ERM Framework



Risk Management Organisation Structure

We have a multi-layered risk-management framework aimed at effectively mitigating the various risks to which our businesses are exposed.

Key roles and responsibilities as defined in the ERM Policy are:

Board of Directors (BoD)
Ensuring that the risk management framework is contributing to achieving business objectives, safeguarding assets and enhancing shareholder value.

Risk 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.

Risk Management Activities

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

Risk Identification
Mechanisms for risk identification include scenario analysis, focused discussions with key managerial personnel, and periodic workshops with the operations-management group. The risks identified are consolidated in a risk register for assessment and response.

Risk Assessment
Having identified the risks, we quantify the impact of risks to determine potential severity and probability of occurrence. Based on the evaluation and the risk appetite of the Company, key risks are identified.

The key risks are prioritised and Risk Champions are identified for each of these risks for effective response and monitoring.

Risk Response
Risk response involves defining and implementing mitigation plans for key risks. For the purpose of risk response, the Risk Champions may choose to mitigate the risk with adequate monitoring controls or transfer the risk to third parties. The risk-response plan is documented on a risk profile and updated on a dashboard for stakeholder review.

Risk Monitoring and Reporting
The Risk Committee reviews the adequacy and effectiveness of the risk-response plans and reports it to the BoD.

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.

Risk Assessment

Internal Control Systems and their Adequacy
The Company has strong internal control systems for business processes, with regards to efficiency of operations, financial reporting and controls and compliance with applicable laws and regulations, among others. Clearly defined roles and responsibilities for all managerial positions have also been institutionalised. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the BoD periodically reviews the adequacy and effectiveness of internal control systems, and suggests improvement for strengthening these.

Market and Competition Risks
The market is competitive with few barriers to capacity expansion by existing players. Globally, most of the contracts are finalised through the competitive bidding process. While the Company dominates in this segment, it does not have much pricing power due to low global market share. The Company is expanding its capacity and continuing to focus on increasing its market share

through access to new markets and enhancing its client footprint.

Additionally, various initiatives in technology and product development, taking into consideration the needs of customers, also helps to maintain an edge over competitors. Some of these initiatives include product design, that help the customers reduce their project cost, customising a basket of products that suit customers' needs and by introducing enhanced features in products or services to improve the value proposition to the customers.

Product Obsolescence Risks

In the fast-changing world, a new technically improved variant of product could put the Company's prospects at risk. To mitigate, Sterlite Tech emphasises on continuous innovation processes and hence has been introducing technologically improved products in the market in which it operates. This strategy has helped limit the risk involved with the obsolescence of products. The Company strives to introduce future-proof products and solutions to exceed stringent global standards and specifications.

Commodity Risks

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

Financial Risks

Liquidity Risks

The Company requires funds both for short-term operational needs as well as for long-term investment programmes, mainly in growth projects. Sterlite Tech aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity both in the short term and long term.

The Company works with a healthy mix of long-term and short-term debt.

Interest Risks

The Company is exposed to interest-rate fluctuations in both domestic and foreign-currency borrowings. It uses a judicious mix of Rupee and foreign-currency borrowing within the stipulated parameters to mitigate the interest-rate risk. This also helps to have a lower blended interest rate. The interest rate for Rupee borrowing is largely linked to MIBOR and the rate is linked to prevailing US Dollar 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 associated with the borrowing of the Company denominated in the foreign currency. The Company has a defined and proven policy to manage both kinds of risk, and this is reviewed frequently in the light of major developments in economic and global scenarios.

Human Resource Risks

The Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talent. These abilities have to be developed across the Company's rapidly expanding operations. Sterlite Tech continuously benchmarks HR policies and practices with the best in the industry, and carries out necessary improvements to attract and retain the best talent.

Counter Party Risks

The Company is exposed to counterpart risks on its receivables and investments. It has clearly defined policies to mitigate these risks. Limits are defined for exposure to individual customers and the exposure is strictly monitored on an ongoing basis. Moreover, given the diverse nature of the Company's businesses, trade receivables are spread over several customers with no significant concentration of the credit risk.

Cash and liquid investments are held primarily in debt mutual funds and banks with high credit ratings, approved by CRISIL. Emphasis is given to the security of investments.


SterliteTech
Design, Build & Manage
An integrated
global digital network creator
PRODUCTS
India's only integrated manufacturer of glass preform, optical fibres and cables.
SERVICES
Proven expertise in delivering large interstate and urban high-speed broadband network and system integration projects.
SOFTWARE
11001
11001100
1100110011000
0001000101
0110
Highly customised OSS and BSS solutions, powering next-generation telecom services.
www.sterlitetech.com

Corporate Social Responsibility: Creating Shared Value

Sterlite Tech believes that the only way to do business is by being responsible, socially and environmentally.

As a global market leader in the creation of smarter telecom networks, Sterlite is building the nation's digital future and transforming everyday living experiences. In 2016, Sterlite Tech set forth a new Shared Value Vision – 'To be a responsible leader in ensuring that the connected future is inclusive for all'.

The Sterlitean approach is focused on realising long-term, sustainable outcomes. It creates value not just for the Company, but for the people and planet as well. In formalising its sustainability journey, Sterlite Tech is building a targeted and staggered strategy to bring shared value into the core of its business, by transforming into a lean, green and clean company.

Re-envisioning CSR

Last year, Sterlite Tech set out to radically reshape its CSR initiatives. As the business strives for 10X growth, the Company aims to transform the lives of people at the last-mile by building better digital infrastructures for them, their children and the generations to come.

Much of this year was focused on achieving this mission. The Company worked closely with governments, NGOs and local populations to identify the needs of those who live and work near its operations. Sterlite Tech took a deep dive into its systems and processes, and researched innovative methods and solutions to address community concerns.

In 2016, a new data-driven CSR strategy that guaranteed maximum community benefits while utilising Sterlite Tech's business expertise as a competitive advantage was adopted. The focus was on three central activities to achieve this.

Building Sterlite Tech Foundation

This year, Sterlite Tech Foundation became the social impact arm for all CSR initiatives of the Company. Through consolidation of its processes, strengthening management, streamlining of various activities, and creation of a monitoring platform to track progress more effectively, the Company has ensured it remains impact-focused at every step of the way.

The Company revamped its key CSR projects in education, health, women empowerment and rural and community development with focus on creating 360-degree impact. Each project was re-envisioned to ensure holistic development in the communities, while ensuring that the Company's core capabilities are leveraged to enable the development process, thus transforming everyday living.

The water conversation efforts taken up through Project Jaldoot in Aurangabad focus on not only building and maintaining rainwater harvesting infrastructures, but also providing water conservation awareness, sustainable agriculture trainings, groundwater recharge and related support. This has increased water supply to the community, thereby generating income opportunities for farmers by up to 30%. Sterlite has also replenished 644,000 cubic meters of ground water through Project Jaldoot, which is approximately 2.5 times it consumes in its facilities. It is a great feat, which has not only helped achieve net water positivity, but has also enhanced relations with employees and communities around its plants.

In addition to a more inclusive design, the Foundation also entered into public private partnerships (PPP) and leveraged government schemes for its projects to generate longer-term success, with reduction in cost per beneficiary, and

1. Jeewan Jyoti

2. Virtual Classrooms

3. Jeewan Jyoti

Strengthening Flagship CSR Projects

Direct Beneficiaries (Cumulative)

2,38,384
Health

1,48,452
Education

21,517
Women's Empowerment

24,000
Rural & Community Development

4,32,353
Total lives impacted in 2016-17

thus positioned itself for scale. This partnership helped the Company in aligning itself with larger missions pursued by the Government, such as Swachh Bharat, Digital India and Skill India, among others.

One such success was Jeewan Jyoti, the Company's women empowerment project. In 2016, the Foundation entered into a PPP with Apparel Training & Design Centre (ATDC) to support financing and on-ground delivery of tailoring courses, with 100% employment guarantee to the women.

Focusing on Last-Mile Connectivity

Given Sterlite Tech's global commitment to create a digital revolution, the Company has adopted its technical capabilities in ensuring CSR best practices wherever possible. Based on this, the Company has emphasised on leveraging last-mile connectivity in two pivotal ways.

First, a three-year expansion plan for virtual classrooms, through an independent vertical, Sterlite School Tech has been created. The project is likely to have a pan-India presence by 2020. Currently, it is growing in Maharashtra and Rajasthan.

Second, the Company is also exploring innovative opportunities to further utilise its business expertise. Recently, a new incubation support has been launched for social entrepreneurs who have developed high-impact health and education solutions using digital technology for the underserved communities. It is our belief that the burgeoning social enterprise space will help leap-frog India's development at the bottom of the pyramid.

In partnership with Unlimited India, Sterlite Tech will provide year-long incubation support to one proof of concept (POC) stage and three early stage social entrepreneurs developing high impact solutions in last-mile connectivity – with a focus on health and education initiatives. In addition to mentorship from Sterlite Tech employees, we will provide seed funding, one-on-one coaching on organisational and leadership development, and access to peer learning and follow-on funders. It will also provide visibility as well as position the entrepreneurs for potential growth and venture funding.

Social Enterprise Incubator Impact

Short-Term Impact	Long-Term Impact
Lives impacted through various initiatives	Potential to address issues at scale in India
Improvements in health and education outcomes	Multiplier effect on lives and jobs impacted
Job creation	Sustained improvements in health and education outcomes
10x follow-on-funding for every INR put in by Sterlite Tech	
Sector growth	

Signature Projects Achievements

Signature Project	Theme	Location	Outreach 2016-17	Achievements
Virtual Classrooms	Education	Mumbai/Pune	86,400	• 480 Mumbai Government schools reached • 1,440 teachers and 360 headmasters trained • 2x improvement in reading proficiency as compared with control group
Jeewan Jyoti	Women's Em-powerment	Pune	6,494	• 22,000 lives indirectly impacted • Footprint in 76 villages
Mobile Medical Unit	Health	Silvassa	16,135	• Strong employee participation • Preventive awarness introduced in 2016 • 24 remote and tribal villages reached
Jaldoot Watershed Development	Rural & Community Development	Aunrangabad	14,063	• 6,44,000 cubic metres of water conserved • 6,140 people access clean drinking water • 40% increase in cotton cropping, up to 30% increase in farmer income

Mainstreaming Sustainability beyond CSR

Sustainability is about conducting business ethically while managing the triple bottom line. It ensures that while a business maximises its profits, it also ensures society and environmental benefits.

The Company's approach to ensure creation of shared value rests on four pillars of delivery i.e. CSR, environmental priorities, responsible practices and harnessing talent. By creating better practices across these channels, true integration of sustainability into the heart of the business can be established.

When it comes to CSR, Sterlite Tech has taken great strides over the past twelve months to safeguard the well-being of its communities. However, understanding that CSR is only one facet of a truly responsible company, 2016 was also about defining and strategising how the remaining principles could be integrated into the business, starting with the environment.

Minimising Environmental Footprint

Sterlite Tech has always aimed to keep its environmental impact as neutral as possible – with zero water discharge at its manufacturing units and employing technologies to optimise energy consumption.

Diagnose Through Understanding

This year, the goal for environmental sustainability was straightforward. The Company aimed to understand the lifecycle of its products and systems. Two studies were launched – the first was a baseline sustainability mapping of Sterlite Tech's current activities. The second was a waste inventory/ audit to assess waste generation, waste management practices and carbon emissions at the Company's manufacturing units. The exercises, currently in progress, will allow to pin-point gaps in the current practices. Thereby providing insights on resource and waste utilisation opportunities, carbon emission avoidance strategies, technology solutions and potential returns on waste management investments.

1

2

3

1. Jaldoot Project, Sayyadpur check dam (Before)

2. Jaldoot Project, Sayyadpur check dam (After redevelopment)

3. Jeewan Jyoti Computer literacy class

Ensuring India's connected future is inclusive for all

OUR COMMUNITY	OUR PEOPLE	OUR CONDUCT	OUR ENVIRONMENT
CSR, Impact innovations, Sterlite Venture projects	Worker welfare, Health & safety, Training & development, Diversity and Employee engagement	Good governance, Compliance, Human rights and Ethical supply chain	Energy efficiency, Water positivity, Carbon avoidance, Waste minimisation and Resource utilisation
Transforming lives through life changing services and technologies	Investing in our talent to drive inclusive, equitable growth	Managing and conducting our business ethically, efficiently and responsibly	Minimising environmental impact through more efficient operations and a sustainable supply chain

Identifying Environmental Priorities and Targets

The results of waste inventory audit will be utilised to develop a roadmap that will take Sterlite Tech to a 'zero waste to landfill' corporation. Multiple innovative solutions are being created to change the waste route, find opportunities to re-utilise unwanted by-products, and institute policies to reduce waste production. Once identified and implemented, the target will be to re-utilise 20% of all waste by-products, which could provide up to 30% savings on the manufacturing inputs in coming years.

The results from sustainability mapping lead to the identification of another priority for the year – to address effluents and water treatment. Work has begun to take Sterlite Tech's manufacturing units from zero water discharge to water neutral, and ultimately leading to water positivity. By employing technologies and water harvesting practices that will better manage black, grey and blue water footprint, the Company aims to go beyond, and replenish what is consumed.

Framing the Future

In 2017, the Company aims to scale its CSR and mainstream environmental conservation as a part of its operational framework.

Moreover, work will commence on the Company's third and fourth pillars of sustainability approach, and encourage its employees to be part of its sustainability journey.

Assessing Responsible Business Practices

Alongside social and environmental priorities, sustainability also requires that Sterlite Tech is transparent and accountable in its business conduct, policies and practices. This includes adopting standards related to product responsibility, human rights, stakeholder engagement, customer value and employee wellbeing.

With responsibility becoming increasingly important on the national agenda, the Company wants to promote ethical and accountable policies and practices throughout every facet of its business.

Thus, in 2017, evaluation and reshaping of a few of its business principles every year will be initiated. This exercise will begin with the code of conduct/ governance and customer value policies and practices. A company-wide integrated sustainability management platform will also be implemented that will help track and assess the Company's performance against national and international sustainability principles and standards.

Engaging Sterliteans

At the heart of Sterlite Tech's success lies its talent, the employees who work day in and day out to help realise the Company's vision for the world. A key component in bringing sustainability to the forefront of any business is in creating a values-driven culture that will encourage and engage the Company's employees.

In October 2016, first employee sustainability survey was launched, with the goal of understanding and championing sustainability efforts through Sterlite Tech's employee base. As a first-line of communication on Sterlite Tech's sustainability efforts, over 20% of the employees responded to this survey. Among this group, the message was clear; Sterliteans are passionate about their social and environmental footprint and eager to contribute to the agenda.

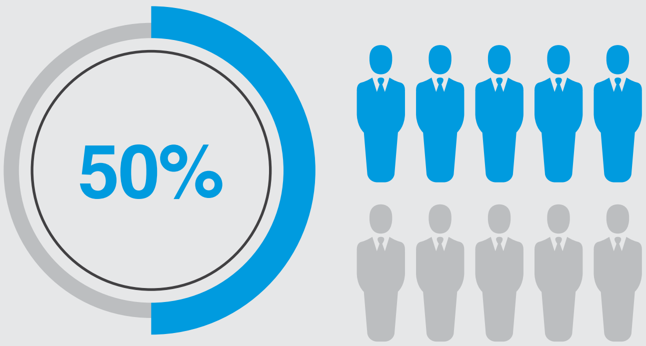
Based on these inputs received, several employee engagement opportunities in both CSR and environmental activities will be crafted. Sustainability champions will also be identified across all Sterlite Tech's offices and units to identify solutions and motivate Sterliteans along this journey.

Vision for the Future

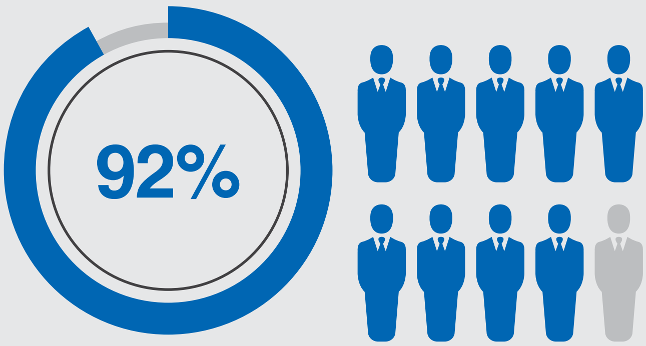
This year, Sterlite Tech has witnessed a marked improvement towards mainstreaming sustainability and creating shared value. Sterlite Tech is at a crucial point in its growth journey. The opportunity to not only transform everyday living through building digital infrastructure, but to also transform the Company into leading, sustainable operations in India and beyond, lies ahead.

Together, Sterlite Tech believes that it can forge a way towards transformational, sustained and long-term development.

Employee Engagement



of employees have previously participated in sustainability activities

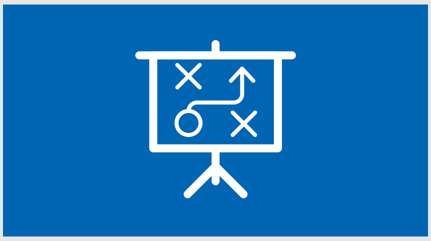


of employees are interested in participating in sustainability activities

Top Activities

Volunteering time or skills with NGOs

Championing green practices within Sterlite Tech

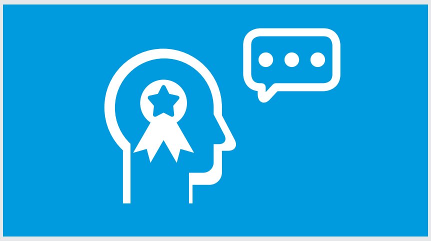


Providing strategic inputs to initiatives

Top Motivations for Participation

Doing something positive for society

Supporting Sterlite Tech to transform everyday lives



Learning something new

Board of Directors

Sterlite Tech's Board of Directors includes accomplished representatives from diverse fields. They guide management related policies, set broad goals, look after the Company's financial wellbeing and make decisions on major issues on shareholders' behalf.

Anil Kumar Agarwal
Non-Executive Chairman

Anil Agarwal is the Executive Chairman of Vedanta Resources Plc, a London listed company, and also the Chairman Emeritus of Vedanta Limited. Mr. Agarwal founded the Sterlite Group in 1979. He has over 40 years of entrepreneurial and business experience.

Pravin Agarwal
Vice Chairman and Whole-Time Director

Pravin Agarwal is the Vice Chairman and Whole Time Director of Sterlite Technologies Limited, and is also the Non-Executive Chairman of Sterlite Power Transmission Limited (demerged undertaking for the power business). He has been closely involved with Sterlite Group's operations in India since inception, and has been instrumental in the growth of the telecom and power businesses. His rich experience in general management and commercial matters spans about three decades.

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 in July 2007. He is inter alia an Independent Director in Hindustan Zinc Limited and Sterlite Power Grid Ventures Limited, and has extensive financial, strategic, and boardroom experience. He is also a management consultant with over 40 years of consulting experience across accounting, financial management and information technology.

Arun Todarwal
Non-Executive and Independent Director

Arun Todarwal, partner of M/s Todarwal & Todarwal, a Mumbai-based firm of chartered accountants, is a member of ICAI. He has a rich and varied experience spanning over three decades in management consultancy, finance and audit. He is an independent director in several listed companies.

Avaantika Kakkar
Non-Executive and Independent Director

Avaantika Kakkar is a corporate and commercial lawyer. She currently leads Khaitan & Co.'s Competition Law Practice. She advises on complex merger filings with the Competition Commission of India. She has significant experience in corporate and securities laws, structured finance, foreign direct investment in real estate, private equity and joint ventures. She serves as an independent director on the boards of many public companies including Mahindra Sona Limited.

C. V. Krishnan
Non-Executive and Independent Director

C. V. Krishnan is the President of Institute of Financial Management and Research (IFMR), Chennai. He has been President/CEO/MD of large organisations, such as M/s E.I.D Parry, Sterlite Industries, India and Konkola Copper Mines, Zambia. He has expertise in organisational turnaround, transformation management, corporate growth and financial management. He has done a BTech from IIT Madras, MBA from IIM Ahmedabad, advanced training in Industrial Management from the Netherlands and a Global Leadership Program from Michigan, USA.

Dr. Anand Agarwal
CEO and Whole-Time Director

Dr. Anand Agarwal has been the CEO of Sterlite Tech since 2003. Under his leadership, the Company has grown from an optical-fibre manufacturer to one of the leading global providers of products, solutions and services for telecom and power industries. He was honoured with the prestigious 'Broadband Infrastructure Leader Award' for transforming broadband infrastructure at the Telecom Leadership Forum, 2016.

He joined Sterlite Tech in 1995, and has held key positions in operations, projects, business development and sales. He serves as a Director on the Board of Sterlite Tech and its subsidiaries in infrastructure development as well as joint ventures in Brazil and China. He has completed a Bachelor's in Engineering from the Indian Institute of Technology, Kanpur, and Masters' and Ph.D. from the Rensselaer Polytechnic Institute, USA.

Pratik Agarwal
Non-Executive Director

Pratik Agarwal is a Non-Executive Director of the Company and is the CEO of Sterlite Power Transmission Limited. A Wharton graduate and an MBA from London Business School, he has over 10 years of experience in building core infrastructure assets in India. He led the foray of Vedanta 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, with total assets under management worth $2.5 billion.

Leadership Team

Dr. Anand Agarwal
Chief Executive Officer

Dr. Anand Agarwal has been the CEO of Sterlite Tech since 2003. Under his leadership, the Company has grown from an optical-fibre manufacturer to one of the leading global providers of products, solutions and services for telecom and power industries. He was honoured with the prestigious 'Broadband Infrastructure Leader Award' for transforming broadband infrastructure at the Telecom Leadership Forum, 2016.

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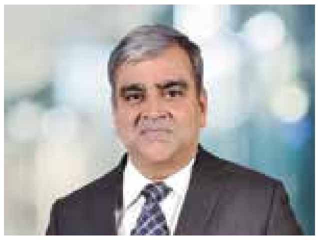
Anupam Jindal
Chief Finance Officer

Anupam Jindal joined the Vedanta Group in 1998, and Sterlite Tech in 2006. He worked with the aluminium foils and copper-cables businesses before heading finance for Vedanta group's mining operations in Australia. Being a Chartered Accountant from ICAI, his focus areas have been, finance, treasury, accounts and MIS.

K. S. Rao
Chief Operating Officer – Telecom Products & Services

K. S. Rao joined Sterlite Tech in 1993. His key focus areas have been engineering, manufacturing, product development, project management and business development. He holds a Bachelor's degree in Mechanical Engineering.



Dr. Badri Gomatam
Chief Technology Officer

Dr. Badri Gomatam joined Sterlite Tech in 2011 and leads its Centre of Excellence. He has over 22 years of product development, marketing and business development experience in high-speed integrated circuits and optical communications. He has completed his MS and Ph.D from the University of Massachusetts, Amherst.

Nikhil Jain
Head – Telecom Software

Nikhil Jain is one of the founding members of Sterlite Tech's software division, and comes with over 19 years of experience. He holds a Masters in Computer Applications from LD College of Engineering, Ahmedabad. He plays an influential role in managing and guiding the software division's global business units.

Ankit Agarwal
Head - Global Sales, Telecom Products

Ankit Agarwal joined Sterlite Tech in 2007. He heads global sales for Telecom Products. In addition, he is responsible for identifying and executing strategic opportunities globally. Ankit holds a Bachelor's degree from the University of Southern California and an MBA from the London Business School.

Vikas Sehgal
Head Sales – Telecom Services

Vikas Sehgal comes with over 25 years of industry experience, having spent the last 12 years in the telecom industry. He has been associated with IBM, EMC Corporation, 3Com, NIIT and Digital Equipment in the past. He has done his Bachelors in Telecommunication Engineering from Shivaji University, Kolhapur.

Vaibhav Mehta
Head Sales – Telecom Software

Vaibhav Mehta has been a part of Sterlite Tech's software division's start-up team, and has over 18 years of experience in the areas of product, market and business development for software products in the telecom and media space. He heads Global Sales Operations for the Company's software business. He holds a BE instrumentation degree from VESIT, Mumbai.

Amitabh Hajela
Chief People Officer

Amitabh Hajela joined Sterlite Tech in 2016 from Aon-Hewitt and has two decades of rich experience. He has also held leadership positions at GE Capital, American Express, Aricent and EXL Services. He is an alumnus of MBA from XLRI, Jamshedpur.

Nischal Gupta
Chief Transformation Officer

With over 20 years of experience, Nischal Gupta joined Sterlite Tech in May 2017. He has held key positions in transformation, strategy, process excellence, tech integration and program management at Fujitsu, IBM, Lenovo, HP and Flipkart, and has worked in USA, Europe, China and Slovakia. Nischal has a BE in Industrial Engineering, MS in IT Services from SUNY, Buffalo and an MBA from IIM, Bangalore.

Gaurav Basra
Chief Strategy Officer

Gaurav Basra joined Sterlite Tech in July 2015. He comes with over 21 years of experience in corporate strategy development and transformation, innovation management and investment portfolio management. He has been associated with companies, such as Booz & Company, Lucent Technologies, Nokia, Siemens and Mobily. He has completed his MBA from Imperial College, London and Bachelor of Engineering from Pune University.

Swati Rangachari
Chief of Corporate Affairs

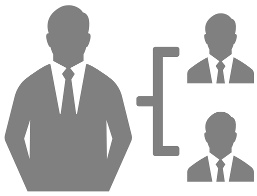
Swati Rangachari joined Sterlite Tech in March 2016. She comes with over 21 years of experience in government and industry relations, communications and brand visibility in telecom, financial services, aerospace and IT sectors. She has held leadership positions at Boeing, Ericsson and VISA, among others. She holds an MBA in International Management from the Fore School of Management and from ICHEC Brussels. She has done an executive programme in global leadership from Boston University.

Pankaj Priyadarshi
Chief Fulfilment Officer - Telecom Products

Pankaj Priyadarshi joined Sterlite Tech in 2012. With over 30 years of experience, he heads the supply-chain management function with key focus on strategic sourcing. He has completed Mechanical Engineering from BITS Pilani, a certification in leadership from INSEAD, Singapore, and a programme on strategic sourcing management from IIM-Ahmedabad.

Sanjeev Bedekar
Chief Delivery & Technology Officer - Telecom Services

Sanjeev Bedekar joined Sterlite Tech this year to head the Company's network services portfolio. He has 30 years of experience in IT and telecom, having held leadership positions at Bharti Airtel, Tata Teleservices, Reliance Infocomm, DoT and TCS. He has led roll outs of large greenfield networks with focus on operations, planning, quality and governance for wireless, optic transport and fixed-line broadband networks in India, Sri Lanka and Bangladesh.



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

Advisory Board

In October 2016, Sterlite Tech formed an Advisory Board, with industry leaders Sandip Das and B S Shantharaju. The Board members are esteemed industry veterans, and provide the Company with strategic guidance in a highly evolving digital communications space. Both advisors have immense experience with large customers in service-oriented companies, and are committed to working closely with Sterlite Tech in transforming everyday living by delivering smarter networks.

Sandip Das

Member – Advisory Board

Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive. He was formerly the MD and CEO of Reliance Jio, Group CEO of Maxis Communications Berhad, Malaysia and CEO of Hutchison Essar Telecom (now Vodafone), India. He was one of the founding members of private telephony in India and was part of the group of individuals that founded Hutchison Max Telecom in 1994. He also led one of the world's largest telecom IPOs, raising $3.5 billion for Maxis. He was listed among the top 100 most powerful global telecom people for four years by Global Telecom magazine. He has also been awarded the Lifetime Achievement Award for his contribution to Indian telecom by Voice & Data magazine.

Currently, Sandip is a Senior Advisor with UK based Telecom consultants Analysys Mason, on the advisory board of reputation management firm Astrum and International banks, besides being an angel investor. Sandip is an MBA from FMS, Delhi, holds a Mechanical engineering degree from NIT, Rourkela and has done an advanced management programme from Harvard Business School, Boston.

B S Shantharaju

Member – Advisory Board

B S Shantharaju's CEO experience spans over 15 years in four large companies. Most recently, he retired as CEO of Indus Towers, the world's largest telecom tower company valued at around $15 billion. Before this, as CEO of Delhi International Airports (GMR Group company), he led the Company's transformation after privatisation. As Managing Director of Gujarat Gas Company (then subsidiary of British Gas), he led the Company to a major growth trajectory. He has also been the CFO and Country Managing Director of Bangladesh for SmithKline Pharmaceuticals Limited.

Shantharaju is a qualified accountant and holds an MBA degree from the International Institute of Management, Delhi and is an alumnus of the London Business School. Shantharaju was among the final shortlisted candidates for the CNBC Asia Business Leader Award in 2005. He has been a speaker at various leadership forums, including at Harvard Business School.

Directors' Report

To the Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2016-17 together with the audited financial statements of the Company for the year ended March 31, 2017.

Financial Summary/Highlights

(₹ in crores)

	Standalone		Consolidated	
Particulars	**2016-17**	**2015-16***	**2016-17**	**2015-16***
Net Revenue from Operations	2401	2159	2594	2275
Profit before Interest, Depreciation & Tax	431	435	530	463
Less: Finance cost	112	98	123	119
Less: Depreciation and amortisation expense	139	107	159	125
Add: Finance Income	18	17	12	12
Net Profit/(Loss) before taxation	198	247	260	231
Total Tax Expenses	57	66	39	65
Net Profit for the year after tax	141	181	221	166
Share of profit/(loss) of Joint venture	-	-	(3)	(6)
Net Profit for the year after tax & share in profit/(loss) of joint venture	-	-	218	160
Share of profit of minority interest	-	-	17	6
Net Profit attributable to owners of the Company	141	181	201	154
Balance carried forward from previous year	677	526	529	406
Less : Adjustment on account of demerger	-	-	-	-
Amount available for appropriation	818	707	730	560
APPROPRIATIONS				
Remeasurement of post-employment benefit obligation, net of tax	1	2	1	2
Transfer to Debenture Redemption Reserve	37	-	37	-
Equity dividend & tax thereon	72	28	72	29
Balance carried forward to the next year	**708**	**677**	**620**	**529**

* The Company has adopted Indian Accounting Standards (Ind-AS) with transition date of April 1, 2015. Accordingly, FY'16 numbers are regrouped/restated as per Ind-AS.

Performance

Standalone

FY17 closed with Revenues of ₹ 2,401 crores, EBITDA of ₹ 431 crores, PAT of ₹ 141 crores and EBITDA margins of 19%.

Consolidated

FY17 closed with Revenues of ₹ 2,594 crores, EBITDA of ₹ 530 crores, Net Profit attributable to owners of the Company ₹ 201 crores and EBITDA margins of 21%.

Dividend

The Board of Directors are pleased to recommend a final dividend of ₹ 0.75/- per Equity Share of ₹ 2/- each for the Financial Year 2016-17. The distribution of dividend will result in payout of around ₹ 29.87 crores excluding tax on dividend. The dividend payout is subject to approval of shareholders at the ensuing Annual General Meeting ('AGM'). This final dividend, together with interim dividend paid in November 2016, aggregates to ₹ 1.25/- per equity share for the FY 17.The Company proposes not to carry any amount to reserves for the FY 17.

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

Corporate Restructuring

In the Board Meeting held on October 27, 2016, the Board of Directors approved a Scheme of demerger of the Passive Infrastructure Business of Speedon Network Limited ('SNL'), a wholly owned subsidiary of the Company, into the Company ('the Scheme'). The Appointed Date for the Scheme is October 1, 2016 and the process is expected to be completed by Q2, FY18. The proposed Corporate Restructuring is subject to approval by various stakeholders, the National Company Law Tribunal and other relevant regulatory authorities.

Management Discussion and Analysis Report

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

Corporate Governance

In terms of Regulation 34 of the Listing Regulations, a Report on Corporate Governance, 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 Report.

Business Responsibility Report

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

Board Meetings

During the FY 17, four meetings of the Board of Directors were held on May 26, 2016; July 25, 2016; October 27, 2016 and January 18, 2017. The maximum time-gap between any two consecutive meetings did not exceed four months. Video/Tele-conferencing facilities are made available to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

Composition of Audit Committee

The Board has constituted the Audit Committee which comprises Mr. Arun Todarwal as the Chairman; Mr. A. R. Narayanaswamy, Mr. C V Krishnan and Mr. Pravin Agarwal as the Members. The Board of Directors has accepted all the recommendations given by Audit Committee during the FY 17. 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 Report.

Directors and Key Managerial Personnel

Pursuant to Section 149 read with Section 152 of the Companies Act, 2013 ('the Act'), the provisions in respect of retirement of directors by rotation are not be applicable to Independent Directors. Mr. Anil Agarwal, Non-Executive Chairman will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A brief resume of Mr. Anil Agarwal along with the requisite details, is given in the Explanatory Statement to the Notice of the AGM.

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

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 policy can also be accessed on Company's website at https://www.sterlitetech.com/Code-of-Conduct-and-Policies.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Details about Policy are given in the Corporate Governance Report. The policy can also be accessed on Company's website at https://www.sterlitetech.com/Code-of-Conduct-and-Policies.

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

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

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, 2017, 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, 2017 and of the profit of the Company for the year April 1, 2016 to March 31, 2017;

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.

Related Party Transactions

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC - 2 of Companies (Accounts) Rules, 2014 are enclosed as **Annexure V** to the Directors' Report.

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. During the year under review, following companies have become or ceased to be Company's subsidiaries or joint ventures companies –

A) Companies which have become subsidiaries during FY 17 – Nil

B) Companies which ceased to be subsidiaries during FY 17 – Sterlite Technologies Americas LLC

C) Companies which have become/ceased to be a joint venture or associate during the FY 17 – Nil

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

Accounts

In terms of Section 136(1) of the Act, copies of the Audited Financial Statements of the Subsidiary Companies have not been included in the Annual Report.

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

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

Consolidated Financial Statements

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.

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

Statutory Auditors

M/s. S R B C & Co. LLP, Chartered Accountants have completed 10 years as Statutory Auditors of your Company. The provisions regarding rotation of auditors, as prescribed under the Act, are applicable to the Company. It was, hence, proposed to appoint M/s Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) ('PWC') as the Statutory Auditors for a period of 5 years to hold office from the conclusion of the ensuing AGM till the conclusion of the AGM of the Company to be held for financial year 2021-22, subject to ratification of their appointment at every AGM, during the term of their office. PWC have confirmed their eligibility under Section 141 of the Act, and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board of Directors recommends their appointment to the shareholders.

M/s. S R B C & Co. LLP have, over the past decade, helped the Company manage change, safeguard compliance, and optimise the quality and efficiency of its accounting, auditing, taxation and compliance domains. The Board places on record its appreciation for the services rendered by M/s. S R B C & Co. LLP as the Statutory Auditors of the Company.

Explanation on Statutory Auditor's Qualification

The remark of Auditors at basis for Qualified Opinion paragraph of the Auditor's Report over Note No. 53 in Notes to Accounts to the Standalone Ind AS financial statements of the Company regarding demand of excise duty and penalty amounting to ₹ 188 crores is self-explanatory and does not require further comment.

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

Cost Auditors

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its telecom products are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Mr. Kiran Naik, Cost Accountant, to audit the cost accounts of the Company for the FY 18 on a remuneration of ₹ 1,00,000. Mr. Kiran Naik has confirmed that his appointment is within the prescribed limits. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' approval for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included as part of the Notice convening the AGM.

Secretarial Audit Report

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, 2017. The Report of the Secretarial Auditor is annexed as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Financial Controls

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year such controls were tested and the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017 and are operating effectively, except for the possible effects of the material weakness as qualified by the auditors in there independent report on Internal Financial Controls.

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

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

The Company has documented Standard Operating Procedures (SOP) for procurement, project / expansion management, capital expenditure, human resources, sales and marketing, finance, treasury, compliance, safety, health, and environment (SHE), and manufacturing. The Group'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, authority, and resources of MAS are regularly reviewed by the Audit Committee. Besides, its work is supported by the services of leading international accountancy firms. The Company's system of internal audit includes: covering monthly physical verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. To enhance internal controls, the internal audit follows a stringent grading mechanism, focusing on the implementation of recommendations of internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

Business Risk Management

The Company has formally framed a Risk Management Plan to identify and assess the risk areas, monitor and report compliance and effectiveness of the policy and procedure. A detailed exercise is carried out periodically to identify, evaluate, manage and monitor both business and non-business risk. This plan seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk plan defines the risk management approach across the enterprise at various levels including documentation and reporting. The plan has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Audit Committee and 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 the Annual Report.

Vigil Mechanism / Whistle Blower Policy

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

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 IV**.

Non-Convertible Debentures

As on March 31, 2017, the Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of

₹ 150 crores. The Company has maintained 100% asset cover sufficient to discharge the principal amount at all times for its NCDs. These Debentures are listed on the debt segment of BSE Limited since April 11, 2017, as per the SEBI Guidelines and Listing Regulations. The details of debenture trustee are –

Axis Trustee Services Limited
Ground Floor, Axis House, Wadia International Centre,
Bombay Dyeing Mills Compound, Pandurang Budhkar Marg,
Worli, Mumbai – 400025, Maharashtra, India
Contact No.: +91-22-62260084

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 I** to this Report.

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 VII** 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 in as a separate annexure forming part of this Report. Having regard to the provisions of the first proviso to Section 136 (1) of the Act and as advised, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary or Registrar and Transfer Agent and the same will be furnished on request.

Disclosure Regarding Prevention of Sexual Harassment

The Company is committed to maintaining a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has also set up "Prevention of Sexual Harassment Committee" ('the Committee') to redress the Complaints received regarding sexual harassment which has formalised a free and fair enquiry process with clear timeline. During the year, one case was received and resolved by the Company. There are no cases pending as on the March 31, 2017.

Employees Stock Option Scheme

As the members are aware, the Company had launched Employee Stock Option Schemes for the employees in June 2006 (ESOP 2006) and December 2010 (ESOP 2010) respectively, in line with Company's philosophy of sharing benefits of growth with the growth drivers. The Company allotted 26,10,806 shares during the year to various employees who exercised their options. The details of the options vested during the year under review are provided in **Annexure II** to this report, as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'). The paid up Equity Share Capital as on March 31, 2017 was ₹ 79.66 crores divided into 39.83 Equity Shares of ₹ 2 each. The Company has not issued any equity shares with differential voting rights during the year. The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Regulations and the resolution passed by the shareholders. The Certificate would be placed at the AGM for inspection by members.

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

Investor Education and Protection Fund

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.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 30, 2016 (date of last AGM) on the website of the Company at https://www.sterlitetech.com/latest_disclosure.

Transfer of 'Underlying Shares' into Investor Education and Protection Fund ('IEPF') (in cases where unclaimed dividends have been transferred to IEPF for a consecutive period of seven years):

In terms of Section 125(6) of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Rules'), the Company is required to transfer the 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. As required under the said Rules, the Company had published a Notice in the newspapers inviting the Members' attention to the aforesaid Rules. The Company had also sent out individual communication dated November 30, 2016 to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.

In case no valid claim in respect of equity shares is received from the shareholders by such date as may be prescribed by the Ministry of Corporate Affairs, the Company shall, with a view to comply with the requirement set out in the rules, transfer the shares to IEPF by the due date, without any further notice, as per the procedure stipulated in the Rules.

Corporate Social Responsibility

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

As part of its initiatives under Corporate Social Responsibility, the Company has undertaken projects in the areas of Education, Health, Women Empowerment and Community Development during FY 17.

During the year, the Company has spent ₹ 3.05 crores (above two percent of the average net profits of the Company during the three immediately preceding financial years) on CSR activities. The Annual Report on CSR activities, in accordance with Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure VI** to this Report.

General

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

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

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

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

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

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

Acknowledgement

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

For and on behalf of the Board of Directors

Place : Pune
Date : April 26, 2017

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

Annexure I to the Directors' Report

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, 2017.

A. Conservation of Energy

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

a. The plant has installed additional APFC panel to improve PF to 0.997.

b. Introduction of chilled water instead of Brine for process cooling.

c. Installation of LED lights at various plants and offices which has resulted in reduction in energy consumption.

d. Arrested air leakages and saved 1500 units per month in air compressor.

e. Power saving of 68000 units by improving cooling efficiency by descaling and replacement of cooling tower pipeline by reducing the bends.

f. Auto ON-OFF control of Chillers, Cooling Tower fan based on temperature.

g. Installation of Air Boosters at Buffering lines so as to reduce the over-all set pressure of air compressors & thereby reducing load on compressors & hence power saving.

h. Initiation of Motion Sensor Installation in Offices.

i. Replacement of DC motors by AC motors for power saving.

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

k. Replacement of Extruder DC Motor By AC Motor in SHT-01,04 & 05. Unit Saved – 2.4 Lacs Unit / Year.

l. Replacement of DOL Starter with AC Drive for Cooling Tower Fan (2 Nos.). Unit Saved – 44000 Unit / Year.

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

a. Collecting of condensate water of AHU and feeding it back to cooling tower for makeup.

b. Installation of DG Synchronisation Unit for better optimisation of Power consumption when plant runs on DG.

c. Installation of Auto DG start to reduce the risk of power failure.

d. Water condensation during AC operation is being diverted to the soil again & hence the water conservation is done.

e. Transparent Roof Sheet is installed in Plant for more Sun Light in day time to increase the illumination level in plant & to reduce the usage of Overhead lights in day time.

3. The capital investment on energy conservation equipments

a. Replacement of Old UPS batteries for better back up at time of Power Cut, reduced Battery failure energy losses with Reliability uplift.

b. The Plant is replacing the Old DC motor with High efficiency AC Motor to improve the Power factor & to reduce the energy Consumption.

c. Initiate the installation of Energy Saver for Hot water system in Sheathing lines.

d. Replacement of DC to AC motors for Power Savings.

B. Technology Absorption

1. The efforts made towards technology absorption

a. Water softening plant (RO plant) to use soft water in processes & removal of hazardous chemical from it.

b. Installation of two DG and its synchronisation –Auto start panel to share the load.

c. Commissioning of MEE plant to reuse waste water for cooling tower make up.

d. FO saving of 40000 kgs by condensate recovery & auto control of pressure by installing control valve with saving of ₹ 10 Lakhs per annum.

e. Water consumption reduction of 360 M3/annum by reducing the waste water by recycling it.

f. FO saving of 80000 kgs/annum by improving MEE (Mutli Effect Evaporation) efficiency after revamping by improved technology.

g. Saved 200 units per day in Scrubber by reducing the pressure drop control in the system with saving of ₹ 4.8 Lakhs per annum.

h. Installation of Variable Frequency Drive (VFD) in Air Handling Units, 6 VFDs installed in AHU no 3, 10, 13, 24, 26, 37 resulting into Energy saving of 1080 units/ Day, power cost reduction to tune of ₹ 24 Lakhs per annum.

i. The process control for producing of bend insensitive fibers has been established by using appropriate design and optimisation tools in manufacturing, which has resulted in significant improvement in output. Reduced scrap and better sustainable performance has improved the productivity.

j. Simulations based design and development enabled lower number of design trials during development stage.

k. Highly advanced technology based extruder machines installed to generate high quality output.

l. Initiate the Replacement of Conversational Overhead Light by LED Light.

m. For Tension on Cable in Buncher section, replace the Mechanical Load from Dancer unit by Pneumatic Cylinder.

n. To Stop the Line on Wire Breakage in Buncher Section, Introduce the Spark Tester unit to stop the Line.

o. Installation of STP plant.

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

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 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.

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

a. The details of technology imported

b. The year of import

c. Whether the technology been fully absorbed

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

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

a. Capital – 21.38

b. Recurring – 15.27

c. Total – 36.65

d. Total R&D expenditure as a % of total turnover – 1.52%

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: ₹ 664.30 crores

Foreign Exchange Actual Outflow: ₹ 544.31 crores

Annexure II to the Directors' Report

Statement as at March 31, 2017 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	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	Achieving targets as per prescribed Performance Criteria	
4	Source of shares	Primary	
5	Options Granted	Total 1,90,60,977 options were granted as on March 31, 2017 the details of which are as follows:	
		Date of Grant	**No. of Options**
		29.12.2011	22,24,000
		27.07.2012	26,68,800
		30.04.2014	37,13,800
		30.03.2015	57,24,600
		28.01.2016	11,50,130
		13.07.2016*	14,40,647*
		25.07.2016	19,89,000
		18.01.2017	1,50,000
	* In order to compensate the loss of value in the share price of the Company post demerger of its Power Business, additional options were granted to such employees who had outstanding stock options as per ESOP Scheme 2010 as on Record Date for Demerger viz. June 16, 2016. Based upon Fair Valuation of existing Grants, the adjustment ratio was arrived at 1.19 and was approved by Nomination & Remuneration Committee.		
6	Exercise price	Options vest at a nominal value i.e. ₹ 2 per option	
7	Number of options outstanding at the beginning of the period	78,54,492	
8	Options vested	55,57,105	
9	Options exercised	45,81,191	
10	Total number of ordinary shares arising as a result of exercise of Options	45,81,191	
11	Options Lapsed	73,45,218	
12	Variation of terms of option	None	
13	Money raised by exercise of option	₹ 91,62,382/-	
14	Number of options outstanding at the end of the year	71,34,568	
15	Number of options exercisable at the end of the year	8,22,452	
16	Employee-wise details of options granted to		
I.	Number of options granted to Senior Managerial Personnel		
	Dr. Anand Agarwal CEO & Whole-time Director	8,44,170	
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	
17	Diluted earnings per share pursuant to issue of ordinary shares on exercise of Options calculated in accordance with Ind AS 33	₹ 3.48	
18	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	

Sr. No	Particulars	2010 Scheme						
19	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)	₹ 2						
	Weighted Average Fair value (per option)	Grant I - ₹ 25.87						
		Grant II – ₹ 29.77						
		Grant III – ₹ 28.22						
		Grant IV – ₹ 48.66						
		Grant V- ₹ 79.99						
		Grant VI- ₹ 84.62						
		Grant VII – ₹ 103.94						
20	A description of method and significant assumptions used during the year to estimate the fair values of options	The fair value of each option is estimate using the Black Scholes Option Pricing model after applying following weighted average Assumptions						
		GRANT						
		I	II	III	IV	V	VI	VII
	1. Risk Free Interest rate (%)	8.33	8.04	8.66	7.84	7.22	6.50	6.12
	2. Expected Life (yrs)	1.5	1.7	1.7	1.7	1.8	1.5	1.5
	3. Expected Volatility (%)	48.31	53.93	44.41	51.55	55.34	50.28	47.02
	4. Expected Dividend Yield (%)	0.73	0.79	0.79	0.59	0.72	1.14	0.47
	5. The price of underlying share at the time of grant (₹)	25.87	29.77	28.22	48.66	79.99	84.62	103.94
21	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:							
	- 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.							

Annexure III to the Directors' Report

Secretarial Audit Report
For the Financial Year ended 31 March 2017

[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,
E 1, MIDC Industrial Area, Waluj,
Aurangabad - 431 136,
Maharashtra

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2017 according to the provisions of:

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

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

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

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, effective from 1 July, 2015.

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

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

I further report that

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

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

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

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

I further report that during the Audit Period-

- The Scheme of Arrangement for demerger of the subsidiary of the Company Speedon Network Limited in the Company has been approved by the board of directors of the Company on 27 October 2016.

- Pursuant to the board resolution passed on 27 October 2016, the board authorised the issue of the Debentures on private placement basis. 1500 Secured Rated Listed Redeemable Non-Convertible Debentures of the Company bearing a face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) each aggregating ₹ 1,500,000,000/- (Rupees One Hundred and Fifty crore only) were allotted in 2 Series on 23 March 2017.

Place : Pune

Date : April 26, 2017

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

Annexure IV to the Directors' Report

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. Principal Business Activities of The Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1	Optical Fibre including cable & laying services	3890	75
3	Copper Telecom Cables	3130	13

* As per IEM issued from Department of Industrial Policy and Promotion, Ministry of Commerce, New Delhi.

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
1	Twin Star Overseas Ltd C/O CIM Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Holding	52.58%	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	Subsidiary	72%	2 (87)	U64201MH2012PLC234316
5	Elitecore Technologies (Mauritius) Limited 1st Floor, Wing B, Old Swan Building, Intendance Street, Port Louise, Mauritius	Subsidiary	100%	2 (87)	NA
6	Elitecore Technologies Sdn Bhd. (Malaysia) Level 2, No. 11, Jalan PJU 1A/41B, NZX Commercial Centre, Ara Jaya, 47301, Petaling Jaya, Selangor	Subsidiary	100%	2 (87)	NA
7	Sterlite Technologies Europe Ventures Ltd 221 Chr. Haggipavlou Street, Halios Court, 3rd Floor, Po Box 51625 3507 Limassol, Cyprus	Subsidiary	100%	2 (87)	NA

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

Sl. No.	Name and address of the Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
8	Sterlite Global Ventures (Mauritius) Ltd C/o Multiconsult Limited Rogers House, 5 President John Kennedy Street, Port Louis Mauritius	Subsidiary	100%	2 (87)	NA
9	Sterlite Technologies UK Ventures Limited Third Floor, 126-134 Baker Street, London W1U 6UE	Subsidiary	100%	2 (87)	NA
10	Jiangsu Sterlite Tonggaung Fiber Co. Ltd 777 Beihai Beihai Rd, Haimen Town, Hai Men City, Jiangsu	Subsidiary	75%	2 (87)	NA
11	Sterlite Conduspar Industrial Ltda Sao Jose dos Pinhais, State of Parana, at Rua Dr. Muricy, 4000, Barracoa Fundos, Bairro Coesteria, CEP 83015 – 290.	Subsidiary	58%	2 (87)	NA
12	Sterlite (Shanghai) Trading Company Limited (SSTCL) 1902 Far East International Plaza, 317 Xian Xia Road Shanghai 200051 China	Subsidiary	100%	2 (87)	NA

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

i) Category-wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year April 1, 2016				No. of shares held at the end of the year March 31, 2017				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
Promoter and Promoter Group									
Indian									
Individual /Hindu Undivided Family	20,25,056	-	20,25,056	0.51	28,08,956	0	28,08,956	0.71	0.19
Central Government/ State Government(s)	-	-	-	0.00	-	0	-	0.00	0.00
Bodies Corporate	47,64,295	-	47,64,295	1.21	47,64,295	0	47,64,295	1.20	(0.01)
Financial Institutions / Banks	-	-	-	0.00	-	0	-	0.00	0.00
Others	-	-	-	0.00	-	0	-	0.00	0.00
Sub-Total A(1) :	**67,89,351**	**-**	**67,89,351**	**1.72**	**75,73,251**	**0**	**75,73,251**	**1.90**	**0.18**
Foreign									
Individuals (NRIs/Foreign Individuals)	-	-	-	0.00	-	0	-	0.00	0.00
Bodies Corporate	20,94,02,750	-	20,94,02,750	52.99	20,94,02,750	0	20,94,02,750	52.58	(0.41)
Institutions	-	-	-	0.00	-	0	-	0.00	0.00
Qualified Foreign Investor	-	-	-	0.00	-	0	-	0.00	0.00
Others	-	-	-	0.00	-	0	-	0.00	0.00
Sub-Total A(2) :	**20,94,02,750**	**-**	**20,94,02,750**	**52.99**	**20,94,02,750**	**0**	**20,94,02,750**	**52.58**	**(0.41)**
Total A = A(1)+A(2)	**21,61,92,101**	**-**	**21,61,92,101**	**54.71**	**21,69,76,001**	**0**	**21,69,76,001**	**54.48**	**(0.23)**
Public Shareholding									
Institutions									
Mutual Funds /UTI	2,75,87,778	4,000	2,75,91,778	6.98	2,61,28,552	4000	2,61,32,552	6.56	(0.42)
Financial Institutions / Banks	3,35,384	10,510	3,45,894	0.09	6,74,884	10510	6,85,394	0.17	0.08
Central Government / State Government(s)	500	-	500	0.00	500	0	500	0.00	0.00
Venture Capital Funds	-	-	-	0.00	-	0	-	0.00	0.00
Insurance Companies	1,98,82,292	11,950	1,98,94,242	5.03	1,83,06,390	11950	1,83,18,340	4.60	(0.43)
Foreign Institutional Investors	53,48,122	10,205	53,58,327	1.36	12,89,656	10205	12,99,861	0.33	(1.03)
Foreign Venture Capital Investors	-	-	-	0.00	-	0	-	0.00	0.00
Qualified Foreign Investor	-	-	-	0.00	-	0	-	0.00	0.00

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

Category of Shareholder	No. of shares held at the beginning of the year April 1, 2016				No. of shares held at the end of the year March 31, 2017				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Portfolio Investor	1,01,12,724	-	1,01,12,724	2.56	2,67,32,707	0	2,67,32,707	6.71	4.15
Others	-	-	-	0.00	-	0	-	0.00	0.00
Sub-Total B(1) :	**6,32,66,800**	**36,665**	**6,33,03,465**	**16.02**	**7,31,32,689**	**36,665**	**7,31,69,354**	**18.37**	**2.35**
Non-Institutions									
Bodies Corporate	1,21,31,991	98,630	1,22,30,621	3.09	1,22,04,525	98,130	1,23,02,655	3.09	(0.01)
Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lakh	7,40,33,270	56,94,253	7,97,27,523	20.17	6,77,98,897	54,20,733	7,32,19,630	18.38	(1.79)
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1,86,73,906	76,360	1,87,50,266	4.74	1,80,43,760	76,360	1,81,20,120	4.55	(0.19)
Qualified Foreign Investor	-	-	-	0.00	-	0	-	0.00	0.00
Others									
Clearing Members	5,76,038	-	5,76,038	0.15	3,71,588	0	3,71,588	0.09	(0.05)
Directors	4,70,445	-	4,70,445	0.12	7,25,105	0	7,25,105	0.18	0.06
Foreign Nationals	37,650	-	37,650	0.01	83,713	0	83,713	0.02	0.01
Non Resident Indians	32,49,592	5,58,440	38,08,032	0.96	22,03,531	5,33,925	27,37,456	0.69	(0.28)
NRI Non-Repatriation	-	-	-	0.00	4,78,166	0	4,78,166	0.12	0.12
Overseas Corporate Bodies	200	-	200	0.00	200	0	200	0.00	0.00
Trusts	6,005	500	6,505	0.00	5,505	500	6,005	0.00	0.00
Sub-Total B(2) :	**10,91,79,097**	**64,28,183**	**11,56,07,280**	**29.25**	**10,19,14,990**	**61,29,648**	**10,80,44,638**	**27.13**	**(2.13)**
Total B = B(1)+B(2) :	**17,24,45,897**	**64,64,848**	**17,89,10,745**	**45.27**	**17,50,47,679**	**61,66,313**	**18,12,13,992**	**45.50**	**0.23**
Total (A+B) :	**38,86,37,998**	**64,64,848**	**39,51,02,846**	**99.98**	**39,20,23,680**	**61,66,313**	**39,81,89,993**	**99.98**	**0.00**
Shares held by custodians, against which Depository Receipts have been issued									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	85,550	-	85,550	0.02	85,550	0	85,550	0.02	0.00
Grand Total (A+B+C) :	**38,87,23,548**	**64,64,848**	**39,51,88,396**	**100.00**	**39,21,09,230**	**61,66,313**	**39,82,75,543**	**100.00**	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year March 31, 2016			Shareholding at the end of the year March 31, 2017			% change in share-holding 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	52.99	0.00	20,94,02,750	52.58	0	(0.41)

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) Regulations, 2011

(iii) Change in Promoters' Shareholding (please specify, if there is no change):- There is no change in the Promoters' Shareholding during FY 17.

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

Sl No.	Name of the Share Holder	Shareholding at the beginning of the Year as on April 1, 2016		Changes during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1.	LIFE INSURANCE CORPORATION OF INDIA	1,89,68,555	4.80				1,89,68,555	4.80
				03/03/2017	(5,37,116)	Sale	1,84,31,439	4.63
				10/03/2017	(2,99,031)	Sale	1,81,32,408	4.55
				17/03/2017	(2,58,854)	Sale	1,78,73,554	4.49
				24/03/2017	(1,10,901)	Sale	1,77,62,653	4.46
				31/03/2017	(2,00,000)	Sale	1,75,62,653	4.41
				31/03/2017	At the end of year		1,75,62,653	4.41
2.	DSP BLACKROCK EQUITY FUND	1,10,51,055	2.80				1,10,51,055	2.80
				08/04/2016	2,50,000	Purchase	1,13,01,055	2.86
				29/04/2016	(1,55,965)	Sale	1,11,45,090	2.82
				13/05/2016	30,746	Purchase	1,11,75,836	2.83
				20/05/2016	1,12,968	Purchase	1,12,88,804	2.86
				27/05/2016	1,99,999	Purchase	1,14,88,803	2.91
				23/09/2016	11,76,751	Purchase	1,26,65,554	3.20
				23/09/2016	(6,86,156)	Sale	1,19,79,398	3.03
				31/03/2017	(3,24,557)	Sale	1,16,54,841	2.93
				31/03/2017	At the end of year		1,16,54,841	2.93
3.	MACQUARIE EMERGING MARKETS ASIAN TRADING PTE. LTD.	0	0.00				-	0.00
				07/10/2016	1,63,000	Purchase	1,63,000	0.04
				18/11/2016	4,99,601	Purchase	6,62,601	0.17
				25/11/2016	30,04,732	Purchase	36,67,333	0.92
				02/12/2016	1,31,266	Purchase	37,98,599	0.95
				09/12/2016	1,28,970	Purchase	39,27,569	0.99
				16/12/2016	14,12,037	Purchase	53,39,606	1.34
				23/12/2016	6,31,031	Purchase	59,70,637	1.50
				30/12/2016	6,30,756	Purchase	66,01,393	1.66
				06/01/2017	1,16,443	Purchase	67,17,836	1.69
				24/03/2017	2,88,541	Purchase	70,06,377	1.76
				31/03/2017	64,636	Purchase	70,71,013	1.78
				31/03/2017	At the end of year		70,71,013	1.78
4.	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE DIV	1,00,33,836	2.54				1,00,33,836	2.54
				29/04/2016	(3,00,000)	Sale	97,33,836	2.46
				27/05/2016	(3,71,400)	Sale	93,62,436	2.37
				03/06/2016	10,00,000	Purchase	1,03,62,436	2.62
				03/06/2016	(10,32,600)	Sale	93,29,836	2.36
				24/06/2016	(1,53,754)	Sale	91,76,082	2.32
				30/06/2016	(2,46,246)	Sale	89,29,836	2.26
				29/07/2016	(800)	Sale	89,29,036	2.26
				05/08/2016	(1,50,000)	Sale	87,79,036	2.22
				16/12/2016	(5,00,000)	Sale	82,79,036	2.08
				13/01/2017	(12,00,000)	Sale	70,79,036	1.78
				20/01/2017	(5,50,000)	Sale	65,29,036	1.64
				10/02/2017	(42,900)	Sale	64,86,136	1.63
				17/02/2017	(3,00,000)	Sale	61,86,136	1.55
				31/03/2017	At the end of year		61,86,136	1.55
5.	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MONTHLY IN	0	0.00				-	0.00
				20/01/2017	9,90,000	Purchase	9,90,000	0.25
				27/01/2017	9,05,098	Purchase	18,95,098	0.48
				03/02/2017	25,95,225	Purchase	44,90,323	1.13
				10/02/2017	1,01,208	Purchase	45,91,531	1.15
				17/02/2017	4,32,339	Purchase	50,23,870	1.26
				24/02/2017	1,04,347	Purchase	51,28,217	1.29
				03/03/2017	2,36,900	Purchase	53,65,117	1.35
				10/03/2017	1,00,000	Purchase	54,65,117	1.37
				31/03/2017	1,60,483	Purchase	56,25,600	1.41
				31/03/2017	At the end of year		56,25,600	1.41

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

Sl No.	Name of the Share Holder	Shareholding at the beginning of the Year as on April 1, 2016		Changes during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
6.	AKASH BHANSHALI	28,38,144	0.72				28,38,144	0.72
				28/10/2016	(36,244)	Sale	28,01,900	0.70
				31/03/2017	At the end of year		28,01,900	0.70
7.	DIMENSIONAL EMERGING MARKETS VALUE FUND	32,13,238	0.81				32,13,238	0.81
				10/06/2016	(50,419)	Sale	31,62,819	0.80
				17/06/2016	(41,057)	Sale	31,21,762	0.79
				24/06/2016	(41,600)	Sale	30,80,162	0.78
				30/06/2016	(63,725)	Sale	30,16,437	0.76
				01/07/2016	(42,733)	Sale	29,73,704	0.75
				08/07/2016	(91,432)	Sale	28,82,272	0.73
				15/07/2016	(98,078)	Sale	27,84,194	0.70
				22/07/2016	(45,726)	Sale	27,38,468	0.69
				05/08/2016	(27,614)	Sale	27,10,854	0.69
				31/03/2017	At the end of year		27,10,854	0.68
8.	VALLABH BHANSHALI	21,78,100	0.55	No change during the year			21,78,100	0.55
9.	BLACKROCK INDIA EQUITIES FUND (MAURITIUS) LIMITED	16,84,445	0.43					
				08/07/2016	(40,698)	Sale	16,43,747	0.42
				29/07/2016	(56,396)	Sale	15,87,351	0.40
				05/08/2016	(20,105)	Sale	15,67,246	0.40
				23/12/2016	3,13,449	Purchase	18,80,695	0.47
				31/03/2017	At the end of year		18,80,695	0.47
10.	CREDIT SUISSE (SINGAPORE) LIMITED	6,001	0.00				6,001	0.00
				06/05/2016	492	Purchase	6,493	0.00
				03/06/2016	449	Purchase	6,942	0.00
				10/06/2016	(399)	Sale	6,543	0.00
				16/09/2016	1,880	Purchase	8,423	0.00
				23/09/2016	(1,880)	Sale	6,543	0.00
				21/10/2016	4,30,000	Purchase	4,36,543	0.11
				28/10/2016	8,49,867	Purchase	12,86,410	0.32
				04/11/2016	3,34,000	Purchase	16,20,410	0.41
				11/11/2016	96,000	Purchase	17,16,410	0.43
				02/12/2016	(449)	Sale	17,15,961	0.43
				10/03/2017	(535)	Sale	17,15,426	0.43
				31/03/2017	At the end of year		17,15,426	0.43

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name	Shareholding at the beginning of the year April 1, 2016		Changes during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the company
1.	Anil Agarwal - Chairman	Nil	Nil	No change during the year			Nil	Nil
2.	Pravin Agarwal – Vice-Chairman	6,54,500	0.17	17/06/2016	96,270	Purchase	7,50,770	0.19
				22/06/2016	3,730	Purchase	7,54,500	0.19
				29/06/2016	1,10,000	Purchase	8,64,500	0.21
				25/11/2016	2,12,000	Purchase	10,76,500	0.27
				09/12/2016	2,10,000	Purchase	12,86,500	0.33
3.	Arun Todarwal - Independent Director	1,925	0.00	No change during the year			1,925	0.00
4.	A R Narayanaswamy - Independent Director	Nil	Nil	No change during the year			Nil	Nil
5.	C V Krishnan - Independent Director	Nil	Nil	No change during the year			Nil	Nil
6.	Avaantika Kakkar – Independent Director	Nil	Nil	No change during the year			Nil	Nil
7.	Pratik Agarwal – Non-Executive Director	3,74,640	0.09	01/06/2016	1,13,500	Purchase	4,88,140	0.12
				09/02/2017	58,000	Sale	4,30,140	0.11
8.	Anand Agarwal (KMP) – CEO & Whole-time Director	4,68,520	0.12	23/08/2016	2,51,090	ESOP	7,19,610	0.18
				08/02/2017	3,570	ESOP	7,23,180	0.18
9.	Anupam Jindal (KMP) – Chief Financial Officer	73,700	0.02	No change during the year			73,700	0.02
10.	Amit Deshpande (KMP) – Company Secretary	6,000	0.00	23/08/2016	20,706	ESOP	26,706	0.01
				03/01/2017	6,000	Sale	20,706	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	704.70	199.90	-	904.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.98	-	-	2.98
Total (i+ii+iii)	707.68	199.90	-	907.58
Change in Indebtedness during the financial year				
- Addition	600.00	790.00	-	1,390.00
- Reduction	465.89	770.00	-	1,235.89
Net Change	134.11	20.00	-	154.11
Indebtedness at the end of the financial year				
i) Principal Amount	835.07	220.00	-	1,055.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.72	-	-	6.72
Total (i+ii+iii)	**841.79**	**220.00**	**-**	**1,061.79**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr Pravin Agarwal	Dr Anand Agarwal	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	945.38	612.16	1,557.54
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	82.24	223.54	305.78
	(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	17.28	9.40	26.68
	Provident Fund - Employer contribution	43.14	23.45	66.59
	Total (A)	**1,089.04**	**868.55**	**1,957.59**
	Ceiling as per the Act	₹ 2175.62 lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

Details of Stock Options are mentioned in details of Shareholding of Directors and Key Managerial Personnel

B. Remuneration to other directors:

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Name of Director					Total Amount
		Arun Todarwal	A R Narayanaswamy	C V Krishnan	Avaantika Kakkar	Pratik Agarwal	
1.	Independent Directors						
	● Fee for attending board committee meetings	4.70	2.75	1.70	0.60	-	9.75
	● Commission	12.50	12.50	0.00	12.50	-	37.50
	● Others, please specify	-	-	-	-	-	-
	Total (1)	**17.20**	**15.25**	**1.70**	**13.10**	**NA**	**47.25**
2.	Other Non-Executive Directors						
	● Fee for attending board committee meetings	-	-	-	-	0.50	0.50
	● Commission	-	-	-	-	12.50	12.50
	● Others, please specify	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**13.00**	**13.00**
	Total Managerial Remuneration Total =(1+2)	**17.20**	**15.25**	**1.70**	**13.10**	**13.00**	**60.25**
	Overall Ceiling as per the Act	₹ 217.56 lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

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

(₹ in Lacs)

SI No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	Company Secretary	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	612.16	127.95	34.58	774.69
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	223.54	1.38	18.03	242.95
	(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	9.40	1.68	0.47	11.55
	Provident Fund - Employer contribution	23.45	4.20	1.18	28.83
	Total	**868.55**	**135.20**	**54.27**	**1,058.02**

#Details of Stock Options are mentioned in details of Shareholding and Key Managerial Personnel

VII Penalties/Punishment/Compounding of Offences – NIL

Annexure V to the Directors' Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangements or transactions entered into during the financial year ended March 31 2017, which were not on arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   (a) Name(s) of the related party and nature of relationship:

   Twin Star Overseas Limited (TSOL) - Holding Company

   (b) Nature of contracts/arrangements/transactions:

   Sale of equity shares of Sterlite Power Technologies Private Limited (SPTPL) to TSOL.

   (c) Duration of the contracts/arrangements/transactions: The transaction was carried out on July 1, 2016.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Sale of 10,000 equity shares of Sterlite Power Technologies Private Limited to Twin Star Overseas Limited for consideration aggregating to ₹ 1 Lacs (₹ 10 per share).

   (e) Date(s) of approval by the Board, if any: January 28, 2016

   (f) Amount paid as advances, if any: - Not Applicable

For **Sterlite Technologies Limited**

Place : Pune
Date : April 26, 2017

Pravin Agarwal
Vice Chairman &
Whole-time Director

Anand Agarwal
CEO & Whole-time Director

Annexure VI to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2016-17

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.**

   The Company believes that in partnership with Government of India, and other development players (both national and international) the Company can positively impact and contribute to realisation of integrated development for rural, semi-urban and urban areas. Sustainable development of our businesses is dependent on sustainable, long lasting and mutually beneficial relationships with our stakeholders, especially our neighbors and communities the Company work with.

   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 FY 17, which will remain focus area for Company's CSR activities in future as well.

   A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken are covered in Company's CSR Policy which can be seen on the link as mentioned herein below:

   Weblink: https://www.sterlitetech.com/Code-of-Conduct-and-Policies

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:** ₹ 139.71 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: ₹ 2.79 crores

5. **Details of CSR spent during the financial year.**
   a. Total amount to be spent for the FY 17: ₹ 2.79 crores
   b. Amount unspent, if any: NIL
   c. Amount actually spent on CSR: ₹ 3.05 crores
   d. Manner in which the amount spent during the financial year is detailed below.

1 Sl. No.	2 CSR project or Activity Identified.	3 Sector	4 Location	5 Amount outlay (budget) project or programs wise(Lacs)	6 Amount spent on the projects (Lacs)	7 Cumulative expenditure upto to the reporting period (Lacs)	8 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	135.00	129.92	294.69	Direct
2.	Virtual Classroom Project - Technology based quality education program for underprivileged children from urban slums, in PPP with Municipal Corporation of Greater Mumbai (MCGM)	Education	Mumbai	69.00	63.70	147.53	Direct
3.	Educational Scholarships and Cultural Education	Education	Pune, Ahmedabad, Silvassa & other	25.00	23.31	23.31	Direct

1 Sl. No.	2 CSR project or Activity Identified.	3 Sector	4 Location	5 Amount outlay (budget) project or programs wise(Lacs)	6 Amount spent on the projects (Lacs)	7 Cumulative expenditure upto to the reporting period (Lacs)	8 Amount spent: Direct or through implementing agency *
4.	Model village: Pophala - Development of village through quality education initiatives, provision of basic health care services, women empowerment, agricultural development, natural resources management (Check dams, contours, green zone development, etc.)	Health, Women Empowerment, Community Development	Aurangabad	5.00	3.65	19.62	In-direct
5.	Project 'Sight First' - Initiative to provide eye-care, focused on cataract detection and operations in rural communities	Health	Aurangabad	3.50	4.13	9.38	In-direct
6.	Patient Assistant Course - Vocational training & placement program for women from rural communities	Women Empowerment	Aurangabad	4.00	8.08	15.68	In-direct
7.	Mobile Medical Unit - Enabling access to preventative and curative healthcare services across tribal communities in Diu, Daman, Dadra, Silvassa area	Health	Silvassa	28.5	22.38	44.58	In-direct
8.	Open Defecation Free Region, in PPP with local government	Community Development (Swachch Bharat)	Aurangabad, Silvassa	0	10.00	10.00	In-direct
9.	Lifeline Express - Enabling WiFi on a train that provides access to healthcare services in rural areas	Health	Multiple locations	0	10.27	10.27	In-direct
10.	Social Enterprise Incubation - Educational and Healthcare interventions	Education, Health, Community Development	Multiple locations	0	3.50	3.50	In-direct
11.	Project Jaldoot - Village development through water sustainability initiatives and holisitic development programs	Community Development	Aurangabad & Ahmedabad	15.00	4.09	18.09	Direct
12.	Blanket Distribution - Provision of care in winters to homeless and destitute population	Community Development	Multiple locations	8.50	9.64	9.64	Direct
13.	Administration and Management	Admin	Multiple locations	6.50	12.51	12.51	Direct + In-direct
	Total			**300.00**	**305.17**	**618.80**	

***Details of implementing agencies:** Sterlite Tech Foundation (Pune), Jnana Prabodhini (Pune), Tilak Maharashtra Vidyapeeth (Pune), Maharshi Ved Vyas Pratishthan (Pune), Apparel Training & Design Centre (ATDC, GoI), MCGM (Mumbai), Reniscience (Mumbai), UnLtd India (Mumbai), Vedanta Foundation (Mumbai), SSR Memorial Foundation (Mumbai), Impact India Foundation (Mumbai), Savitribai Phule Mahila Ekta Samaj Mandal (Aurangabad), Prayas Youth Foundation (Aurangabad), Sevapath (Aurangabad), Lions Club (Aurangabad), Muncipal Corporation of Aurangabad, Indian Red Cross Society (Silvassa), UT Administration (Silvassa, D&NH)

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

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

7. **CSR committee responsibility statement**
CSR Committee confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and policy of the Company.

Place : Pune	**Anand Agarwal**	**Arun Todarwal**
Date : April 26, 2017	CEO & Whole-time Director	Chairman CSR Committee

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, 2017

(₹ in crores)

Sl No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2016-17	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Pravin Agarwal Vice Chairman & Whole-time Director	10.89	14%	215
2.	Dr. Anand Agarwal (KMP) CEO & Whole-time Director	8.69	65%	172
3.	Mr. Anupam Jindal (KMP) Chief Financial Officer	1.35	1%	27
4.	Mr. Amit Deshpande (KMP) Company Secretary	0.54	43%	11

Note: As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the said amounts are not included above. 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 23.3%.

C. The number of permanent employees on the rolls of company as on March 31, 2017 is 2151.

D. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY 17 was 10.75%.

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

Annexure VIII to the Directors' Report

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 capitalisation of every financial year) to formulate a Dividend Distribution Policy.

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

4. Definitions

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, 2013 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 payout ratios of companies in the same industry;

J) Economic Viability;

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

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

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

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

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

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

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

5.3 Utilisation of retained earnings:

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

5.4 Parameters adopted with regard to various classes of shares:

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

6. Disclosure

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

7. General

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

Corporate Governance Report

1. Philosophy of the Company on Code of Governance

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard. Your Company perceives good corporate governance practices as a 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. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as conform to the highest standards of corporate behavior. Your Company is continuously striving to attain excellence in products, facilities, packaging and transportation, accompanied by excellent documentation and backed by client service. Similar to our personal performance monitoring, wherein our focus is towards being outstanding or excellent, all our products and business processes need to be 'Excellent' - first in our own perception and then in our customers' perception.

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 Company's Senior Management 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.

2. Board of Directors

The Board of Directors ('the Board') comprises two Whole Time Directors and six Non-Executive Directors including one woman director. Mr. Anil Agarwal is Non-Executive Chairman and Mr. Pravin Agarwal is Vice Chairman of the Board of Directors of the Company. In the absence of Mr. Anil Agarwal, the meetings are chaired by Mr. Pravin Agarwal, Whole-time Director. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), requiring that not less than half the Board should consist of Independent Directors.

Disclosures/Interest in Other Companies

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Listing Regulations and the Companies Act, 2013 ('the Act'). All the Directors have made necessary disclosures regarding Committee positions and Directorships held by them in other companies. None of the Directors on the Company's Board 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. The appointment of the Whole-time Directors, including the tenure and terms of remuneration are also approved by the members.

Board Meetings

During FY17, four board meetings were held on May 26, 2016; July 25, 2016; October 27, 2016 and January 18, 2017. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities were made available to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings. As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time. The Board also reviews the declaration made by the Chief Executive Officer regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliances, if any.

The composition of the Board, their attendance in board meetings and last Annual General Meeting ('AGM'), number of other Directorship(s) and Committee membership(s)/ chairmanship(s) and their shareholding details in the Company are as follows:

Name	Category	Board meetings attended	Attendance at the last AGM	Directorships in other companies[1]	Committee memberships & (chairpersonships) in other companies[2]	Number of shares held in the Company
Anil Agarwal	Promoter Non- Executive Chairman	01	No	04	Nil	Nil
Arun Todarwal	Independent Non-Executive	04	Yes	11	09 [03]	1925
A. R. Narayanaswamy	Independent Non-Executive	03	No	12	10 [03]	Nil
C V Krishnan	Independent Non-Executive	02	No	01	Nil	Nil
Avaantika Kakkar	Independent Non-Executive	01	No	10	09[01]	Nil
Pravin Agarwal	Promoter, Vice Chairman & Whole-time Director	04	Yes	05	Nil	12,86,500
Anand Agarwal	CEO & Whole-time Director	04	Yes	07	Nil	7,23,180
Pratik Agarwal	Promoter, Non-Executive	01	No	10	Nil	4,30,140

[1] All public, private, foreign, Section 8 Companies are included, excluding Directorship in Sterlite Technologies Limited

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

Notes:

a. Mr. Pravin Agarwal and Dr. Anand Agarwal, Whole-time Directors of the Company, are not appointed as Independent Director of any Listed Company.

b. Mr. Anil Agarwal and Mr. Pravin Agarwal are brothers. Mr. Pratik Agarwal is son of Mr. Pravin Agarwal.

c. None of the Company's Independent Directors served as Independent Director in more than seven listed companies.

3. Committees of The Board

I. Audit Committee

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

The terms of reference of the Audit Committee include:

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.
2. Reviewing the adequacy of internal audit function, the structure of the internal audit department, reporting structure, coverage and frequency of internal audit.
3. Recommending the appointment, terms of appointment and removal of statutory auditor and the fixation of audit fees, payment to statutory auditors for any other services rendered and any other related payments.
4. Reviewing the statutory and internal auditor's independence and performance and scrutinising the effectiveness of the entire audit process.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, and reporting structure coverage.
6. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
7. Reviewing, with the management, the quarterly and annual financial statements and the auditors' report before submission to the Board for approval, focusing primarily on:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
    b. Compliance with accounting standards and changes in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on exercise of judgment by the management.
    d. Audit qualifications and significant adjustments arising out of audit.

e. Significant adjustments made in the financial statements arising out of audit findings.

f. Compliance with listing and other legal requirements relating to financial statements.

g. Disclosure of any related party transactions.

8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue and more), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. Reviewing with the management, the periodical financial statements.
10. Reviewing with the management, external and internal auditors, the adequacy of internal financial control systems, frequency of internal audit, significant findings by internal auditors and follow up there on.
11. Discussion with external auditors, nature and scope of audit as well as have post-audit discussions.
12. Reviewing the Company's financial and risk management policies.
13. Reviewing Whistle Blower Mechanism (Vigil mechanism as per the Companies Act, 2013)
14. Reviewing Management Discussion and Analysis Report, Management letters / letters of internal control weaknesses issued by the statutory auditors, if any; internal audit reports relating to internal control weaknesses.
15. Approving any transactions or subsequent modifications of transactions with related parties.
16. Reviewing inter-corporate loans and investments.
17. Valuation of undertakings or assets of the Company, if necessary.
18. Reviewing of financial statements and investments made by subsidiary companies.
19. Look into the reasons for any substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
20. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
21. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

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

Composition and Meetings

The Audit Committee comprises three Non-Executive Directors who are independent and one Executive Director. Mr. Arun Todarwal, Chairman of the Committee (Non-Executive 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 AGM of the Company. The Committee met four times for FY17 on May 26, 2016; July 25, 2016; October 27, 2016 and January 18, 2017 and the gap between two meetings did not exceed one hundred and twenty days. The composition of the Committee and attendance at the Committee meetings are as follows:

Name	Category	Number of meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	04
A. R. Narayanaswamy	Non-Executive & Independent	03
C V Krishnan	Non-Executive & Independent	02
Pravin Agarwal	Vice Chairman & Whole-time Director	04

The meetings are usually attended by the Executive Directors, the CFO and representatives of Statutory Auditors and Internal Auditor. The business and operation heads are also invited to the meetings, as and when needed. The Company Secretary acts as the Secretary to the 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 Committee include:

1. Formulating 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. Formulating of the criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Administration of Employee Stock Option Scheme(s);
6. Reviewing and recommending the remuneration of the Company's Whole-time Directors.

Composition and Meetings

The Committee comprises three Non-Executive Independent Directors. Mr. Arun Todarwal is the Chairman of the Committee. He was present at the last AGM. The Committee met five times during FY17 on May 26, 2016; July 13, 2016, July 25, 2016, October 27, 2016 and January 18, 2017. The composition of the Committee and attendance at the Committee meetings are as follows:

Name	Category	Number of meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	05
A. R. Narayanaswamy	Non-Executive & Independent	04
C V Krishnan	Non-Executive & Independent	02

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances. The Committee met four times during FY17 on May 26, 2016; July 25, 2016; October 27, 2016 and January 18, 2017. During the year, the Company received 1,028 complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates and rejection of demat requests, among others, of which 4 are pending as on the year end. All complaints that were resolved were to the satisfaction of investors. The Company Secretary functions as the Compliance Officer of the Company. The composition of the Committee and attendance at the Committee meetings are as follows:

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

IV. 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 the 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 the 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 twice during FY17 on May 26, 2016 and January 18, 2017. Its composition and attendance are as follows:

Name	Category	Number of meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	02
A.R. Narayanaswamy	Non-Executive & Independent	01
Pravin Agarwal	Vice Chairman &Whole-time Director	02
Anand Agarwal	CEO & Whole-time Director	02

V. Other Committees

The Board has also constituted the following Committees, to assist to discharge its functions:

1. Banking and Authorisations Committee
2. Allotment Committee

These Committees operate within the limit of authorities, as delegated by the Board.

4. Seperate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, a separate meeting of the Company's Independent Directors was held on January 18, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

5. Board Evaluation

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

Policy for Selection and Appointment of Directors And Their Remuneration

The Nomination and Remuneration Committee (NRC) has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said charter.

a. **Appointment criteria and qualification:**
The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of the Board's diversity policy and recommend to the Board his / her appointment.

For the appointment of Key Managerial Personnel (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 Company's prevailing HR policies.

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

d. **Remuneration of Managing / Whole-time Director, KMP and Senior Management**
The remuneration / compensation / commission, etc. as the case may be, to the Managing / Whole-time Director will be determined by the NRC and recommended to the Board for approval. The remuneration / compensation / commission, etc. as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Company's Whole-time Director is authorised to decide the remuneration of KMP (other than Managing/ Whole-time Director) and Senior Management, and which shall be finalised 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 / the 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.

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 the Company's Whole-time Director for a period of five years w.e.f. 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 CEO of the Company for a period of five years w.e.f. July 30, 2015. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides.

A sitting fee of ₹ 50,000/- for attendance at each board meeting and ₹ 25,000/- for Audit Committee, and ₹ 10,000/- for meetings of other Committees is paid to its members (excluding Executive Directors). The remuneration by way of commission to the Non-executive Directors is decided by the Board 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, the members had approved the payment of remuneration by way of commission to the Company's Non-Executive Directors, of a sum not exceeding 1% per annum of the net profit of the Company. The break-up of remuneration paid to Directors (excluding provisions, if any) for FY17 is as follows:

(₹ in lacs)

Director	Salary / Perquisites*	Incentive/ Commission	Sitting Fee	Total
Anil Agarwal	-	-	-	-
Arun Todarwal	-	12.50	4.70	17.20
A. R. Narayanaswamy	-	12.50	2.75	15.25
C V Krishnan	-	-	1.70	1.70
Avaantika Kakkar	-	12.50	0.60	13.10
Pravin Agarwal	889.04	200.00	-	1,089.04
Anand Agarwal	668.55	200.00	-	868.55
Pratik Agarwal	-	12.50	0.50	13.00

*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. The remuneration of Dr. Anand Agarwal also includes the perquisite value of Employee Stock Options (ESOPs) exercised by him.

Note:

Details of ESOPs granted and exercised by Dr. Anand Agarwal

ESOP 2010	Grant I	Grant III	Grant IV	Grant VI
Date of Grant	December 29, 2011	April 30, 2014	March 30, 2015	July 25, 2016
Options Granted	1,00,000	1,80,000	3,50,000	1,30,000
Options Eligible for vesting*	30,000	1,80,000	3,50,000	-
Options Exercised during FY17**	3,000	36,000	1,75,000	-

* Options are eligible for vesting during the period of five years, as per the scheme.

** Equal number of equity shares has been allotted against the options exercised.

In order to compensate the loss of value in the share price of the Company post demerger of its Power Business, additional options were granted to such employees who had outstanding stock options as per ESOP Scheme 2010 as on Record Date for Demerger viz. June 16, 2016. Based upon Fair Valuation of existing Grants, the adjustment ratio was arrived at 1.19 and was approved by NRC. Accordingly, Dr. Anand Agarwal was granted 84,170 additional options convertible into equal number of equity shares. During FY17, Dr. Agarwal exercised 40,660 options against which equal number of shares were allotted to him.

6. Induction and Training 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 programme including the presentation from the Whole-time Director & CEO on the Company's manufacturing, marketing, finance and other important areas. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with executive committee members, business and functional heads, visit to the manufacturing site and more. On matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The familiarisation programme of Directors forms part of the Company's Nomination and Remuneration Policy and can be viewed on the Company's website in 'Investors' section at https://www.sterlitetech.com/Code-of-Conduct-and-Policies

7. General Body Meetings

Particulars of last three AGMs

Date	Venue	Time	Special Resolutions that were passed with requisite majority
August 19, 2014	Survey No. 68/1, Madhuban Dam Road, Rakholi – 396230, Union Territory of Dadra & Nagar Haveli, India	12.30 pm	● Enhancement of borrowing limit in terms of Section 180(1)(c) of the Act ● Creation of charge / mortgage etc. on Company's movable or immovable properties, in terms of Section 180(1)(a) of the Act ● 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 ● Approve related party transactions

Date	Venue	Time	Special Resolutions that were passed with requisite majority
August 04, 2015	Survey No. 68/1, Madhuban Dam Road, Rakholi – 396230, Union Territory of Dadra & Nagar Haveli, India	12.30 pm	● Re-appointment of Mr. Pravin Agarwal as a Whole-time Director ● Re-appointment of Dr. Anand Agarwal as a Whole-time Director ● Payment of remuneration to Non-executive Directors of the Company ● To offer or invite for subscription of non-convertible debentures on private placement basis ● Raising of the funds through QIP/ ECBs with rights of conversion into Shares/ FCCBs/ ADRs/ GDRs / OCPs/CCPs etc. pursuant to Section 62 of the Act ● To adopt new Articles of Association of the Company containing regulations in conformity with the Act ● Approve related party transactions
August 30, 2016	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra-431 136 India	11.00 am	● To offer or invite for subscription of Non-Convertible Debentures on private placement basis ● Raising of the funds through QIP/ ECBs with rights of conversion into Shares/ FCCBs/ ADRs/ GDRs / OCPs/CCPs etc. pursuant to Section 62 of the Act

The Company had provided facility of e-voting pursuant to provisions of the Act and the Listing Regulations, to its members.

A scrutiniser was appointed by the Company to monitor and review the e-voting process. On completion of e-voting process, the scrutiniser presented a report to the Chairman. All the resolutions were passed with requisite majority.

Details of resolutions passed by Postal Ballot – None of the transactions during FY17 were required to be passed through postal ballot.

8. Subsidiary Companies

The Company does not have any material subsidiary company. It has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations and the same is displayed on the its website at https://www.sterlitetech.com/Code-of-Conduct-and-Policies

Annual Financial Statements of the subsidiary companies are placed before the Audit Committee and the Board. Significant issues pertaining to all subsidiary companies are also discussed at Audit Committee meetings. Apart from disclosures made in the Directors' Report there were no strategic investments made by the Company's non-listed subsidiaries in FY17. The performance of all its subsidiaries is also quarterly reviewed by the Board. The minutes of all the 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.

9. 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. Majority of the Company's related party transactions are generally with its subsidiaries and associates. 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 FY17 were in the ordinary course of business (except for those mentioned in AOC-2, in the Directors' Report) and on an arm's length pricing basis. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the financial statements. The Board has approved the policy on Related Party Transactions which has been uploaded on the Company's website in 'Investors' section at https://www.sterlitetech.com/Code-of-Conduct-and-Policies

10. Implementation of 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 https://www.sterlitetech.com/Code-of-Conduct-and-Policies.The Code serves as a guide to the employees of the Company to make informed and prudent decisions and act on them. As required under the Listing Regulations, the affirmation of compliance with the Code from Directors and Senior Management personnel has been obtained for this financial year.

11. Vigil Mechanism

The Company has a Vigil mechanism and has adopted a 'Whistleblower Policy', which has been communicated to all employees along with Code of Business Conduct & Ethics. The Whistleblower policy is the mechanism to help the Company's Directors, employees, its subsidiaries and all external stakeholders to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy encourages raising concerns within the Company rather than overlooking a problem. All complaints under this policy are reported to the Director - Management Assurance, who is independent of operating management and businesses. 'Complaints' can also be sent to the designated e-mail id: stl.whistleblower@vedanta.co.in. The Director - Management Assurance reviews the 'Complaint', and may investigate it himself or may assign another person to investigate, or assist in investigating the complaint. At least once in every six months and whenever deemed necessary, Director – Management Assurance submits a report to the Audit Committee and any other member of the Company's management that the Audit Committee directs to receive such report, that summarises each 'Complaint' made within the last 12 months. The Whistleblower Policy also contains mechanism of redressal available for the Company's Directors, employees, its subsidiaries and all external stakeholders, if they feel that they have been retaliated against due to disclosure of concern. No person has been denied access to the Audit Committee. The whilstleblower policy has also been extended to external stakeholders like vendors, customers etc. The details of the Whistleblower Policy are available at https://www.sterlitetech.com/Code-of-Conduct-and-Policies

12. Prevention of Insider Trading

The Company has adopted a Code of Conduct for regulating, monitoring and reporting of trading by insiders of the Company ('the Code') as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code for FY17. Timely disclosures, as applicable, are made to the stock exchanges, of the transactions by employees or directors more than ₹ 10 Lakhs in a quarter.

13. 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).

14. 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 FY17.

c. As a result of its businesses and the global nature of its operations, the Company is exposed in particular to market risks from changes in foreign currency exchange rates and interest rates, while commodity price risks arise from procurement. The Company has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines upon which the Company's risk management processes for financial risks are based, are designed to identify and analyze these risks throughout the Company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

d. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations. Comments on adoption of non-mandatory requirements are given at the end of this report.

e. This corporate governance report of the Company for the financial year ended as on March 31, 2017 is in compliance with the requirements of Corporate Governance under Listing Regulations.

15. Means of Communication

a. Quarterly financial results are published in all-India editions of The Economic Times and in the Aurangabad and Pune edition of Maharashtra Times.

b. Results are also posted on the Company's website: www.sterlitetech.com and the websites of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

c. The Company also displays official news releases and the presentations made to institutional investors or to analysts on the website.

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

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

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

16. General Shareholder Information

Annual General Meeting	Tuesday, July 04, 2017 Time 11 a.m. IST E 1, MIDC Industrial Area, Waluj, Aurangabad - 431136, Maharashtra, INDIA
Book Closure Dates	Saturday, July 01, 2017 to Tuesday, July 04, 2017 (both days inclusive)
Dividend Payment Date	Dividend, if declared in the AGM will be paid within the statutory time limits.

Financial Calendar for FY18 (Financial Year April 1 to March 31)

First Quarter Results	End of July 2017
Half Yearly Results	End of October 2017
Third Quarter Results	End of January 2018
Fourth Quarter/Annual Results	End of April 2018

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, 2017 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.

Stock Price Data

Stock Price data for the period April 1, 2016 to March 31, 2017 is as detailed below:

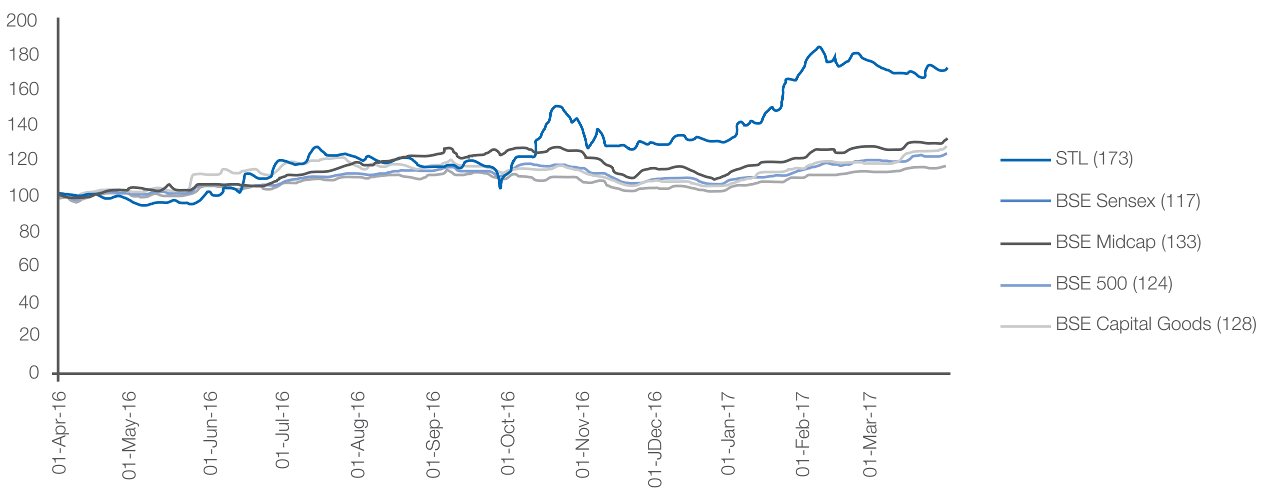
Month	Monthly High (₹) NSE	Monthly Low (₹) NSE	Monthly High (₹) BSE	Monthly Low (₹) BSE
Apr-16	94.70	86.90	93.40	88.10
May-16	93.00	84.10	92.50	84.60
Jun-16*	98.15	73.80	97.15	77.55
Jul-16	94.90	84.15	93.60	85.45
Aug-16	91.25	83.95	90.55	84.35
Sep-16	90.50	73.85	88.95	74.75
Oct-16	112.90	79.90	110.85	84.05
Nov-16	106.50	85.00	102.75	91.70
Dec-16	102.35	93.55	98.30	94.00
Jan-17	127.65	95.70	125.65	96.15
Feb-17	136.70	122.10	135.85	125.65
Mar-17	132.45	120.00	127.90	121.25

Sources: Data compiled from BSE & NSE official websites.

* Stock prices upto June 16, 2016 are reflective of the combined Telecom and Power business. Effective June 16, 2016 i.e. ex-record date for demerger, the stock prices are reflective of Telecom business only.

Stock Performance

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



Distribution of Shareholding as on March 31, 2017

Sr. No.	Category	Cases	% of Cases	No. of shares	% of shareholding
1	upto 5000	1,12,764	95.58	4,32,20,353	10.85
2	5001 - 10000	2,944	2.50	1,07,52,265	2.70
3	10001 - 20000	1,173	0.99	85,47,231	2.15
4	20001 - 30000	357	0.30	2,90,11,558	1.13
5	30001 - 40000	178	0.15	31,93,444	0.80
6	40001 - 50000	117	0.10	26,94,382	0.68
7	50001 - 100000	237	0.20	83,51,138	2.10
8	100001 & Above	209	0.18	31,70,10,951	79.60
	Total	**1,17,979**	**100.00**	**39,82,75,543**	**100.00**

Equity holding pattern as on March 31, 2017

Category	Number of Shares	% of Equity
Promoter Group	21,69,76,001	54.49
Banks, Directors, Mutual Funds, Trusts, UTI, LIC, Govt & Insurance Companies, Indian Financial Institutions, etc.	4,51,36,786	11.33
Foreign Bodies Corporates, FIIs, Foreign National, Foreign Portfolio Investors and NRIs	3,13,32,103	7.87
Bodies Corporates	1,22,32,855	3.07
Individuals (Public) & HUFs	9,20,64,855	23.12
Clearing Members	3,71,588	0.09
GDRs	85,550	0.02
Others	75,805	0.02
Total	**39,82,75,543**	**100.00**

Dematerialisation of Shares and Liquidity

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2017, 39,21,09,230 shares representing 98.45% of total equity capital were held in electronic form. The shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN allotted to the Company is INE089C01029.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date & likely impact on equity – The Company has 85,550 GDRs outstanding as on March 31, 2017.

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, 2016	5,451	21,59,960
Shareholders approached for transfer/delivery during FY17	22	7410
Shares transferred/ delivered during FY17	22	7410
Balance as on March 31, 2017	5,429	21,52,550

The voting rights on the shares in the suspense account as on March 31, 2017 shall remain frozen till the rightful owners of such shares claim the shares.

Share Transfer System

Two Directors and some Executives of the Company have been given powers to deal with all matters related to transfers, transmission, issuance of duplicate share/ debenture certificates, split and/or consolidation requests. In addition, the Company Secretary and authorised officials of the Registrar and Transfer Agents of the Company have been given powers to endorse registration of transfers on share certificates. The Company's shares being in compulsory demat list are also transferred through the depository system. The Company has entered into agreements with both the depositories NSDL & CDSL. Karvy Computershare Private Limited, Hyderabad is the Registrar and Transfer Agent for both physical and electronic mode of transfer of shares. Transfers of shares held in the physical mode are approved on a 10-days cycle. Physical shares sent for transfer are duly transferred within 10-15 days of receipt of documents, if found in order. Shares under objection are returned within 7-10 days.

Registrar & Transfer Agents

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

Karvy Computershare Private Limited
(Unit – Sterlite Technologies Limited)
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli, Nanakramguda,
Serilingampally
Hyderabad 500 008 India
Phone No.: 040 6716 1524
E-mail: einward.ris@karvy.com

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

Sterlite Technologies Limited
4th Floor, Godrej Millennium
9 Koregaon Road, Pune – 411 001
Maharashtra, India
Phone: +91-20-30514000
Fax: +91-20-30514113 E-mail: secretarial@sterlite.com

Registered Office:
E1, MIDC Industrial Area
Waluj, Aurangabad – 431 136, Maharashtra, India

Debenture Trustee
Axis Trustee Services Limited
Ground Floor, Axis House,
Wadia International Centre,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai – 400025.
Contact No.: +91-22-62260084

Depository Bank (GDRs)
Deutsche Bank AG
Trust & Securities Services
The Capital, C-70, G Block, 14th Floor,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051. India
Phone No. +91-22-71804386

Plant Locations

Optical Fiber	- E1, E2, E3, MIDC, Waluj, Aurangabad – 431136, India - AL-23, Shendra MIDC SEZ, Aurangabad - 431 201, Maharashtra, India
Fiber Optic Cables & OPGW Cables	Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa – 396230, Union Territory of Dadra & Nagar Haveli, India
Copper Telecom Cables & Structured Data Cables	Survey No. 33/1/1, Waghdara Road, Dadra – 396191, Union Territory of Dadra & Nagar Haveli, India

17. 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.

18. Compliance with Non-Mandatory Requirements

The status of compliance in respect of non-mandatory requirements of Corporate Governance is as follows:

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 the Company's website. The copy of results is furnished to all the shareholders who request for the same. Therefore, the Company does not circulate the half-yearly results to its shareholders.
3. **Modified opinion in audit report**
   Please refer to the explanation by the Board in the Directors' Report, on the qualification of auditors on the accounts for FY17.
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 CERTIFICATION

The Chief Executive Officer, 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, 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 given by the Chief Executive Officer, Whole-time Director and the Chief Financial Officer is published in this Report.

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, 2017 and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
d) We have indicated to the auditors and the Audit Committee:
   (i) significant changes in internal control during the year.
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For **Sterlite Technologies Limited**

Place : Pune	**Anand Agarwal**	**Anupam Jindal**
Date : April 26, 2017	CEO & Whole-time Director	Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the financial year ended March 31, 2017.

For **Sterlite Technologies Limited**

Place : Pune	**Anand Agarwal**
Date : April 26, 2017	CEO & Whole-time Director

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 BY STERLITE TECHNOLOGIES LIMITED

I have examined compliance by Sterlite Technologies Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2017.

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.

Place : Pune	**Dr. K R Chandratre**
Date : April 26, 2017	Practising Company Secretary
	FCS No. 1370. Certificate of Practice No. 5144

Business Responsibility Report

The principles of responsible business have guided the operations and activities at Sterlite Tech since inception. Driven by our vision to manufacture products in harmony with the environment while creating value for all stakeholders, we have always been in pursuit of achieving triple bottom line excellence. We firmly believe that true business value creation for any organisation is linked to the prosperity of all stakeholder groups. We are proud of all those who have been part of Sterlite Tech's success story over the decades, and aspire to take everyone along as we gear up to partner with the nation on its ambition to leapfrog into the digital age.

This Business Responsibility Report chronicles our actions in the area of sustainable development in the past one year. Aligning with the guidelines set forth by Securities and Exchange Board of India (SEBI), this report presents the commitment of the organisation to the principles as laid out in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by the Ministry of Corporate Affairs.

Section A: General Information about the Company

1	**Corporate Identity Number (CIN) of the Company**	L31300MH2000PLC269261	
2	**Name of the Company**	Sterlite Technologies Limited	
3	**Registered address**	E1, MIDC Industrial Area Waluj, Aurangabad, Maharashtra 431136	
4	**Website**	www. sterlitetech.com	
5	**E-mail id**	communications@sterlite.com	
6	**Financial Year reported**	2016-17	
7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Product / Service	NIC Code
		Optical Fibre including cable and laying services	3890
		Copper telecom cables	3130
8	**List three key products/services that the Company manufactures/ provides (as in balance sheet)**	Optical Fibre Fibre Optical Cable and laying services System Integration & Software	

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

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

The following two locations

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

(b) **Number of National Locations**

The following locations-

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

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

- In India, our customers include not only leading telecom companies but also state governments. We are also proud to have Indian Army as our customer for setting up optical fibre infrastructure in the testing and often inaccessible terrains of Jammu & Kashmir.
- We serve international markets across the globe with customers from Europe, the Middle East, Latin America and Asia. With strengthening international presence in Brazil and China, we have gained access to newer regions and customer-base, which will allow us to further build upon our global presence.

Section B: Financial Details of the Company

1	**Paid up Capital (₹)**	79.66 crore
2	**Total Turnover (₹)**	2,401.18 crore
3	**Total profit after taxes (₹)**	140.70 crore
4	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	2.17%
5	**List of activities in which expenditure in four above has been incurred:-**	

- Jeewan Jyoti – A programme for women empowerment in rural areas, by imparting vocational training, along with placement support.
- Virtual Classrooms – A technology-based quality education programme for underprivileged school going children of urban slums. This project is a joint initiative of Sterlite Tech Foundation and Mumbai Municipal Corporation.
- Project 'Sight First' – A project run near Aurangabad region for providing eye care facilities to senior citizens and helping them lead a healthy life without the need for depending on others. As part of this initiative, Sterlite Tech Foundation is assisting in cataract surgery and providing necessary care and treatment to patients.
- Medical Mobile Unit (MMU) – Operating a mobile health van equipped with necessary healthcare facilities with onboard doctors and nurses. The MMU has been instrumental in providing basic healthcare services in rural areas, creating health awareness, encouraging preventive care, addressing local health issues, etc.
- Project Jaldoot – Initiatives targeting the water scarce regions in vicinity of Aurangabad by enhancing water harvesting capacity of existing storage structures, water shed development activities and educating villagers in good irrigation practices.

Section C: Other Details

1	**Does the Company have any Subsidiary Company/ Companies?**	Yes
2	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	Yes, three (3) subsidiaries (Indian)
3	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**	

- Since we offer end-to-end solutions for our customers, we also guide on best practices and sustainable approaches during the laying of optical fibre cables as well as over the course of the life of our products. Hence, by partnering with our esteemed customers, we have been able to further extend the reach of our initiatives. We also are increasing our efforts to extend our sustainable development commitment across the supply chain and collaborating with our suppliers. Overall 30% of our customers are part of BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1	DIN Number	00057364
2	Name	Dr. Anand Agarwal
3	Designation	CEO & Whole-time Director

(b) Details of the BR Head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Darshan Mundada
3	Designation	Chief Sustainability Officer
4	Telephone number	+91 2030514000
5	e-mail id	darshan.mundada@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	N	N	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	N	N	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) [1]	Y	Y	Y	N	N	Y	N	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	N	N	N	Y	N	Y	Y
5	Does company have specified committee of the Board/ Director/ Official to oversee implementation of policy?	Y	Y	Y	N	N	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?	Code of Conduct[2]	Internal	Internal	N	N	Internal	N	CSR Policy[3]	Internal
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	N	N	Y	N	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	N	N	Y	N	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	N	N	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	N	N	Y	N	Y	Y

[1] Based on National Laws and Regulatory Framework

[2] https://www.sterlitetech.com/pdf/coc/Code-of-condact-24-page.pdf

[3] https://www.sterlitetech.com/pdf/coc/CSR-Policy-STL.pdf

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year				✓	✓		✓		
6	Any other reason (please specify)									

3 Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

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

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

While our individual units have prepared sustainability reports earlier, we are currently preparing an internal sustainability report 2016-17 adopting the globally recognised Global Reporting Initiative (GRI) G4 guidelines. Business Responsibility Report 2016-17 will be our first report.

Sterlite Tech Sustainability Council
Mr. Pravin Agarwal
Vice Chairman
Dr. Anand Agarwal
Chief Executive Officer
Mr. Amitabh Hajela
Chief People Officer
Mr. Gaurav Basra
Chief Strategy Officer
Mr. Darshan Mundada
Chief Sustainability Officer

Section E: Principle-wise Performance

PRINCIPLE 1: Business should conduct and govern themselves with ethics, transparency and accountability

Uncompromising business ethics are an integral part of our values and it has always been our vision to live up to the highest standards while upholding integrity in our every business transaction. We believe that ethical and economic values are interdependent and business communities must always strive to operate in compliance to the accepted global norms.

Our commitment towards ensuring that we conduct business and governance in a transparent and accountable manner is evident through comprehensive set of policies such as those for code of conduct and ethics as well as whistleblower policy and supply chain management policy.

These policies are an extension of our values and principles and act as guidance for managing business activities while maintaining utmost integrity.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?**
   Our Code of Conduct and Ethics policy applies to employees of Sterlite Tech and its subsidiaries. Our whistleblower policy applies to all employees of the Company, subsidiaries and all external stakeholders. All our supply chain partners are covered as part of the Supply Chain Management policy, which includes the principles on conducting business transactions with high level of ethics, transparency and integrity.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
   Under our whistleblowing policy, employees and external stakeholders are provided a designated email id to raise their concerns. During the year under review, there were four cases reported, of which one case is pending for closure as on the year end.

   Details of the shareholder complaints have been included in the corporate governance report of the Annual Report under the section on Stakeholders' Relationship Committee.

PRINCIPLE 2: Businesses should provide goods and services that are safe and contribute to sustainability

Sterlite Tech is one of the few fully-integrated optical fibre and cable manufacturer, globally. Our unique proposition of offering integrated solutions for clients enables us to proactively address sustainability challenges across the complete value chain.

Our actions are not only governed from the business perspective but we also give due importance to the sustainability impacts of our operations, products and services. We have taken several initiatives in this regard, which has helped us reduce the impact of our products and services. We have initiated a comprehensive assessment of our manufacturing activities to evaluate the waste reduction opportunities.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   We offer a comprehensive service in the form of Sterlite Smart City Solution Suite, which is an end-to-end approach for fast and future-proof network rollout. It is a unique offering that features complete programme management, project execution and network integration from infrastructure management to network applications.

   Smart City Solution - Our Smart City Solution has been carefully designed keeping in mind sustainability risks with efforts to minimise our environmental footprint and avoid any detrimental social impacts. We are not only enabling speedy and targeted delivery of services, Smart City Solution will help in bringing citizens closer to the government by enabling smarter services to citizens, providing efficient ways to connect with government agencies, improving productivity and service quality, and better governance resulting in overall increase in economic development. Enhanced safety through round-the-clock surveillance is another social benefit for citizens.

   Our product portfolio for customers includes innovations aimed at reducing resource consumption while also addressing the region-specific challenges for India. For eg., OH-LITE Nova cable has high bend tolerance resulting in low losses, which is particularly important where new fibre infrastructure is being setup. Similarly, our next-generation micro cables have lesser diameters allowing for more cables to be accommodated in ducts leading to overall resource conservation.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
   We are striving to achieve operational excellence at all our manufacturing locations. As a result of concerted efforts of all employees along with commitment from senior management, we have been able to bring about significant reduction in resource consumption at all our facilities. At Waluj, fresh water consumption has reduced by 35% over last five years. This was achieved by several efficiency improvement initiatives as well as effective effluent recycling, hence we are able to recycle all the effluent back into processes.

   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
   At Waluj and Shendra, we have been continuously looking at ways to reduce scrap generation. To achieve this, several internal projects are currently underway, which target reductions in waste generation during glass and fibre production. At product packaging end, we are recycling shipping spools, and plans are underway to recycle other packaging items as well.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   Our products inherently do not consume any energy or water during their use. However, for optical fibre there are losses associated with it resulting in weakening of signals. These losses increase even more if there are several bends in the system. To mitigate this, we have introduced OH-LITE Nova cables, which significantly reduce the losses due to bends in cable. This not only improves the overall signal quality but also results in significant savings in terms energy requirements by our customers.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**
   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
   We have formulated Supply Chain Management Policy with the objective of identifying and addressing various issues existing in the supply chain to achieve sustainable operation. To build a robust supply chain, we have traditionally identified and developed promising vendors and supported them by involving them as partners for continual improvement. Our vendor selection criteria gives due importance to the environmental and societal performance aspects and we regularly monitor our vendors to ensure that our suppliers are also operating as per the principles of sustainable development which Sterlite Tech abides. In this regard, we have recently included clause of sustainability in our contract draft, which will be incorporated in all future contracts.

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**
   We recognise the importance of partnering with vendors in vicinity of our operations and sharing the benefits of economic value creation with them. It goes without saying that having a strong and mature vendor base closer to manufacturing facility accords obvious financial benefits while also contributing to economic development of the region. Hence, as part of our responsible corporate citizenship commitment, all non-critical materials, such as packaging, machine spares, job work and more are procured from local vendors. We collaborate with these vendors to improve their skills and ensure that they meet the stringent requirements of Sterlite Tech. This has led to a win-win partnership with such vendors.

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   As part of our capacity building programmes, we have engaged and developed local partners in

Silvassa to produce and supply high quality FRP and wooden drums. At Waluj and Shendra, we conduct audit programmes, which gives vendors useful inputs on improvement in quality, capability and other parameters.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
We have a very strong process for recycling wastes that are generated at our manufacturing plants. Additionally, we are also recycling our plastic spools which are packaging items, and there is a plan to expand this to other types of packaging as well.

PRINCIPLE 3: Businesses should promote the wellbeing of all employees

We firmly believe that collective resolve of our employees is one of the fundamental pillars on which success of Sterlite Tech rests. Recognising this, we have gone to lengths to ensure that every member of Sterlite Tech family performs at their best while contributing towards achieving collective organisational goals.

Our commitment towards nurturing talent at Sterlite Tech is not only manifested in the form of policies but also through the initiatives aimed at creating an energetic workplace along with safe and healthy work environment.

Some of the initiatives aimed at ensuring employee wellbeing and overall engagement are:

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

1	**Please indicate the Total number of employees**		2,151
2	**Please indicate the Total number of employees hired on temporary/contractual/ casual basis.**		1,305
3	**Please indicate the Number of permanent women employees.**		302
4	**Please indicate the Number of permanent employees with disabilities**		1
5	**Do you have an employee association that is recognised by management**		No
6	**What percentage of your permanent employees is members of this recognised employee association?**		NA
7	**Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**		
	No. Category	**No of complaints filed during the financial year**	**No of complaints pending as on end of the financial year**
	1 Child labour/forced labour/involuntary labour	Nil	Nil
	2 Sexual harassment	1	Nil
	3 Discriminatory employment	Nil	Nil
8	**What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**		
	(a) Permanent Employees	Safety Training - 100%	
		Skill upgradation - 72%	
	(b) Permanent Women Employees	Safety training 100%	
		Skill upgradation -75%	
	(c) Casual/Temporary/Contractual Employees	Safety training - 100% (We don't maintain records for skill upgradation training for contract manpower, as the trainings are conducted by contractor)	
	(d) Employees with Disabilities	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?**
   Our business philosophy at Sterlite Tech has been to constructively engage with all the stakeholder groups while creating shared value. We have always adopted a proactive approach for reaching out to the stakeholders for gauging their perception, needs and expectations. This understanding has helped us to design interventions, which align with our business goals while bringing about a positive impact in the lives of people.

   We recognise our stakeholders as any person or groups who are affected by our business activities and / or have a potential or actual impact on our business by the way of their presence in vicinity of our operations or by the way of their perceptions and opinions.

   Over the years, we have identified and prioritised stakeholders by understanding their influencing ability and interest level. This has allowed us to map stakeholders effectively and come up with engagement strategies.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.**
   We actively engage with the communities near our operations, and our objective has been to identify and work towards upliftment of those who are socially and financially disadvantaged.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**
   Near our manufacturing facility in Silvassa, we are working for bringing the tribal communities from nearby villages into mainstream through proactive interventions. Members of our corporate foundation - Sterlite Tech Foundation, a non profit trust created to anchor our efforts, visit such villages to understand the lifestyle of tribal communities and identify concern areas.

   The region of Marathwada where our Aurangabad facility is located, has traditionally been drought prone due to scanty rainfall and unpredictable monsoon. Through our project 'Jaldoot', we have worked in the 10 worst affected villages to enhance the storage capacity of existing structures and educate farmers on water conservation, use of irrigation and cropping patterns.

   Our efforts to develop a village into model village have borne fruits with the transformation achieved at Pophala village. After providing the necessary assistance in terms of infrastructure and technological know-how to the villagers, we have handed over the village to the community to keep it self-sustainable.

   Jeewan Jyoti project by Sterlite Tech Foundation operates to address the issues like low women literacy, social system which undermines women, underdeveloped education, social and economic infrastructure in an around Ambavane through the institute's vocational courses and personality and economic development.

   The details of these initiatives have been presented in the Annual Report on Corporate Social Responsibility as Annexure VI of the Directors' Report.

PRINCIPLE 5: Businesses should respect and promote human rights

Respecting human rights has always been accorded utmost importance at every operational location of Sterlite. We are committed towards ensuring fundamental human rights for every employee and have laid down necessary framework as required by the applicable laws, for ensuring the same. We ensure that every employee has access to platforms to voice their concerns and grievances in an appropriate manner, which is duly recorded and taken up for resolution. Details of such helpline and communication channels have been effectively communicated to every employee at all our facilities. These are also displayed prominently at the key locations such that everyone has access to the information.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   While the organisation's commitment towards respecting and upholding human rights is enshrined in code of conduct, which is abiding for all employees, we are currently in the process of strengthening our policies to enhance their scope and coverage particularly concerning to respecting human rights. The policy is in the process of being vetted by the senior management and would be implemented thereafter.

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

To demonstrate environmental excellence is evident from the commitment of top management through the Quality, Environment, Health and Safety (QEHS) policy, which has been implemented across all facilities of Sterlite Tech. The policy stresses on minimising pollution at sources and conserving natural resources. We have inculcated a culture for environmental conservation at every level in the organisational structure. This has been achieved through effective sensitisation about the imminent need for protecting and restoring environment while minimising the footprint of our activities.

PROJECT GREEN BELT is an initiative of Sterlite Tech to maintain environmental balance with 5,000+ tree plantation along the Waluj MIDC roads.

- Under this project, plantation of Indian species of big shade or fruit bearing trees or flowering plants has been done to maintain the flora and fauna of the area.

- Whole plantation has been covered with drip irrigation and mulching to minimise water consumption.
- The yard is now transformed in to green yard with Arjun, Pipal, Mahogany, Kadamba, Indian Cherry, Mango, Ramphal and other big shade trees.
- There is also a water pond and artificial shelter installed in green belt area for birds.
- Reuse of old tires for plantation is also a major attraction in this project

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**
   The QEHS policy is applicable to Sterlite Tech and its subsidiaries.
2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.**
   Yes. Our smart city solution is one such initiative aimed at addressing environmental risks and mitigating them. The concept of connected cities not only helps in improved governance, it also affords capabilities for disaster management. Further, by ensuring round the clock monitoring, smart city network ensures early detection and warning for any natural calamity allowing for quicker response. Apart from this, we recognise challenges faced by communities residing in the water stressed regions around Aurangabad. Hence, we have collaborated with villagers and Government agencies through Project Jaldoot. As part of this, we are rejuvenating local water bodies and spreading awareness for water conservation towards mitigating adverse impact due to climate change and global warming. Further details about the same are hosted on the Company's website at https://www.sterlitetech.com/b_business.
3. **Does the company identify and assess potential environmental risks?**
   Yes. We have established a Sustainability Council, which is chaired by the CEO and meetings are held on a periodic basis to review and assess the environmental risks faced by the organisation along with monitoring of various initiatives in progress. While sustainability has always been deeply ingrained in the organisational purpose at Sterlite Tech, the establishment of Sustainability Council has been premised on the need for continually evaluating the sustainability risks faced by the organisation in the evolving business scenario. As a result of growing customer awareness and ever stringent regulations coupled with the expanding market base of Sterlite Tech, we have put together a process to critically review business strategy incorporating the potential effects of environmental risks on our operations.
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   Not applicable.
5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   We have established Energy Management System in our manufacturing plants, which provides real time analysis of power consumption. This has enabled us to tap on the energy saving potential and keep monitoring the opportunities for optimising energy usage. Initiatives such as efficient air-conditioners, power factor correction equipment, variable frequency drives and timers for various electrical fitments have led to significant savings in electricity consumption.

   As part of Project Jyoti, installation of transparent FRP sheets in plant sheds has been completed, leading to energy savings. The motivation here has been to maximise the utilisation of natural sunlight while avoiding usage of electricity. The replacement of electrical lamps has led to considerable reduction in electricity consumption at our plants.

   We are also actively considering adoption of solar PV for meeting our non-process electricity consumption and have already incorporated Rain Water Harvesting (RWH) provision in facility expansions completed recently. Additionally, for our existing manufacturing locations, we are in the process of setting up the infrastructure for collecting rain water and using it directly or recharging the ground water table.
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   As on the end of year, no show cause/ legal notices are pending.

PRINCIPLE 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   - Federation of Indian Chamber of Commerce & Industry (FICCI)
   - Cellular Operator Association of India (COAI)
   - The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
   - Telecom Equipment Export Promotion Council (TEPC)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?; if yes specify the broad areas (drop**

box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, we are actively advocating for greater good. The business scenario is undergoing a transformation with rapid technological shift. In such a scenario, we have voiced our opinion at various forums and industry associations for promoting development of policies and regulatory frameworks for meeting the demands of an economically surging nation like India while also ensuring competitive environment.

Current times are witnessing major push from the Government of India for upgrading cities across the country as Smart Cities. The idea of Smart City envisages a connected urban environment for citizens, which not only provides them quick and easy access to governance but also uplifts their living to far more comfortable and secure levels. For this Smart City vision, we are closely interacting with concerned authorities to share the global best practices and advocating ways for better visualisation of a Smart City and shaping the landscape.

PRINCIPLE 8: Businesses should support inclusive growth and equitable development

Our commitment has always been to demonstrate highest standards of corporate citizenship and thus, our approach has been to proactively evaluate social and environmental factors that can potentially influence our business activities in the long term. Based on this, we have defined a strategy to effectively engage with the impacted stakeholder groups.

Our CSR focus encompasses environmental protection, resource repletion, health and empowerment through education, working in partnership with credible non-profit organisations on a wide spectrum of related projects.

We consciously partner with communities near our manufacturing facilities and those geographic regions, which fall under the radius of our influence, with a clear goal – to give back to society in such a way that needs of the marginalised sections are responded to and improvements made in the quality of their lives.

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof**

   The details of our CSR initiatives are presented as Annexure VI to the Directors' Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The CSR projects are undertaken by Sterlite Tech Foundation either directly or through an external NGO or government structures.

3. **Have you done any impact assessment of your initiative?**

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

   - Activity indicators, which show if we are on track to deliver the activities in our project plan
   - Outcome indicators, which tell us if project activities are making a difference
   - Impact indicators, which tell us the short- to medium-term impact, resulting from project outcomes

These KPIs are tracked on a quarterly and annual basis by the CSR team and the NGO partners. The CSR team is closely associated with the monitoring and evaluation process and uses tools like physical verification (site visits), group discussions at the CSR location, surprise visits or participatory rural appraisal to ensure projects are delivering as per the plan.

As part of the Project Jaldoot, Sterlite Tech Foundation has successfully achieved the objective of reducing water scarcity, ensuring livelihood security and enhancing economic development of farmers through effective and sustainable management of available natural resources at a fraction of the estimated cost. This has led to saving of 644,000 cubic meters of water bringing 1290 acres of land in 10 villages under irrigation benefiting over 14,000 people and 458 farmers. Notably, within 15 days of initiating the project, Sterlite Tech Foundation achieved the feat of de-silting 10 cemented check dams on a war footing.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   Details of our expenditure incurred on CSR initiatives are presented as Annexure VI to the Directors' Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   We conduct periodic review of all our CSR projects to determine the effectiveness of the initiatives. We also conduct audit for our CSR projects, which is performed by an independent third party agency and based on this the details are then reported in the Annual Report.

   Our ultimate objective with each of our CSR interventions is to deliver shared value for society. Our concept of shared value rests on the belief that business value creation and societal value creation go hand in hand, and achieving business prosperity is possible unless society benefits from the business value creation.

PRINCIPLE 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Being a customer-centric organisation, delivering products and solutions which not only meet but exceed the clients' expectations has always been our prime objective. This has even been established through a robust QEHS policy, which aims at enhancing customer satisfaction by understanding their changing requirements, through global benchmarking. The policy also lays down our commitment to continually improve quality parameters, reduce total cost of product, maximise recycle, reduce wastes, discharges and emission, and prevent/minimise impact on population thus, creating further value for our customers.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   At Waluj and Shendra, total numbers of complaints open in system are 73 as on March 31, 2017.

   At Rakholi and Dadra, the numbers are 17% and 10%, respectively.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**
   All our product labels are made in compliance with the local law and consumer requirements.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   There are no cases filed or pending against Sterlite Tech 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?**
   All our plants conduct customer satisfaction surveys. At Waluj and Shendra, Customer Satisfaction (CSAT) survey has been conducted for four optical fibre customers in the FY17.

Independent Auditor's Report

To the Members of Sterlite Technologies Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Basis for qualified opinion

As stated in Note 53 to the accompanying standalone Ind AS financial statements, the Company had in an earlier year received an order of CESTAT upholding a demand of ₹188 crores (including penalties and excluding interest) (₹ 188 crores as at March 31, 2016) in a pending excise/customs matter. The Company's appeal against this order with the Honourable Supreme Court has been admitted. Based on the current status and legal advice received, provision for liability as recorded and disclosed in Note 20 in the accompanying standalone Ind AS financial statements is considered adequate by Management. In the event the decision of the Honourable Supreme Court goes against the Company on any of the grounds of appeal, additional provision against the said demand may be required. Pending disposal of the matter by the Honourable Supreme Court, we are unable to comment on the adequacy of the provisions made towards the amount of excise / customs duty payable. Our audit opinion on the standalone financial statements for the year ended March 31, 2016 was also qualified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, of its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 54C to the standalone Ind AS financial statements which describes the accounting for merger which has been done as per the Scheme of amalgamation approved by the High Court. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

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

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

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

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

      i. Except for the possible effect of the matter described in the Basis for Qualified Opinion above, the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Notes 20, 40 and 53 to the standalone Ind AS 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 23 to the standalone Ind AS 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 Company has provided requisite disclosures in Note 54D to these standalone Ind AS financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place of Signature: Pune
Date: April 26, 2017

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

Re: Sterlite Technologies Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management in earlier year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, related to the manufacture of data cables 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 same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

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

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	188.00	2001–2003	Supreme Court
		0.70	2002-2003	Bombay High Court
		28.77	2001-2008	Bombay High Court
		3.06	2001-2003	Commissioner
Customs Act, 1962	Custom Duty	67.24	2001-2004	Bombay High Court
Finance Act, 1994	Service Tax	0.63	2003-2007	Bombay High Court
Income Tax Act, 1961	Income Tax	1.75	AY11-12, AY13-14, AY14-15	CIT (Appeals)
		0.06	AY09-10, AY12-13	ITAT

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government. As stated in Note 40 to the standalone Ind AS financial statements, the Company continues to dispute amounts aggregating ₹ 18.87 Crores debited by a bank in the earlier years, towards import consignments under Letters 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 information and explanations given by the management, monies raised by the company by way of debt instruments in the nature on non-convertible debentures and term loans were applied for the purpose for which the loans were obtained. Further, according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer during the year.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

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

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

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

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place of Signature: Pune
Date: April 26, 2017

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Sterlite Technologies Limted

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

The Company's internal financial controls over evaluation and assessment of provision for an excise/customs matter pending with the Honourable Supreme Court were not operating effectively which could potentially result in the Company not recognising sufficient provision there against.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of Sterlite Technologies Limited, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone Ind AS financial statements of Sterlite Technologies Limited and this report affects our report dated April 26, 2017, which expressed a qualified opinion on those standalone Ind AS financial statements.

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place of Signature: Pune
Date: April 26, 2017

Balance Sheet as at 31 March 2017

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Assets				
Non-current assets				
Property, plant & equipment	3	950.94	770.31	685.76
Capital work-in-progress	3	14.75	124.76	29.96
Investment property	6	9.04	9.19	9.35
Goodwill	4, 5	103.57	133.21	-
Other intangible assets	4	10.29	10.69	6.72
Investment in subsidiaries	7A	251.65	130.95	123.87
Financial assets				
Investments	7B	13.20	1.60	-
Trade receivables	9	4.52	0.39	10.27
Loans	8	120.44	92.70	56.73
Other non-current financial assets	10	10.00	9.58	5.40
Other non-current assets	11	7.93	19.84	13.31
		1,496.33	**1,303.22**	**941.36**
Current assets				
Inventories	13	309.31	189.19	161.36
Financial assets				
Investments	12	35.01	-	55.11
Trade receivables	9	694.32	741.22	485.34
Cash and cash equivalents	14A	71.34	20.82	41.13
Other bank balances	14B	7.60	18.23	218.69
Loans	8	-	-	3.98
Other current financial assets	10	67.54	90.90	39.43
Other current assets	11	205.51	144.41	82.77
		1,390.62	**1,204.77**	**1,087.81**
Total Assets		**2,886.95**	**2,507.99**	**2,029.17**
Equity and Liabilities				
Equity				
Equity share capital	15	79.66	79.04	78.81
Other equity				
Securities premium	16	16.04	4.67	1.46
Retained earnings	16	707.53	676.59	525.81
Other reserves	16	168.09	133.89	119.82
Total Equity		**971.32**	**894.19**	**725.91**
Non-current liabilities				
Financial Liabilities				
Borrowings	18	404.57	327.90	573.73
Other financial liabilities	23	111.92	100.77	23.43
Employee benefit obligations	36	12.03	11.43	5.51
Provisions	20	22.90	14.57	1.11
Deferred tax liabilities (net)	19	42.76	43.26	27.93
		594.18	**497.93**	**631.72**
Current liabilities				
Financial liablities				
Borrowings	21	588.72	339.72	183.67
Trade payables	22	432.21	358.08	321.30
Other financial liabilities	23	226.89	373.09	140.68
Other liabilities	24	46.32	24.02	8.99
Employee benefit obligations	36	13.56	10.56	7.41
Provisions	20	13.75	10.40	9.50
		1,321.45	**1,115.87**	**671.54**
Total equity and liabilities		**2,886.95**	**2,507.99**	**2,029.17**
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the board of directors of Sterlite Technologies Limited

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

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

Anupam Jindal
Chief Financial Officer

Place : Pune
Date : 26 April 2017

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Amit Deshpande
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Income			
Revenue from operations	25	2,401.18	2,158.78
Other income	27	10.90	3.28
Total Income (I)		**2,412.08**	**2,162.06**
Expenses			
Cost of raw material and components consumed	28	1,021.90	897.68
Purchase of traded goods		40.58	33.44
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	(102.27)	(12.71)
Excise duty on sale of goods		144.80	131.07
Employee benefits expense	30	258.28	178.87
Other expenses	31	618.26	498.60
Total Expenses (II)		**1,981.55**	**1,726.95**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**430.53**	**435.11**
Depreciation and amortisation expense	32	138.49	107.02
Finance costs	33	112.15	97.88
Finance income	26	(18.09)	(17.39)
Profit before tax		**197.98**	**247.61**
Tax expense:			
Current tax		51.55	52.77
Deferred tax		2.47	19.35
Adjustment of tax relating to earlier periods		3.22	(5.93)
Income tax expense		**57.24**	**66.19**
Profit for the year		**140.74**	**181.42**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(0.83)	1.98
Income tax effect		0.29	(0.69)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(0.55)**	**1.29**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans (note 36)		(0.82)	(3.34)
Income Tax effect		0.28	1.16
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(0.53)**	**(2.18)**
Other comprehensive income for the year, net of tax		**(1.08)**	**(0.89)**
Total comprehensive income for the year, net of tax		**139.66**	**180.53**
Earnings per equity share	34		
Basic			
Computed on the basis of profit for the year (₹)		**3.55**	**4.60**
Diluted			
Computed on the basis of profit for the year (₹)		**3.48**	**4.50**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the board of directors of Sterlite Technologies Limited

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

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

Anupam Jindal
Chief Financial Officer

Place : Pune
Date : 26 April 2017

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Amit Deshpande
Company Secretary

Statement of Changes in Equity

A. EQUITY SHARE CPITAL

(All amounts in ₹ crores unless otherwise stated)

	No. in Crs.	(₹ in crores)
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At 1 April 2015	**39.41**	**78.81**
Issued during the year - ESOP	0.11	0.23
Issued during the year - bonus on ESOP	0.00 *	0.00*
At 31 March 2016	**39.52**	**79.04**
Issued during the year - ESOP	0.31	0.62
Issued during the year - bonus on ESOP	-	-
At 31 March 2017	**39.83**	**79.66**

* Figures below 0.01 crore.

B. OTHER EQUITY

	Capital Reserve	Securities Premium	Employee stock option	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve
As at 1 April 2015	**0.04**	**1.46**	**5.43**	**112.50**	**-**	**525.81**	**1.85**
Profit for the year	-	-	-	-	-	181.42	-
Other comprehensive income	-	-	-	-	-	(2.18)	1.29
Total comprehensive income	**0.04**	**1.46**	**5.43**	**112.50**	**-**	**705.05**	**3.15**
Exercise of ESOPs	-	3.21	(3.21)	-	-	-	-
Issue of bonus shares	-	(0.00)*	-	-	-	-	-
Employees stock option expenses for the year (refer note 37)	-	-	13.46	-	-	-	-
Amount charged to resulting company (refer note 54G)	-	-	3.37	-	-	-	-
Amount transferred from debenture redemption reserve	-	-	-	(75.00)	75.00	-	-
Final equity dividend including taxes thereon	-	-	-	-	-	(28.46)	-
Recycled to statement of profit and loss	-	-	-	-	-	-	(0.84)
As at 31 March 2016	**0.04**	**4.67**	**19.06**	**37.50**	**75.00**	**676.59**	**2.31**
Profit for the year	-	-	-	-	-	140.74	-
Other comprehensive income	-	-	-	-	-	(0.53)	(0.55)
Total comprehensive income	**0.04**	**4.67**	**19.06**	**37.50**	**75.00**	**816.80**	**1.76**
Exercise of ESOPs	-	11.37	(11.37)	-	-	-	-
Employees stock option expenses for the year (refer note 37)	-	-	11.30	-	-	-	-
Amount charged to resulting company (refer note 54G)	-	-	0.76	-	-	-	-
Amount transferred from debenture redemption reserve	-	-	-	(37.50)	37.50	-	-
Amount transferred to debenture redemption reserve	-	-	-	37.50	-	(37.50)	-
Equity dividend including taxes thereon	-	-	-	-	-	(71.76)	-
Recycled to statement of profit and loss	-	-	-	-	-	-	(3.45)
As at 31 March 2017	**0.04**	**16.03**	**19.75**	**37.50**	**112.50**	**707.54**	**(1.69)**

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

For and on behalf of the board of directors of Sterlite Technologies Limited

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

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : 26 April 2017

Statement of Cash Flows for the year ended 31 March 2017

	Note	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
A. Operating activities			
Profit before tax		**197.98**	**247.61**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant & equipment	32	106.10	89.15
Amortization & impairment of intangible assets	32	32.24	17.71
Depreciation of investment properties	32	0.15	0.15
Provision for doubtful debts and advances	31	4.32	(46.93)
Provision for warranty	31	10.32	14.06
Bad debts / advances written off	31	0.29	49.36
Balances no longer payable written back	27	-	(1.82)
Loss on sale of plant and equipment, net	31	0.37	0.21
Employees stock option expenses	30	11.30	13.46
Finance costs	33	112.15	97.88
Finance income	26	(18.09)	(17.39)
Unrealized exchange difference		(15.61)	(3.64)
		243.54	**212.20**
Operating profit before working capital changes		**441.52**	**459.81**
Working capital adjustments:			
Increase in trade payables		90.13	5.38
Increase (decrease) in long-term provisions		-	(0.44)
Increase in short-term provisions		-	(2.26)
Increase in other current liabilities		23.07	12.17
Increase in other current financial liabilities		37.94	42.44
Increase in other non-current financial liabilities		-	0.38
Increase in non current employee benefit obligations		0.61	2.45
Increase in current employee benefit obligations		2.18	(0.19)
Decrease (increase) in current trade receivable		43.37	(213.70)
Decrease (increase) in non current trade receivable		(4.12)	9.88
Increase in inventories		(120.12)	(26.82)
Increase/(decrease) in long-term loans		(11.58)	(12.15)
Decrease/(increase) in short-term loans		-	7.26
Decrease/(increase) in other current financial assets		23.16	(51.27)
Increase in other non-current financial assets		(0.42)	(4.18)
Increase in other current assets		(61.12)	(54.03)
Decrease/(increase) in other non-current assets		1.29	6.48
Change in working capital		**24.37**	**(278.59)**
Cash generated from operations		**465.90**	**181.22**
Income tax paid (net of refunds)		(49.81)	(52.76)
Net cash flow from operating activities		**416.08**	**128.46**
B. Investing activities			
Purchase of property, plant & equipments		(185.03)	(173.74)
Purchase of intangible assets		(2.20)	(6.70)
Proceeds from sale of property, plant & equipment		0.71	0.53
Acquisition of business	54C	-	(187.37)

Statement of Cash Flows for the year ended 31 March 2017

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Investment in subsidiaries		(120.70)	(7.00)
Purchase of non-current investments		(11.60)	(1.60)
Sale of Investment in subsidiaries		0.01	0.05
Proceeds of current investments		-	55.11
Purchase of current investments		(35.01)	-
Investment in bank deposits (having original maturity of more than three months)		(0.90)	(10.02)
Redemption of bank deposits (having original maturity of more than three months)		3.94	218.08
Investment in margin money deposits		-	(7.60)
Redemption of margin money deposits		7.60	-
Advances given to subsidiaries/joint ventures		(25.05)	(22.10)
Repayment of advances from subsidiaries		7.42	0.14
Advances received from subsidiaries		0.44	1.24
Repayment of advances to subsidiaries		(0.35)	(0.26)
Interest received (finance income)		18.28	14.38
Net cash flow used in investing activities		**(342.44)**	**(126.86)**
C. Financing activities			
Proceeds of long-term borrowings		150.00	172.03
Repayment of long-term borrowings		(244.79)	(87.71)
Proceeds/(repayment) of short-term borrowings (net)		249.00	(2.58)
Proceeds of issue of shares against employee stock options		0.62	0.22
Interest paid		(107.04)	(102.87)
Dividend paid on equity shares	17	(58.78)	(23.41)
Tax on equity dividend paid	17	(12.13)	(4.82)
Net cash flow used in financing activities		**(23.12)**	**(49.15)**
Net increase/decrease in cash and cash equivalents		**50.52**	**(47.55)**
Cash and cash equivalents as at beginning of year	14A	20.82	41.13
Cash and cash equivalents taken over on amalgamation of subsidiary (refer note 54C)		-	27.24
Cash and cash equivalents as at year end ** #	14A	**71.34**	**20.82**

 # Net of Cash and cash equivalents of ` 0.51 crore transferred on demerger (refer note 54G)

**The Cash and cash equivalents include balance of ₹ 2.43 crores (31 March 2016: ₹ 1.58 crores, 1 April 2015: ₹ 1.33 crores) which is not available for use by the Company.

Components of cash and cash equivalents:

	Note	31 March 2017	31 March 2016
Balances with banks:			
On current accounts		68.87	19.20
On unpaid dividend account		2.43	1.58
Cash in hand		0.04	0.04
Total cash and cash equivalents (refer note 14A)		**71.34**	**20.82**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the board of directors of Sterlite Technologies Limited

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

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

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

per Paul Alvares
Partner
Membership Number : 105754

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : 26 April 2017

Place : Pune
Date : 26 April 2017

1. Corporate information

Sterlite Technologies Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Company is primarily engaged in the business of Telecom products and solutions.

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

The standalone Ind AS financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on April 26, 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer note 52 for information on how the Company adopted Ind AS.

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

The standalone Ind AS financial statements are presented in Indian Rupees Crores, except when otherwise indicated.

2.2 Summary of significant accounting policies

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

a) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date have been carried forward. (refer note 52). Business combination post 1 April 2015 has been accounted for as per the provisions of the Scheme of amalgamation approved by Court including the accounting for the resulting goodwill. (refer note 54C for details)

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

c) Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

d) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets such as property, plant and equipment. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management in conjunction with external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. The valuation results are discussed at the Audit Committee.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 35, 49, 50)
- Quantitative disclosures of fair value measurement hierarchy (note 50)
- Investment properties (note 6)
- Investment in mutual funds (note 12)
- Financial instruments (including those carried at amortised cost) (note 7B, 8, 9, 10, 12, 18, 21, 22, 23, 41, 42, 49, 50)

e) Revenue Recognition

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

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Freight charged on sales and recovered is included as a part of revenue.

Rendering of services

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

Revenue from projects

Revenue from fixed price construction contracts for optical fibre cable networks is recognised based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses.

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

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

Revenue from telecom software and solutions

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

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

Interest income

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

Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

g) Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

h) Property, plant and equipment

Certain items of freehold land have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., 1 April 2015.

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

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery (Excluding S. No. 8 and 9)	3 - 20 Years *	Continous process plant -25 Years
		Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 5 Years *	Service and networks -6 years and
		Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *#	8 Years
Telecom - Ducts, Cables and Optical Fibre	18 Years	18 Years
Other telecom networks equipments	3-18 Years *	13 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 Company, based on technical assessments made by technical experts and management estimates, depreciates the certain items of building, plant and machinery, data processing equipment, furniture and fixtures, office equipments. electric fittings, vehicles and other telecom networks equipments 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.

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

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

i) Investment properties

The Company has elected to continue with the carrying value for its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by the management. External valuers are involved in determination of the fair values on a need basis and with relevant approvals.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

j) Intangible Assets

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

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

Softwares are amortised on a straight line basis over a period of five to six years. Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order (refer Note 54C).

Research costs are expensed as incurred.

k) Borrowing Costs

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

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly stated in the arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2.k).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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

n) Impairment of non-financial assets

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

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

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

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

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o) Provisions

General

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

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

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. The initial estimate of warranty-related costs is revised annually.

p) Retirement and other employee benefits

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

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

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

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

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

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

q) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

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

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

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

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

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

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

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

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

Impairment of financial assets

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

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

b) Lease receivables under Ind AS 17

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

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Note 18.

Derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

Original classification	Revised Classification	Accounting Treatment
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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

s) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment ;

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;

- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Company has not classified any hedge as Fair value hedge or Hedge of a net investment in a foreign operation.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

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 the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

u) Cash dividend distribution to equity holders of the Company

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) Presentation of EBITDA

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

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

2.3 Standards issued but not yet effective

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

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

Amendments to Ind AS 7, Statement of Cash Flows

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

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

Note 03: Tangible Assets

(₹ in Crores)

	Freehold land#	Leasehold land##	Buildings##	Plant & machinery	Furniture & fixtures##	Data processing equipments*	Office equipments	Electrical fittings	Vehicles	Total
Cost										
At 1 April 2015 **	**85.50**	**27.89**	**218.56**	**1,326.50**	**12.10**	**19.65**	**8.60**	**52.39**	**6.73**	**1,757.92**
Transfer on account of demerger (Refer note 54G)	22.88	0.32	82.72	265.86	2.47	3.27	1.16	22.04	2.03	402.75
Additions	1.37	-	27.20	123.20	2.52	9.07	0.77	2.76	2.73	169.62
Addition on account of merger (Refer note 54C)	-	-	1.12	-	1.53	10.72	1.31	0.14	0.41	15.23
Deletions/Adjustments	-	-	(0.50)	(5.73)	(0.03)	(0.34)	(0.11)	-	(0.44)	(7.15)
At 31 March 2016	**63.99**	**27.57**	**163.66**	**1,178.11**	**13.65**	**35.83**	**9.41**	**33.25**	**7.40**	**1,532.87**
Additions	-	5.83	53.26	186.63	4.03	14.08	4.35	11.81	2.96	282.94
Borrowing cost (Refer note 33)	-	-	-	4.11	-	-	-	-	-	4.11
Deletions/Adjustments	-	-	(0.92)	(3.95)	(1.33)	(1.15)	(0.79)	(0.35)	(1.18)	(9.66)
At 31 March 2017	**63.99**	**33.40**	**216.00**	**1,364.89**	**16.36**	**48.76**	**12.97**	**44.71**	**9.18**	**1,810.26**
Depreciation, amortisation & Impairment										
At 1 April 2015**	**-**	**1.58**	**51.88**	**723.66**	**5.46**	**16.04**	**6.10**	**24.96**	**3.52**	**833.20**
Transfer on account of demerger (Refer note 54G)	-	0.01	17.00	134.45	1.43	2.42	0.71	6.41	1.36	163.79
Additions	-	0.23	6.31	75.17	1.53	2.69	1.06	1.17	0.99	89.15
Addition on account of merger (Refer note 54C)	-	-	0.12	-	0.82	8.24	0.85	0.10	0.20	10.33
Deletions/Adjustments	-	-	(0.33)	(5.28)	(0.01)	(0.32)	(0.07)	-	(0.32)	(6.33)
At 31 March 2016	**-**	**1.80**	**40.98**	**659.10**	**6.37**	**24.23**	**7.23**	**19.82**	**3.03**	**762.56**
Additions	-	0.27	9.43	83.65	2.17	4.44	1.42	2.55	1.45	105.36
Deletions/Adjustments	-	-	(0.86)	(3.80)	(0.85)	(1.10)	(0.74)	(0.33)	(0.92)	(8.60)
At 31 March 2017	**-**	**2.07**	**49.55**	**738.94**	**7.69**	**27.57**	**7.91**	**22.04**	**3.55**	**859.33**
Net Book Value										
At 31 March 2017	63.99	31.34	166.45	625.95	8.67	21.18	5.06	22.66	5.63	**950.94**
At 31 March 2016	63.99	25.77	122.68	519.01	7.28	11.60	2.18	13.43	4.37	**770.31**
At 1 April 2015	62.62	26.00	100.96	471.43	5.60	2.76	2.05	11.80	2.54	**685.76**

Capital work-in-progress	
At 31 March 2017	14.75
At 31 March 2016	124.76
At 1 April 2015	29.96

* Mainly includes Plant & Machinery.

** The balances disclosed above are after adjustments relating to first time adoption of Ind AS. Refer Note 52 for details.

 # Freehold Land includes part of land given on operating lease:
Gross block ₹ 3.33 crores (31 March 2016: ₹ 3.33 crores, 1 April 2015: NIL).
Depreciation for the year NIL (31 March 2016: NIL, 1 April 2015: NIL).
Accumulated depreciation NIL (31 March 2016: NIL, 1 April 2015: NIL).
Net Block ₹ 3.33 crores (31 March 2016: ₹ 3.33 crores, 1 April 2015: NIL).

 # Buildings include those constructed on leasehold land:
Gross block ₹ 118.25 crores (31 March 2016: ₹ 104.32 crores, 1 April 2015: ₹ 118.51 crores).
Depreciation for the year ₹ 5.28 crores (31 March 2016: ₹ 4.25 crores, 1 April 2015: ₹ 4.48 crores).
Accumulated depreciation ₹ 31.29 crores (31 March 2016: ₹ 26.42 crores, 1 April 2015: ₹ 28.16 crores).
Net block ₹ 86.95 crores (31 March 2016: ₹ 77.89 crores, 1 April 2015: ₹ 90.35 crores).

Leasehold Land, Building, Furniture & Fixture includes those given on operating lease:
Gross block ₹ 51.07 crores (31 March 2016: NIL, 1 April 2015: NIL).
Depreciation for the year ₹ 1.28 crores (31 March 2016: NIL, 1 April 2015: NIL).
Accumulated depreciation ₹ 12.93 (31 March 2016: NIL, 1 April 2015: NIL).
Net Block ₹ 38.14 crores (31 March 2016: NIL, 1 April 2015: NIL).

*** Data processing equipments include laptops taken on finance lease:**
Gross block ₹ 3.28 crores (31 March 2016: ₹ 2.38 crores, 1 April 2015: Nil).
Depreciation for the year ₹ 1.09 crores (31 March 2016: ₹ 0.22 crores, 1 April 2015 NIL).
Accumulated depreciation ₹ 1.31 crores (31 March 2016: ₹ 0.22 crores, 1 April 2015 NIL).
Net block ₹ 1.97 crores (31 March 2016: ₹ 2.16 crores, 1 April 2015: NIL).

Note 4: Intangible Assets

(₹ in Crores)

	Software/ licenses	Patents	Customer acquisition	Goodwill	Total
Cost					
At 1 April 2015	**7.24**	**9.31**	**4.62**	**-**	**21.17**
Transfer on account of demerger (Refer note 54G)	1.65	-	-	-	1.65
Additions	5.23	-	-	-	5.23
Addition on account of Merger (Refer note 54C)	3.23	-	-	148.19	151.42
Deletions/Adjustments	(0.01)	-	(0.04)	-	(0.05)
At 31 March 2016	**14.04**	**9.31**	**4.58**	**148.19**	**176.12**
Additions	2.94	-	-	-	2.94
Addition on account of Merger (Refer note 54C)	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
At 31 March 2017	**16.98**	**9.31**	**4.58**	**148.19**	**179.06**
Amortisation & Impairment					
At 1 April 2015	**4.20**	**9.31**	**0.87**	**-**	**14.38**
Transfer on account of demerger (Refer note 54G)	1.58	-	-	-	1.58
Additions	2.27	-	0.46	14.98	17.71
Addition on account of Merger (Refer note 54C)	1.71	-	-	-	1.71
At 31 March 2016	**6.60**	**9.31**	**1.33**	**14.98**	**32.22**
Additions	2.88	-	0.46	29.64	32.98
Addition on account of Merger (Refer note 54C)	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
At 31 March 2017	**9.48**	**9.31**	**1.79**	**44.62**	**65.20**
Net Book Value					
At 31 March 2017	7.50	-	2.79	103.57	113.86
At 31 March 2016	7.44	-	3.25	133.21	143.90
At 1 April 2015	2.97	-	3.75	-	6.72

Net Book Value	**31 March 2017**	**31 March 2016**	**1 April 2015**
Goodwill	103.57	133.21	-
Other Intangible Assets	10.29	10.69	6.72

Note 5: Impairment Testing of Goodwill

Goodwill generated on acquition of Elitecore Technologies Private Limited ('ETPL') which was merged with the Company with effect from 29 September 2015 has been allocated to Telecom software product CGU (acquired as a result of merger of ETPL with the Company) for impairment testing.

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Goodwill	103.57	133.21	-

The Company performed its annual impairment test for the year ended 31 March 2017 as of 31 December 2016. The recoverable amount of Telecom software product CGU as at 31 December 2016 is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to the cash flow projections for impairment testing during the current year is 20.98%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 5% which is consistent with the industry forecasts. As a result of the analysis, management did not identify impairment for this CGU.

Key assumptions used in the value in use calculations

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

EBITDA margins

EBITDA margins are based on the actual EBITDA of telecome software product division for past 3 years preceeding the beginning of the budget period. The EBITDA margins considered are from 10%-13.5% over the budget period for anticipated order flows.

Discount Rate

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company’s investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rates used to extrapolate cash flows beyond the forecast period

The Company has considered growth rate of 5% to extrapolate cash flows beyond the forcast period which is consistent with the industry forecasts.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

Growth rate assumptions – The management recognizes that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. A reduction to 2% in the long-term growth rate would result in impairment.

Discount rates A rise in post-tax discount rate to 17.80% (Pre-tax discount rate 24.41%) would result in impairment.

EBITDA margins A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA below 11% would result in impairment

Note 6: Investment Property

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Cost			
Opening gross block	10.03	10.03	10.03
Addition	-	-	-
Deletion	-	-	-
Closing gross block	10.03	10.03	10.03
Depreciation,amortisation & Impairment			
Opening balance	0.84	0.69	0.53
Additions	0.15	0.15	0.15
Closing balance	1.00	0.84	0.69
Net Block	**9.04**	**9.19**	**9.35**

For investment property existing as on 1 April 2015 i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

Information regarding income and expenditure of Investment property

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Rental income derived from investment properties	0.76	0.54
Direct operating expenses (including repairs and maintenance) generating rental income	0.01	0.01
Profit arising from investment properties before depreciation and indirect expenses	**0.75**	**0.53**
Less: Depreciation	(0.15)	(0.15)
Profit arising from investment properties before indirect expenses	**0.59**	**0.38**

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

As at 31 March 2017 and 31 March 2016 the fair values of the investment property are ₹ 14.64 crores and ₹ 13.21 crores respectively. These values are based on valuations performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property have been provided in Note 50.

Note 7A: Investment in Subsidiaries

	31st March 2017 (₹ in crores)	31st March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Equity component of debt instrument (unquoted)			
12,07,00,000 (31 March 2016: Nil,1 April 2015: Nil) 0.01% compulsory convertible debentures of Speedon Network Limited (Erstwhile Sterlite Networks Limited) of ₹ 10 each fully paid-up	120.70	-	-
Equity instruments (unquoted)			
1,23,81,447 (31 March 2016: 1,23,81,447,1 April 2015: 1,23,81,447) Equity shares of Sterlite Global Ventures (Mauritius) Limited of USD 1 each fully paid up	67.14	67.14	67.14
15,50,000 (31 March 2016: 15,50,000,1 April 2015: 15,50,000) Equity shares of Speedon Network Limited (Erstwhile Sterlite Networks Limited) of ₹ 10 each fully paid-up *	41.23	41.23	41.23
2,000 (31 March 2016: 2,000,1 April 2015: 2,000) Equity shares of Sterlite Europe Ventures Limited of Euro 1 each fully paid-up	0.10	0.10	0.10
Nil (31 March 2016: Nil,1 April 2015: 50,000) Equity shares of Twin Star Technologies Limited (Formerly known as Sterlite Display Limited) of ₹ 10 each fully paid-up	-	-	0.05
Nil (31 March 2016: 10,000,1 April 2015: 10,000) Equity shares of Sterlite Power Technologies Private Limited of ₹ 10 each fully paid-up	-	0.01	0.01
Nil (31 March 2016: Nil,1 April 2015: 10,000) Equity shares of Sterlite Technologies Americas LLC of USD 1 each fully paid-up	-	-	0.05
5,000 (31 March 2016: 5,000,1 April 2015: 5,000) Equity shares of Sterlite Technologies UK Ventures Limited of Euro 1 each fully paid-up	0.04	0.04	0.04
100% Equity of Sterlite (Shanghai) Trading Company Limited fully paid up	1.53	1.53	-
1,34,97,853 (31 March 2016: 1,34,97,853,1 April 2015: 88,24,838) Equity shares of Maharashtra Transmission Communication Infrastructure Limited of ₹ 10 each fully paid up#	20.77	20.77	15.26
7,606 (31 March 2016: 7,606, 1 April 2015: Nil) Equity shares of Elitecore Technologies (Mauritius) Limited of MUR 100 each fully paid up##	0.14	0.14	-
100 (31 March 2016: 100, 1 April 2015: Nil) Equity shares of Elitecore technologies SDN, BHD ##	-	-	-
	251.65	**130.95**	**123.87**

* Including equity component of loan given to subsidiary.

The Company had paid an amount of ₹ 5.10 crores towards Right of Way granted to Maharashtra Transmission Communication Infrastructure Limited (MTCIL) by Maharashtra State Electricity Transmission Company Limited. MTCIL is engaged in establishing communication network in the state of Maharashtra. This amount has been considered as cost of investment in the subsidiary.

Acquired as a part of amalgmation (refer note 54C).

Note 7B: Investments - Others

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Investments at fair value through OCI (fully paid)			
Equity instruments (unquoted)			
10 (31 March 2016: Nil) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	0.00*	0.00*	-
166 (31 March 2016: Nil,1 April 2015: Nil) Equity shares of			
Metis Eduventures Pvt. Ltd	2.00	-	-
Equity component of debt instrument (unquoted)			
15,99,990 (31 March 2016: 15,99,990, 1 April 2015: Nil) 0.001% Compulsorily Convertible Debentures of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	3.20	1.60	-
40,00,000 (31 March 2016: Nil,1 April 2015: Nil) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Pvt. Ltd	8.00	-	-
	13.20	**1.60**	**-**

* Amount is below ₹ 0.01 crore.

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer note 49 for determination of their fair values.

Note 8: Loans (Unsecured, Considered Good)

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Loans to related parties (Refer note 51)	120.44	92.70	56.73
Total non-current loans	**120.44**	**92.70**	56.73
Current			
Loans to related parties (Refer note 51)	-	-	3.98
Total current loans	**-**	**-**	**3.98**

Loans are non-derivative financial assets which generate a fixed interest income for the Company.

Note 9: Trade Receivables

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Non-current			
Trade receivables	4.52	0.39	10.27
	4.52	**0.39**	**10.27**
Break-up for security details:			
Trade receivables			
- Secured, considered good	-	-	-
- Unsecured, considered good	4.52	0.39	10.27
- Considered doubtful	-	6.52	49.04
	4.52	**6.91**	**59.31**
Impairment allowance (allowance for bad and doubtful debts)			
- Unsecured, considered good	-	-	-
- Considered doubtful	-	6.52	49.04
	-	**6.52**	**49.04**
Total Non-current trade receivables	**4.52**	**0.39**	**10.27**
Current			
Trade receivables	654.93	689.70	370.34
Receivables from related parties (Refer note 51)	39.39	51.52	115.00
	694.32	**741.22**	**485.34**
Trade receivables			
- Secured, considered good	-	-	-
- Unsecured, considered good	694.32	741.22	485.34
- Considered doubtful	10.55	-	-
	704.87	**741.22**	**485.34**
Impairment allowance (allowance for bad and doubtful debts)			
- Unsecured, considered good	-	-	-
- Considered doubtful	10.55	-	-
	10.55	**-**	-
Total Current Trade receivables	**694.32**	**741.22**	**485.34**

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

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

Note 10: Other Financial Assets

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Non-current			
Security deposits (unsecured, considered good)			
Covered by bank guarantee	5.56	5.04	4.68
Others	4.44	4.54	0.71
Total other non-current financials assets	**10.00**	**9.58**	**5.40**

		31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Current				
Security deposits (unsecured, considered good)	(A)	2.99	1.66	0.92
Advances recoverable in cash (unsecured, considered good)	(B)	57.75	86.11	34.68
(Refer note 51)				
Derivative instruments				
Foreign exchange forward contracts		4.89	2.77	3.67
Currency / Interest rate swaps		1.74	-	-
	(C)	6.63	2.77	3.67
Interest accrued on investments	(D)	0.17	0.36	0.16
Total other current financial assets	(A+B+C+D)	**67.54**	**90.90**	**39.43**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Advances recoverable in cash are non-derivative financial assets. These pertain to costs incurred as part of project execution which is recoverable from customer on actual basis.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and Currency and Interest rate swaps, designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD), Euros (EUR) and GB pound sterling (GBP) and hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD.

Note 11: Other Assets

		31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Non-current				
Capital advances (Unsecured, considered good)	(A)	2.63	5.62	3.99
Others				
Advance income tax, including TDS (net of provisions)		3.96	11.59	6.25
Prepaid expenses		1.34	1.90	1.07
Others		-	0.73	2.00
	(B)	**5.30**	**14.22**	**9.32**
Total other non-current assets	(A+B)	**7.93**	**19.84**	**13.31**
Current				
Service tax receivable		0.15	-	0.01
Balances with central excise authorities		29.41	21.20	16.97
Other advances		70.99	76.44	63.74
Gross amount due from customers for contract as an asset (refer note 46)		98.76	41.30	-
Unbilled revenue		6.19	5.48	2.05
Total other current assets		**205.51**	**144.41**	**82.77**

Note 12: Current Investments

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Current investments (valued at fair value through profit or loss, unless stated otherwise) (quoted)			
0.01 Crore (31 March 2016:Nil,1 April 2015: 0.01 crore) units of Reliance Liquid Fund- Treasury Plan Direct Growth Plan - Growth Option	35.01		20.01
Nil (31 March 2016:Nil,1 April 2015: 0.01 crore) units of Reliance Money Manager Fund - Direct Growth Plan Growth Option	-	-	20.06
Nil (31 March 2016:Nil,1 April 2015: 0.01 crore) units of Axis Banking Debt Fund - Direct Plan - Growth	-	-	10.03
Nil (31 March 2016:Nil,1 April 2015: 0.00* crore) units of Religare Invesco Liquid Fund - Direct Plan - Growth	-	-	5.00
Aggregate amount of quoted investments [Market Value: ₹ 35.01 Crores (31 March 2016:Nil, April 1, 2015: ₹ 55.11 crores)]	**35.01**	**-**	**55.11**

* Figure below 0.01 crore

Note 13: Inventories

(Valued at lower of cost and net realisable value)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Raw materials and components	81.38	72.95	62.78
[Includes stock in transit ₹ 15.05 crores (31 March 2016: ₹ 17.60 crores,1 April 2015: ₹ 39.11 crores] (refer note 28)			
Work-in-progress (refer note 29)	21.43	25.92	20.98
Construction work-in-progress (refer note 29)	124.75	31.82	-
Finished goods [Includes stock in transit ₹ 11.61 crores (31 March 2016: ₹ 5.22 crores,			
1 April 2015: ₹ 17.37 crores)] (refer note 29)	39.66	30.62	54.49
Traded goods (refer note 29)	8.04	3.25	2.42
Stores, spares, packing materials and others	34.05	24.63	20.69
Total	**309.31**	**189.19**	**161.36**

Note 14A: Cash and Cash Equivalents

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Balances with banks:			
On current accounts	68.87	19.20	39.76
On unpaid dividend account	2.43	1.58	1.33
Cash in hand	0.04	0.04	0.04
	71.34	**20.82**	**41.13**

Note 14B: Other Bank Balances

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Deposits with original maturity for more than 12 months*	1.90	1.00	-
Deposits with original maturity for more than 3 months but less than 12 months**	5.70	9.63	218.69
Margin money deposits #	-	7.60	-
	7.60	**18.23**	**218.69**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

* Includes ₹ 0.77 crore (31 March 2016: ₹ Nil, 1 April 2015: ₹ Nil) held as lien by banks against bank guarantees.

** Includes ₹ 2.38 crore (31 March 2016: ₹ 0.61 crore, 1 April 2015: ₹ 57.23 crores) held as lien by banks against bank guarantees and further it also inculdes ₹ Nil (31 March 2016: ₹ 6.00 crores, 1 April 2015: Nil) given as security to vendor vide Court order.

Margin money deposit are subject to first charge to secure the Company's cash credit loans.

Note 15: Share Capital

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Authorised shares (no. crores)			
75.00 (31 March 2016: 75.00, 1 April 2015: 75.00) equity shares of ₹ 2 each	**150.00**	**150.00**	**150.00**
Issued, subscribed and fully paid-up shares (no. crores) 39.83 (31 March 2016: 39.52, 1 April 2015: 39.41) equity shares of ₹ 2 each fully paid-up.	79.66	79.04	78.81
Total issued, subscribed and fully paid-up share capital	**79.66**	**79.04**	**78.81**

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

	31 March 2017		31 March 2016	
	Nos. in crores	(₹ in crores)	Nos. in crores	(₹ in crores)
At the beginning of the period	39.52	79.04	39.41	78.81
Issued during the year - ESOP	0.31	0.63	0.11	0.22
Issued during the year - bonus on ESOP	-	-	0.00 *	0.00*
Outstanding at the end of the year	**39.83**	**79.66**	**39.52**	**79.04**

* Figures below 0.01 crore.

b. **Terms/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 85,550 (31 March 2016: 85,550, 1 April 2015: 85,550) equity shares held by custodian bank against Global Depository Receipts ('GD₹) which do not have voting rights.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 (31 March 2016 : ₹ 0.60).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2017		31 March 2016		1 April 2015	
	Nos. in crores	% holding	Nos. in crores	% holding	Nos. in crores	% holding
Immediate holding company						
Twin Star Overseas Limited, Mauritius	20.94	52.58%	20.94	52.99%	20.94	53.14%
Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company]						
Vedanta Limited	0.48	1.20%	0.48	1.21%	0.48	1.21%

d. **Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

	31 March 2017	31 March 2016	1 April 2015
	No. in crores	No. in crores	No. in crores
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	**0.04**	1.88	1.92

In addition, company has issued total 0.46 crore shares (31 March 2016 : 0.18 crore shares, 1 April 2015: 0.11 crore shares) during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

e. **Detail of shareholders holding more than 5 % of shares in the company**

	31 March 2017		31 March 2016		1 April 2015	
	Nos in crores	% holding	Nos in crores	% holding	Nos in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.58%	20.94	52.99%	20.94	53.14%
2. Life Insurance Corporation of India	1.76	4.41%	1.90	4.80%	2.13	5.40%

f. **Shares reserved for issue under options:**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 37.

Note 16 : Other Equity

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Securities premium account		
Balance as per last financial statements	4.67	1.46
Add: Additions on ESOPs exercised	11.37	3.21
Less: Utilised for issue of bonus shares	-	0.00*
Closing balance	**16.04**	**4.67**
* Amount below 0.01 crore.		
Other Reserves		
Capital reserve	**0.04**	**0.04**
Employee stock option outstanding		
Balance as per last financial statements	19.05	5.43
Add: Employees stock option expenses for the year (refer note 30 and note 37)	11.30	13.46
Add: Amount charged to resulting company (refer note 54G)	0.76	3.37
Less: Transferred to Securities premium account	11.37	3.21
Closing balance	**19.74**	**19.05**
Debenture redemption reserve		
Balance as per last financial statements	37.50	112.50
Add: Amount transferred from surplus in the statement of profit and loss	37.50	-
Less: Amount transferred to general reserve	37.50	75.00
Closing balance	**37.50**	**37.50**
General reserve		
Balance as per last financial statements	75.00	-
Add: Amount transferred from debenture redemption reserve	37.50	75.00
Closing balance	**112.50**	**75.00**
Cash flow hedge reserve		
Balance as per last financial statements	2.30	1.85
Add: Cash flow hedge reserve created on currency forward contracts	2.18	1.29
Less: Cash flow hedge reserve created on swap contracts	(2.72)	-
Less: Amount reclassified to statement of profit and loss	(3.45)	(0.84)
Closing balance	**(1.69)**	**2.30**
Total Other Reserves	**168.09**	**133.89**
Retained earnings		
Balance as per last financial statements	676.59	525.81
Add: Net profit for the year	140.74	181.42
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post emploement benefit obligation, net of tax	(0.53)	(2.18)
Less: Equity dividend and tax thereon (note 17)	(71.76)	(28.46)
Less: Transfer to debenture redemption reserve	(37.50)	-
Total Retained earnings	**707.53**	**676.59**

Note 17: Distribution Made and Proposed

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2016: ₹ 1.00 per share (31 March 2015: ₹ 0.60 per share)	39.74	23.65
Dividend Distribution Tax on final dividend	8.08	4.81
Interim dividend for the year ended on 31 March 2017: ₹ 0.50 per share (31 March 2016: ₹ Nil per share)	19.90	-
Dividend Distribution Tax on interim dividend	4.05	-
	71.76	**28.46**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2017: ₹ 0.75 per share (31 March 2016: ₹ 1.00 per share)	29.87	39.54
Dividend Distribution Tax on proposed dividend	6.08	8.06
	35.95	**47.60**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at 31 March.

During the year ended 31 March 2017 and 31 March 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 18: Long-Term Borrowings

	31 March 2017 ₹ in crores	31 March 2016 ₹ in crores	1 April 2015 ₹ in crores
Non-current			
Debentures			
Nil (31 March 2016 : Nil, 1 April 2015 : 2,000) 10.60% Non-convertible debentures of ₹ 10 lacs each (secured)	-	-	79.85
Nil (31 March 2016 : Nil, 1 April 2015 : 2,500) 11.45% Non-convertible debentures of ₹ 10 lacs each (secured)	-	-	248.68
1,500 (31 March 2016 : Nil, 1 April 2015 : Nil) 8.45% Non-convertible debentures of ₹ 10 lacs each (secured)	150.00	-	-
Term loans			
Indian rupee loans from banks (secured)	91.45	157.45	245.19
Foreign currency loan from banks (secured)	162.39	168.86	-
Finance lease obligation (secured)	0.73	1.59	-
	404.57	**327.90**	**573.73**
The above amount includes			
Secured borrowings	404.57	327.90	573.73
Unsecured borrowings	-	-	-
Total non-current borrowings	**404.57**	**327.90**	**573.73**
Current Maturities			
Debentures			
800 (31 March 2015 : 2,000) 10.60% Non-convertible debentures of ₹ 10 lacs each (secured)"	-	81.32	-
700 (31 March 2015 : 2,500) 11.45% Non-convertible debentures of ₹ 10 lacs each (secured)	-	68.68	-
Term loans			
Indian rupee loans from banks (secured)	66.01	87.01	55.93
Foreign currency loan from banks (secured)	1.67	1.71	-
Finance lease obligation (secured)	0.82	0.79	-
Sales tax loan (interest free) (unsecured)	-	0.45	0.45
Interest Accured (secured)	5.90	2.38	7.43
	74.40	**242.35**	**63.80**
The above amount includes			
Secured borrowings	74.40	241.90	63.35
Unsecured borrowings	-	0.45	0.45
	74.40	242.35	63.80
Amount disclosed under the head			
"other current financial liabilities" (note 23)	74.40	242.35	63.80
Net amount	**-**	**-**	**-**

Notes:

a) Non convertible debentures carry 8.45% rate of interest. Out of the total non-convertible debenture, 50% are redeemable at par during the FY 2019-20 and balance in the FY 2020-21. These non-convertible debenture are secured by way of first pari passu charge on entire movable fixed assets (both present & future) and motgage of certain immovable fixed assets of the Company.

b) Indian rupee term loan from banks amounting to ₹ 36.46 crores carries interest @ Base rate + 1.00 % p.a. Loan amount is repayable in 5 quarterly equated installments of ₹ 6.25 crores (excluding interest) and 6th installment of ₹ 5.21 crores.The term loan is secured by first pari passu charge on entire movable fixed assets (both present and future) and motgage of certain immovable fixed assets of the Company.

c) Indian rupee term loan from the bank amounting to ₹ 1.00 crores carries interest @ LTMLR + 1.10% p.a. Loan amount is repayable in June 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 certain immovable fixed assets of the Company.

d) Indian rupee term loan from banks amounting to ₹ 120.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated installments of ₹ 10.00 crores (excluding interest) starting from July 2017. The term loan is secured by first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of the Company.

e) Foreign Currency term loan from banks amounting to ₹ 161.97 crores (USD 2.5 crores) carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated installments of USD 0.125 crores starting from April 2018.The term loan is secured by first pari passu charge on entire movable fixed assets (both present and future) and mortgage of specified immovable fixed assets of the Company.

f) Foreign currency term loan from bank of ₹ 2.09 crores (USD 0.03 crore) carries interest ranging from 6.20% to 6.65% p.a. Loan amount is repayable in 5 quarterly equated installments of ₹ 0.42 crores (excluding interest) from the end of this financial period. The term loan is secured by first pari passu charge by way of hypothecation on certain present and future current assets and certain movable fixed assets of the Company and by way of mortgage on certain present and future immovable fixed assets of the Company.

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

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan/non convertible debentures. The other loans do not carry any debt covenant.

Note 19: Deferred Tax Liabilities (Net)

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Deferred tax liability			
Property, Plant &Equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	86.92	76.99	64.44
Fair valuation of Land on transition date	15.73	15.73	15.73
Others	4.12	3.33	0.58
Gross deferred tax liability	**106.78**	**96.06**	**80.74**
Deferred tax assets			
Provision for doubtful debts and advances	3.65	2.26	15.67
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	8.85	7.70	4.47
Provision for inventory	4.95	3.54	2.43
Provision for litigations/contingencies	2.51	2.51	2.51
Provision for warranty	8.47	5.47	-
Unused Tax Credit	30.06	27.20	25.95
Others	5.52	4.12	1.78
Gross deferred tax assets	**64.02**	**52.80**	**52.81**
Net deferred tax liability	**42.76**	**43.26**	**27.93**

Reconciliation of deferred tax liability

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Opening deferred tax liability, net	43.26	27.93
Deferred tax (credit)/charge recorded in statement of profit and loss	2.47	19.35
Deferred tax (credit)/charge recorded in OCI	(0.57)	(0.47)
Movement in Unused Tax Credit	(2.86)	(1.25)
Deferred tax on account of impact of merger [Refer note 54C]	-	(2.30)
Others	0.46	-
Closing deferred tax liability, net	**42.76**	**43.26**

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Profit or loss section		
Current Income Tax		
Current income tax charge	51.55	52.77
Adjustment of tax relating to earlier periods	3.22	(5.93)
Deferred Tax		
Relating to origination and reversal of temporary differences	2.47	19.35
Income tax expenses reported in the statement of profit or loss	**57.24**	**66.19**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	0.29	(0.69)
Re-measurement loss defined benefit plans	0.28	1.16
Income tax credit through OCI	**0.57**	**0.47**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2016:

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Accounting profit before income tax	**197.98**	**247.61**
At India's statutory income tax rate of 34.61% (31 March 2016: 34.61%)	68.52	85.70
Adjustments in respect of current income tax of previous years	3.22	(5.93)
Tax benefits under various sections of Income tax Act	(16.84)	(15.98)
Others	2.35	2.41
At the effective income tax rate of 28.91% (31 March 2016: 26.73%)	**57.24**	**66.19**
Income tax expense reported in the statement of profit and loss	**57.24**	**66.19**

Note 20: Provisions

	Long-term			Short-term		
	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	01 April 2015 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Provision for litigations / contingencies	-	-	-	9.50	9.50	9.50
Provision for warranty	22.90	14.57	1.11	4.25	0.90	-
Total	**22.90**	**14.57**	**1.11**	**13.75**	**10.40**	**9.50**

Provision for litigations / contingencies

The provision of ₹ 9.50 crores as at March 31, 2017 (31 March 2016: ₹ 9.50 crores, 1 April, 2015: ₹ 9.50) is towards contingencies in respect of disputed claims against the Company as described in note 40 and note 53, the timing of outflow and quantum of which is presently unascertainable. There is no movement in the provision for litigations/contingencies during the year.

Provision for warranty

The Company has given warranty on products and services forming part of projects being undertaken by the Company to repair or replace the items that fail to perform satisfactorily during the warranty period and on telecom software and licences/services sold to customers. The timing of the outflow is expected to be within a period of three years from the date of completion of the projects and within six months from the date of sale of telecom software.

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
At the beginning of the year	15.47	1.11
Adjustment on account of merger (refer note 54C)	-	0.88
Arising during the year	11.23	14.06
Unwinding of interest during the year	1.37	0.30
Utilised during the year	(0.90)	(0.88)
Unused amounts reversed	-	-
At the end of the year	**27.16**	**15.47**
Current portion	4.25	0.90
Non-current portion	22.91	14.57

Note 21: Short-Term Borrowings

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Cash credit from banks (secured)	20.38	12.08	1.35
Working capital demand loans from banks (secured)	30.00	-	-
Commercial paper from bank (unsecured)	175.00	175.00	-
Other loan from banks (secured)	318.34	127.64	182.32
Other loan from banks (unsecured)	45.00	25.00	-
Total	**588.72**	**339.72**	**183.67**
The above amount includes			
Secured borrowings	368.72	139.72	183.67
Unsecured borrowings	220.00	200.00	-
Net Amount	**588.72**	**339.72**	**183.67**

Notes:

(i) Cash credit is secured by hypothecation of raw materials, work-in-progress, finished goods and trade receivables.The cash credit is repayable on demand and carries interest @ 8.95% -12.50 % 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 and carries interest @ 7.80%.

(iii) Commercial Papers are unsecured and are generally taken for a period from 80 to 90 days and carry interest @ 6.47% - 6.60% p.a.

(iv) Other loans from banks include buyer's credit arrangements (secured) and export packing credit (unsecured). Buyer's credit are secured by hypothecation of raw materials, work-in-progress, finished goods and trade receivables. Buyer's credit is repaid/rolled over after a period of six months and carry interest @ 0.55% - 2.10% p.a. (excluding hedging premium). Export packing credit is generally taken for a period of 90-180 days and carries interest @ 4.00% to 4.90% p.a.

Note 22: Trade Payables

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Trade payables (including acceptances) (refer note 44 for details of dues to Micro, small and medium enterprises)	432.21	358.08	321.30
Other Details			
(i) Trade payable to related parties (refer note 51)	19.26	-	8.37
(ii) Others	412.95	358.08	312.93
Total	**432.21**	**358.08**	**321.30**

Trade payables are non-interest bearing and are normally settled on 60-90 days terms

Note 23: Other Financial Liabilities

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Non-current			
Other financial liabilities at amortised cost			
Payables for purchase of property, plant and equipment*	111.54	100.39	23.43
Security deposit	0.38	0.38	-
Total non-current financial liabilities	**111.92**	**100.77**	**23.43**
Current			
Derivative instruments			
Foreign exchange forward contracts	26.25	7.55	7.06
Currency/Interest Rate Swaps	10.33	-	-
	36.58	**7.55**	**7.06**
Other financial liabilities at amortised cost			
Interest accrued but not due on borrowings	0.82	0.60	3.65
Current maturities of long-term borrowings (refer note 18)	74.40	242.35	63.80
Unclaimed dividend [refer note 54A]	2.43	1.58	1.33
Interest free deposit from customers	3.44	0.30	0.64
Interest free deposit from vendors	0.78	3.21	1.11
Payables for purchase of property, plant and equipment*	6.53	27.89	14.20
Others	101.91	89.62	48.88
Total current financial liabilities	**226.89**	**373.09**	**140.68**

*Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 90-120 days terms. It also includes the current maturities of long-term payables for purchase of property, plant and equipment which have been valued at amortised cost. It also includes deferred payables for purchase of property, plant and equipment. Deferred payables where credit terms allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and Currency/Interest rate swaps, designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD), Euros (EUR) and GB pound sterling (GBP) and hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD.

Other payables are non-interest bearing and have an average term of six months.

Interest payable is normally settled monthly throughout the financial year.

For explanations on the Company's credit risk management processes, refer to Note 47.

Note 24: Other Liabilities

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Current			
Unearned revenue	12.76	6.46	-
Indirect taxes payable	19.83	6.15	3.18
Witholding taxes (TDS) payable	3.62	5.40	1.69
Advance from customers	4.09	1.58	1.22
Others	6.02	4.43	2.90
Total other current liabilities	**46.32**	**24.02**	**8.99**

Note 25: Revenue from Operations

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Sale of products		
- Finished goods	1,788.97	1,637.73
- Traded goods	49.21	31.25
Sale of services	61.22	37.39
Revenue from projects (also refer note 46)	340.71	363.48
Revenue from software products/licenses and implementation activities	119.47	55.78
Other operating revenue		
- Scrap sales	19.20	17.55
- Export incentives*	22.40	15.60
Revenue from operations	**2,401.18**	**2,158.78**

* Realisability is subject to recovery from the customer

Note 26: Finance Income

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Interest income on		
- Bank deposits	1.02	8.26
- Current investments	0.19	-
- Loans to related parties	9.12	5.16
- Others	1.91	0.60
Interest subvention	5.85	2.95
Net gain on sale of current investments	-	0.42
Total	**18.09**	**17.39**

Note 27: Other Income

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Balances no longer payable written back	-	1.82
Management Fees	8.27	-
Miscellaneous Income	2.63	1.46
Total	**10.90**	**3.28**

Note 28: Cost of Raw Material and Components Consumed

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Inventory at the beginning of the year	72.95	170.38
Less : Adjustment on account of demerger (refer note 54G)	-	107.60
	72.95	62.78
Add: Purchases	1,030.33	907.85
	1,103.28	970.63
Less: Inventory at the end of the year	81.38	72.95
Cost of raw material and components consumed	**1,021.90**	**897.68**

Note 29: (Increase) / Decrease in Inventories

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Opening inventories:		
Traded goods	3.25	8.11
Work-in-progress	25.92	73.03
Construction work-in-progress	31.82	-
Finished goods	30.62	116.31
	91.61	**197.45**
Adjustment on account of demerger (refer note 54G)		
Traded goods	-	5.69
Work-in-progress	-	52.05
Finished goods	-	61.82
	-	**119.56**
Opening inventories (net):		
Traded goods	3.25	2.42
Work-in-progress	25.92	20.98
Construction work-in-progress	31.82	-
Finished goods	30.62	54.49
	91.61	**77.89**
Adjustment on account of merger (refer note 54C)		
Traded goods	-	1.01
	-	**1.01**
Closing inventories:		
Traded goods	8.04	3.25
Work-in-progress	21.43	25.92
Construction work-in-progress	124.75	31.82
Finished goods	39.66	30.62
	193.88	**91.61**
(Increase)/decrease in inventories	**(102.27)**	**(12.71)**

Note 30: Employee Benefit Expense

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Salaries, wages and bonus	227.12	149.15
Contribution to provident fund and superannuation fund	6.83	4.98
Employees stock option expenses (refer note 37)	11.30	13.46
Gratuity expenses (refer note 36)	3.00	1.84
Staff welfare expenses	10.03	9.44
Total	**258.28**	**178.87**

Note 31: Other Expenses

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Increase/(decrease) of excise duty on inventory	(1.08)	0.88
Consumption of stores and spares	119.31	83.26
Power, fuel and water	86.90	74.71
Labour Charges	28.92	26.33
Repairs and maintenance		
- Building	3.50	1.86
- Machinery	9.25	9.60
- Others	18.09	16.01
CSR expenses (refer note 54B)	3.05	2.23
Carriage inwards	5.83	9.34
Consumption of packing materials	57.03	54.41
Sales commission (other than sole selling agent)	18.44	18.39
Sales promotion	12.85	7.45
Carriage outwards	38.12	46.09
Rent	23.62	13.25
Insurance	7.54	6.41
Legal and professional fees	42.82	35.69
Rates and taxes	4.46	2.93
Travelling and conveyance	41.09	27.96
Loss on sale of plant and equipment, net	0.37	0.21
Bad debts/advances written off	0.29	49.36
Provision for doubtful debts and advances	4.32	(46.93)
Directors sitting fee and commission	0.61	0.60
Payment to auditor (refer details below)	1.10	0.84
Research and development expenses (refer note 45)		
- Salaries, wages and bonus	8.25	3.61
- Raw materials consumed	1.37	1.65
- General expenses	5.65	2.94
Miscellaneous expenses	76.56	49.52
Total	**618.26**	**498.60**

Payment to auditor

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	0.66	0.59
Tax audit fee	0.08	0.06
In other capacity:		
Other services (including certification fees)	0.36	0.19
Total	**1.10**	**0.84**

Note 32: Depreciation and Amortisation Expense

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Depreciation of tangible assets	105.36	89.56
Depreciation of investment property	0.15	0.15
Amortisation of intangible assets	32.98	17.71
Provision/(reversal) for impairment of tangible assets	-	(0.41)
Total	**138.49**	**107.02**

Note 33: Finance Cost

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	81.36	76.83
Bank charges	12.07	13.30
Exchange difference to the extent considered as an adjustment to borrowing costs	16.33	7.45
Fair value changes on interest rate swaps designated as cash flow hedges	1.02	-
Unwinding of discount on provision	1.37	0.30
Total	**112.15**	**97.88**

* During the year, the Company has capitalised borrowing costs of ₹ 4.11 crores (31 March 2016: Nil) incurred on the borrowings specifically availed for expansion of production facilities @ 10.10% p.a. The interest expense disclosed above in net of the interest amount capitalised.

Note 34: Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation.

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Profit for the year	140.74	181.42
Weighted average number of equity shares in calculating basic EPS	39.69	39.45
Effect of dilution:		
Employee stock option outstanding during the year	0.77	0.78
Weighted average number of equity shares in calculating diluted EPS	40.46	40.23
Earnings per share		
Basic (on nominal value of ₹ 2 per share) Rupees/share	**3.55**	**4.60**
Diluted (on nominal value of ₹ 2 Per Share) Rupees/share	**3.48**	**4.50**

Note 35: Significant Accounting Judgements, Estimates and Assumptions

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

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis, are disclosed and further explained in Note 5.

Excise/Customs matter pending with Hon. Supreme Court

The Company had in an earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties and excluding interest) (₹ 188 crores as at March 31, 2016) in a pending excise/customs matter againt which the Company's appeal with the Honourable Supreme Court has been admitted. The details of the matter and the amount of provision made based on management's estimate are disclosed and further explained in Note 53.

Estimated costs (including estimates of liquidated damages) for revenue recognition on projects

For the purpose of revenue recognition on fixed price projects based on percentage of completion method, the Company determines the stage of completion of the project as proportion of actual cost incurred to total estimated cost of the project. The Company estimates the total cost of the project at each period end (including the estimates of liquidated damages). These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end.

Share-based payments

The Company measures the cost of equity-settled transactions with employees using Black and Scholes model and Binomial 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 of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

Estimation of provision for warranty claims

Provision for warranty claims is recognised based on management's best estimates of the costs that would be incurred on warranty claims on the basis of historical experience and/or nature of business. Refer Note 20 for further details on provision for warranty claims.

Note 36: Employee Benefit Obligations

	Long-term			Short-term		
	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	01 April 2015 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Provision for employee benefits						
Provision for gratuity	12.03	11.43	5.51	4.11	2.20	2.00
Provision for leave benefit	-	-	-	9.45	8.36	5.41
Total	**12.03**	**11.43**	**5.51**	**13.56**	**10.56**	**7.41**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Defined benefit obligation at the beginning of the year	16.22	9.59	6.60
Adjustment on account of demerger (refer note 54G)	-	-	(2.28)
Adjustment on account of merger (refer note 54C)	-	2.32	-
Current service cost	2.06	1.15	0.65
Interest cost	1.30	0.86	0.62
Actuarial (gain)/loss	0.67	3.34	4.64
Past service cost	-	-	
Benefits paid	(0.73)	(1.05)	(0.65)
Defined benefit obligation, at the end of the year	19.51	16.22	9.59

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Fair value of plan assets at the beginning of the year	2.59	2.08	1.41
Expected return on plan assets	0.36	0.17	0.12
Contribution by employer	1.10	1.13	1.12
Benefits paid	(0.52)	(0.79)	-0.63
Actuarial gain/(loss) *	(0.15)	0.00	0.05
Fair value of plan assets at the end of the year	3.38	2.59	2.08

* Amount below ₹ 0.01 crore.

The Company expects to contribute ₹ 4.10 crores (31 March 2016: ₹ 2.22 crores) to its defined benefit gratuity plan in 2017-18.

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

Particulars	31 March 2017 %	31 March 2016 %	1 April 2015 %
Investment with Insurer (Life Insurance Corporation of India)	100	100	100

Details of defined benefit obligation

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Present value of defined benefit obligation	19.51	16.22	9.59
Fair value of plan assets	3.38	2.59	2.08
Benefit liability	**16.14**	**13.63**	**7.51**

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Current service cost	2.06	1.15	0.65
Interest cost on benefit obligation	1.30	0.86	0.62
Expected return on plan assets	(0.36)	(0.17)	(0.12)
Contribution by employer	-	-	-
Net benefit expense	**3.00**	**1.85**	**1.16**

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Actuarial Losses on Obligation For the Period	0.67	3.34	4.64
Return on Plan Assets, Excluding Interest Income	0.15	(0.00)	(0.04)
Change in Asset Ceiling	-	-	-
Net Expense For the Period Recognized in OCI	0.82	3.34	4.60

Amounts for the current and previous periods are as follows:

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	31 March 2015 (₹ in crores)	31 March 2014 (₹ in crores)	31 March 2013 (₹ in crores)
Defined benefit obligation	19.51	16.22	11.87	6.59	6.34
Plan assets	3.38	2.59	2.08	1.41	0.53
Surplus/(deficit)	16.13	13.63	9.79	5.18	5.81
Experience adjustments on plan liabilities	(0.14)	1.90	0.41	0.65	(0.12)
Experience adjustments on plan assets	(0.15)	(0.00)*	(0.05)	(0.01)	(0.08)

* Amount below ₹ 0.01 crore.

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Discount rate	7.22%	8.00%	7.98%
Expected rate of return on plan asset	7.22%	8.00%	7.98%
Employee turnover	10.00%	10.00%	10.00%
Expected rate of salary increase	8.00%	8.00%	8.00%
Actual rate of return on plan assets	7.00%	8.34%	9.00%

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

Sensitivity Analysis

Particulars	31 March 2017	31 March 2016	1 April 2015
Projected Benefit Obligation on Current Assumptions	19.51	16.22	9.59
Delta Effect of +1% Change in Rate of Discounting	(1.16)	(0.93)	(0.69)
Delta Effect of -1% Change in Rate of Discounting	1.31	1.06	0.73
Delta Effect of +1% Change in Rate of Salary Increase	1.29	1.05	0.73
Delta Effect of -1% Change in Rate of Salary Increase	(1.16)	(0.94)	(0.70)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.13)	(0.05)	(0.05)
Delta Effect of -1% Change in Rate of Employee Turnover	0.13	0.05	0.01

Maturity Analysis of projected benefit obligation: From the Fund

Particulars	31 March 2017	31 March 2016	1 April 2015
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	3.03	2.48	2.03
2nd Following Year	1.12	0.98	0.77
3rd Following Year	1.15	0.98	0.86
4th Following Year	1.16	1.00	0.80
5th Following Year	1.13	0.99	0.81
Sum of Years 6 To 10	6.81	5.90	4.26
Beyond 10 Years	0.06	0.06	0.05

Maturity Analysis of projected benefit obligation: From the Employer

Particulars	31 March 2017	31 March 2016	1 April 2015
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	0.35	2.48	-
2nd Following Year	0.39	0.31	-
3rd Following Year	0.41	0.34	-
4th Following Year	0.44	0.36	-
5th Following Year	0.47	0.38	-
Sum of Years 6 To 10	2.19	1.73	-
Beyond 10 Years	0.80	0.46	-

Note 37: Employee Share Based Payments

The Company has granted employees stock options plan, 2006 (ESOP Scheme 2006) and employees stock options plan, 2010 (ESOP Scheme 2010) to its employees pursuant to the resolution passed by the shareholders at the extraordinary general meeting held on March 13, 2006 and annual general meeting held on 14 July 2010 respectively. The Company has followed the fair value methods like Black Scholes Options Pricing Model and Binomial Model for the valuation of these options. The compensation committee of the Company has approved twelve grants vide their meetings held on 14 June 2006; 19 March 2007; 28 September 2007; 14 June 2008; 26 June 2009; 29 December 2011; 27 July 2012; 30 April 2014; 30 March 2015; 28 January 2016; 25 July 2016 and 18 January 2017. As per the plans, Options granted under ESOP would vest in not less than one year and not more than five years from the date of grant of such options. Vesting of options is subject to continued employment with the Company. All the plans are equity settled plans.

The Company has charged ₹ 11.30 crore (31 March 2016: ₹ 13.46 crores) to the statement of profit and loss in respect of options granted under ESOP scheme 2006 and options granted under ESOP scheme 2010

Other details of the options granted under ESOP scheme 2006 are as follows:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Date of grant	14-Jun-06	19-Mar-07	28-Sep-07	14-Jun-08	26-Jun-09
Number of options granted	1,164,250	318,000	653,875	127,750	1,209,500
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period (years)	3	2.25	1.71	1	5
Exercise period (years)	1	1	1	1	1
Vesting conditions	Business performance	Business performance	Business performance	Business performance	Business performance

Other details of the options granted under ESOP scheme 2010 are as follows:

Particulars	Grant 1	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7
Date of grant #	29-Dec-11	30-Apr-14	30-Mar-15	28-Jan-16	25-Jul-16	18-Jan-17
Number of options granted	22,24,000	37,13,800	57,24,600	1,150,130	1,989,000	150,000
Additional options granted ##	10,606	245,346	966,170	218,525	-	-
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (years)	5	5	5	2	5	5
Exercise period (years)	1	1.09	1.18	1.34	1	1
Vesting conditions	Business performance	Business performance	Business performance	Business performance	Relative total shareholder return	Continued Employment

The Company had granted 26,68,800 options in ESOP scheme 2010 on July 27, 2012 (Grant 2), the vesting for which was linked to business performance which could not be met. Hence the options were forfeited during the year 2012-13.

The Company has modified the ESOP schemes to give effect of the impact of demerger on the fair value of equity shares of the Company as mentioned in the Scheme of demerger.

The details of the activity under ESOP scheme 2006 have been summarised below:

Particulars	31 March 2017		31 March 2016	
	Number of options	Weighted average exercise price(₹)	Number of options	Weighted average exercise price(₹)
Outstanding at the beginning of the year	-	-	28,373	2
Granted during the year	Nil	-	Nil	-
Forfeited during the year	Nil	-	Nil	-
Exercised during the year	Nil	-	23,133	2
Expired during the year	Nil	-	5,241	2
Outstanding at the end of the year	Nil	-	Nil	2
Exercisable at the end of the year	Nil	-	Nil	2
Weighted average remaining contractual life (in years)	-	-	-	
Weighted average fair value of options granted	-	-	35.23	

The outstanding ESOPs as above are entitled to bonus in the ratio of 1:1.

The weighted average share price for the year ended 31 March, 2017 was ₹ 98.48 (31 March, 2016: ₹ 82.27)

The fair value as per the Black Scholes Options Pricing Model was measured based on the following input:**

Date of grant : June 26, 2009	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**26 June 2010**	**26 June 2011**	**25 June 2012**	**25 June 2013**	**25 Junez 2014**
Weighted average stock price	36.65	36.65	36.65	36.65	36.65
Expected volatility (*)	97.30%	81.93%	77.57%	72.68%	70.10%
Risk free rate	5.61%	5.83%	6.05%	6.27%	6.47%
Exercise price (₹ Per Option)	1	1	1	1	1
Time to maturity (years)	1.50	2.50	3.50	4.50	5.50
Dividend yield	0.60%	0.60%	0.60%	0.60%	0.60%
Outputs					
Option Fair Value	**35.40**	**35.24**	**35.08**	**34.93**	**34.77**
Vesting Percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**35.23**

As approved by the Extra-Ordinary General Meeting of the Company held on 25 February, 2010, the Company has made sub-division of the face value of its equity share capital from ₹ 5 per share to ₹ 2 per share. Further, the Company in the same meeting has approved bonus shares in the ratio of 1:1. Thus, ESOP data as above has been recalculated and presented after considering the impact of the sub-division of face value of the equity share and bonus thereon.

** There were no options outstanding in respect of grant 1, 2, 3, & 4 under ESOP scheme 2006 as at 1 April, 2015,accordingly fair value disclosures for these grants have not been given

The details of the activity under ESOP scheme 2010 have been summarized below:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	7,854,492	2	8,568,656	2
Granted during the year	3,579,647	-	1,150,130	-
Forfeited during the year	-	-	-	-
Exercised during the year	3,087,147	2	1,083,130	2
Expired during the year	1,212,424	2	781,164	2
Outstanding at the end of the year	7,134,568	2	7,854,492	2
Exercisable at the end of the year	822,452	2	343,746	2
Weighted average remaining contractual life (in years)	2.65		3.65	
Weighted average fair value of options granted	56.21		41.73	

The weighted average share price for the year ended March 31, 2017 was ₹ 98.48 (March 31, 2016: ₹ 82.27)

The fair value as per the Black Scholes Options Pricing Model/Binomial Options Pricing Model was measured based on the following input:

Date of grant: 29 December, 2011	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**29 December, 2012**	**29 December, 2013**	**29 December, 2014**	**29 December, 2015**	**29 December, 2016**
Weighted average stock price	28.00	28.00	28.00	28.00	28.00
Expected volatility (*)	48.31%	47.36%	64.15%	68.63%	65.78%
Risk free rate	8.33%	8.34%	8.35%	8.37%	8.39%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.50	2.50	3.50	4.50	5.51
Dividend yield	0.73%	0.73%	0.73%	0.73%	0.73%
Outputs					
Option fair value	**25.93**	**25.87**	**25.82**	**25.78**	**25.70**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**25.87**

Date of grant: 30 April, 2014	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**1 June, 2015**	**1 June, 2016**	**1 June, 2017**	**1 June, 2018**	**1 June, 2019**
Weighted average stock price	30.45	30.45	30.45	30.45	30.45
Expected volatility (*)	44.41%	46.93%	47.87%	46.48%	57.47%
Risk free rate	8.66%	8.72%	8.78%	8.82%	8.87%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.66	2.66	3.66	4.66	5.66
Dividend yield	0.79%	0.79%	0.79%	0.79%	0.79%
Outputs					
Option fair value	**28.32**	**28.23**	**28.14**	**28.03**	**27.94**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**28.22**

Date of grant: 30 March, 2015	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**1 June, 2016**	**1 June, 2017**	**1 June, 2018**	**1 June, 2019**	**1 June, 2020**
Weighted average stock price	51.10	51.10	51.10	51.10	51.10
Expected volatility (*)	51.55%	48.02%	49.61%	49.11%	48.02%
Risk free rate	7.84%	7.80%	7.77%	7.76%	7.76%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.68	2.68	3.68	4.68	5.68
Dividend yield	0.59%	0.59%	0.59%	0.59%	0.59%
Outputs					
Option fair value	**48.85**	**48.68**	**48.51**	**48.33**	**48.14**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**48.66**

Date of grant: 28 January,2016	Vest 4	Vest 5
Variables	**1 June, 2017**	**1 June, 2018**
Weighted average stock price	83.25	83.25
Expected volatility (*)	55.34%	50.03%
Risk free rate	7.22%	7.43%
Exercise price (₹ Per Option)	2	2
Time to maturity (years)	1.84	3.34
Dividend yield	0.72%	0.72%
Outputs		
Option fair value	**80.40**	**79.71**
Vesting percentage	**40.00%**	**60.00%**
Options fair value (Black Scholes Model)		**79.99**

Pursuant to Employee Stock Options Scheme 2010 (ESOP Scheme 2010), the Company had granted ESOP dated 25 July 2016. Vesting options in the Grant are based on two criteria:

1. Assured vesting of 30% Options in Five years, irrespective of performance - Valued based on Black Scholes Model.
2. 70% Vesting based on Total Shareholders return based on market performance - Valued based on Binomial Model.

A brief of both the vesting options & the variables have been given below:

Date of grant: 25 July, 2016	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**1 August, 2017**	**1 August, 2018**	**1 August, 2019**	**1 August, 2020**	**1 August, 2021**
Price of underlying Stock	89.00	89.00	89.00	89.00	89.00
Expected volatility (*)	50.28%	52.25%	50.22%	49.14%	50.00%
Risk free rate	6.50%	6.62%	6.72%	6.80%	6.86%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.50	2.50	3.50	4.50	5.50
Dividend yield	1.14%	1.14%	1.14%	1.14%	1.14%
Outputs					
Option fair value	**85.58**	**84.71**	**83.84**	**82.98**	**82.12**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**84.62**

Date of grant: 25 July, 2016	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**1 August, 2017**	**1 August, 2018**	**1 August, 2019**	**1 August, 2020**	**1 August, 2021**
Price of underlying Stock	88.90	88.90	88.90	88.90	88.90
Expected volatility (*)	51.00%	51.00%	51.00%	51.00%	51.00%
Risk free rate	6.50%	6.62%	6.72%	6.80%	6.86%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.50	2.50	3.50	4.50	5.50
Dividend yield	1.14%	1.14%	1.14%	1.14%	1.14%
Outputs					
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Binomial Model)					**87.30**

Date of grant: 18 Janaury, 2017	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**1 February, 2018**	**1 February, 2019**	**1 February, 2020**	**1 February, 2021**	**1 February, 2022**
Price of underlying Stock	106.95	106.95	106.95	106.95	106.95
Expected volatility (*)	47.02%	47.56%	48.79%	47.55%	48.70%
Risk free rate	6.12%	6.24%	6.39%	6.53%	6.63%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.54	2.54	3.54	4.54	5.54
Dividend yield	0.47%	0.47%	0.47%	0.47%	0.47%
Outputs					
Option fair value	**104.36**	**103.97**	**103.59**	**103.21**	**102.82**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**103.94**

(*)The measure of volatility used in the above model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The volatility periods considered above, corresponding to the respective expected lives of the different vests are prior to the grant date. The daily volatility of stock prices is considered as per the National Stock Exchange (NSE) prices over these years.

ESOP Scheme 2016 and ESAR Scheme 2016 have been approved by the shareholders through postal ballot on 30 March, 2016. However no grant has been made under ESOP Scheme 2016 or ESAR Scheme 2016 and accordingly no charge in respect of the same has been accrued in the financial statements for the year ended 31 March, 2017.

As part of the Scheme of Arrangement for demerger, employees of power business have been transferred to Sterlite Power Transmission Limited ('SPTL'). ESOPs granted to such employees will continue to be held and exercised by them. The charge in respect of ESOPs held by employees transferred from the Company to SPTL shall be borne by SPTL with effect from 1 April, 2015. Accordingly, an amount of ₹ 0.76 crore and 3.37 crores pertaining to charge for the year ended 31 March, 2017 and 31 March, 2016 respectively, on ESOPs held by such employees has been transferred to SPTL.

NOTE 38: LEASES

Operating lease

Company as lessee :

The Company has taken office buildings on operating lease. The lease term is for periods of three to nine years and renewable at the option of the Company.

Future minimum lease payments over non cancellable period of operating leases are as follows :

(a) Lease payments recognised in the statement of profit and loss for the year is ₹ 23.62 crore (31 March 2016: ₹ 13.25 crore, 1 April 2015: ₹ 9.05 crore).

(b) The future minimum lease payments payable over the next one year is ₹ 21.03 crore (31 March 2016: ₹ 18.15 crore, 1 April 2015: ₹ 7.69 crore).

(c) The future minimum lease payments payable later than one year but not later than five years is ₹ 33.57 crore (31 March 2016: ₹ 30.63 crore, 1 April 2015: ₹ 19.95 crore).

(d) The future minimum lease payments payable later than five years is ₹ 15.36 crore (31 March 2016: ₹ 0.35 crore, 1 April 2015: ₹ 0.45 crore).

Company as lessor :

The Company has given office building on operating lease. The lease term is for non cancellable period of three years and renewable at the option of the Lessee. Future minimum lease receipts over non cancellable period of operating leases are as follows:

(a) Lease income recognised in the statement of profit and loss for the year is ₹ 1.03 crore (31 March 2016: ₹ 0.54 crore, 1 April 2015: ₹ 0.39 crore).

(b) The future minimum lease payments receivable over the next one year is ₹ 1.94 crore (31 March 2016: ₹ 0.76 crore, 1 April 2015: ₹ 0.39 crore).

(c) The future minimum lease payments receivable later than one year but not later than five year is ₹ 2.57 crore (31 March 2016: ₹ 1.14 crores, 1 April 2015: ₹ 1.20 crores).

Finance lease

Company as lessee :

The Company has taken laptops on finance lease. The lease term is for periods of three years.

Future minimum lease payments under finance lease with the present value of the net minimum lease payments are as follows :

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Minimum payment	Present value of MLP	Minimum payment	Present value of MLP	Minimum payment	Present value of MLP
Within one year	0.87	0.82	0.83	0.79	-	-
After one year but not more than five years	1.02	0.73	1.67	1.39	-	-
Total minimum lease payments	1.89	1.55	2.50	2.18	-	-
Less: amounts representing finance charges	0.34	-	0.32	-	-	-
Present value of minimum lease payments	1.55	1.55	2.18	2.18	-	-

Note 39: Capital and Other Commitments

a] Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹ 77.03 crores (31 March 2016: ₹ 59.78 crores, 1 April 2015: ₹ 120.52 crores)

b] As on March 31, 2017, the Company has commitments of ₹ Nil (31 March 2016: ₹ 17.33 crores, 1 April 2015: ₹ 22.85 crores) relating to further investment in subsidiaries.

c] For commitments relating to lease arrangments please refer note 38.

d] The Company has entered into agreements with the lenders of following subsidiaries wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital of below mentioned subsidiaries and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

31 March 2017	31 March 2016	1 April 2015
Maharashtra Transmission Communication Infrastructure Limited	Speedon Network Limited	Speedon Network Limited
	Maharashtra Transmission Communication Infrastructure Limited	Maharashtra Transmission Communication Infrastructure Limited

Note 40: Contingent Liabilities

		31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
1	Disputed liabilities in appeal			
	a) Sales tax	0.43	0.43	0.43
	b) Excise duty [Including excise duty case in Supreme Court, refer note 8 and note 53]	262.25	259.84	262.91
	c) Customs duty	75.38	73.54	69.60
	d) Service tax	0.63	0.63	-
	e) Income tax	25.32	22.77	21.20
	f) Claims lodged by a bank against the Company (*)	18.87	18.87	18.87
	g) Claims against the Company not acknowledged as debt	1.11	1.11	23.23
2	Outstanding amount of export obligation against advance license	70.32	2.74	6.95
3	Corporate guarantee to the income tax department on behalf of group companies.	114.00	114.00	114.00
4	Corporate guarantees given on behalf of its subsidiaries for loans and hedging facilities taken from bank/financial institution (to the extent of loans and hedging facilities outstanding as at balance sheet date) [(The total amount of corporate guarantees is ₹ 4.71 crores (31 March 2016: ₹ 58.13 crores, 1 April 2015: ₹ 100.45 crores)]	4.71	26.14	75.57

The Company has not provided for disputed sales tax, excise duty, customs duty and service tax arising from disallowances made in assessments which are pending with 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 tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

In respect of the claims against the Company not acknowledged as debts as above, the management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognized in the financial statements.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

* In an earlier year, one of the Bankers of the Company had wrongly debited an amount of ₹ 18.87 crores, towards import consignment under letter of credit 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-Oct-2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28-Jan-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 before the Bombay High Court. The management doesn't expect the claim to succeed.

Note 41: Hedging Activities and Derivatives

Cash flow hedges

Foreign exchange forward contracts

Foreign exchange forward contracts measured at fair value through OCI 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 arise requiring recognition through profit or loss.

The cash flow hedges as at 31 March 2017 were assessed to be highly effective and a net unrealised gain of ₹ 3.24 crore, with a deferred tax liability of ₹ 1.12 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2016 were assessed to be highly effective and an unrealised gain of ₹ 1.98 crore with a deferred tax liability of ₹ 0.69 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2017 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2018.

At 31 March 2017, the Company had currency/interest rate swap agreements in place with a notional amount of USD 2.50 crore (₹ 162.13 crore) whereby the Company receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates. The cash flow hedges during the year ended 31 March 2017 were assessed to be highly effective and a net unrealised loss of ₹ 4.07 crore, with a deferred tax asset of ₹ 1.41 crore relating to the hedging instruments, is included in OCI. The amounts retained in OCI at 31 March 2017 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2018.

Note 42: Derivative Instruments

(a) The following are the outstanding forward exchange contracts entered into by the company, for hedge purpose, as on 31 March, 2017:

Purpose	Foreign currency (In crores)	Amount (₹ in crores)	Buy/Sell	No. of contracts (Quantity)
31 March, 2017				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 6.52	418.88	Buy	203
Hedge of trade receivables and highly probable foreign currency sale	US $ 2.55	163.69	Sell	40
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 1.14	79.53	Buy	73
Hedge of trade receivables and highly probable foreign currency sale	EUR 1.11	77.86	Sell	43
Hedge of payables, buyers credit and highly probable foreign currency purchases	GBP 0.53	43.86	Buy	15
Hedge of trade receivables and highly probable foreign currency sale	GBP 0.38	31.38	Sell	8
Hedge of trade receivables and highly probable foreign currency sale	AED 0.02	0.42	Sell	2
31 March, 2016				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 3.65	242.24	Buy	174
Hedge of trade receivables and highly probable foreign currency sale	US $ 2.44	162.60	Sell	55
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 1.30	97.33	Buy	49
Hedge of trade receivables and highly probable foreign currency sale	EUR 0.44	32.77	Sell	11
Hedge of payables, buyers credit and highly probable foreign currency purchases	GBP 0.39	37.53	Buy	17
Hedge of trade receivables and highly probable foreign currency sale	GBP 0.66	62.50	Sell	11
1 April, 2015				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 4.60	294.13	Buy	185
Hedge of trade receivables and highly probable foreign currency sale	US $ 1.73	110.80	Sell	45
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 0.72	54.82	Buy	31
Hedge of trade receivables and highly probable foreign currency sale	EUR 0.24	16.31	Sell	24
Hedge of trade receivables and highly probable foreign currency sale	GBP 1.00	99.05	Sell	27

(b) Currency and Interest rate swap contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency fluctuations are given below:

Year	Currency type	No. of contracts	Foreign currency (In Crore) (Nominal value)	Period of contract	Floating rate	Fixed rate
31 March, 2017	US $	2	2.50	1 April 2016 to 3 January 2023	(6m Libor + 270 bps) on USD Principal	10.04% on INR principal

(c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amount receivable in foreign currency on account of the following:

Category		31 March 2017		31 March 2016	
		Foreign currency (In crores)	Amount (₹ in crores)	Foreign currency (In crores)	Amount (₹ in crores)
Export of goods	US $	0.14	8.94	0.33	21.78
Export of goods	EUR	0.00	0.03	0.00*	0.07
Export of goods	AED	0.04	0.67	-	-
Advance to suppliers	US $	0.48	31.43	0.04	2.92
Advance to suppliers	EUR	0.14	9.74	0.02	1.38
Advance to suppliers	GBP	0.00	0.16	0.00*	0.30
Advance to suppliers	CHF	0.00	0.07	0.00*	0.01
Advance to suppliers	JPY	0.06	0.03	-	-
Advance to suppliers	CAD	0.01	0.51	-	-
Advance to suppliers	SGD	0.00	0.03	0.00*	0.00*
Advance to suppliers	AED	-	-	0.00*	0.00*
Advance to suppliers	AUD	0.00	0.01	-	-
Advance to suppliers	CNY	0.01	0.06	-	-
Advance to suppliers	SEK	0.00	0.00	-	-
Balance with banks	US $	0.04	2.78	0.10	6.54
Balance with banks	EUR	0.02	1.26	0.01	0.71
Balance with banks	GBP	0.05	4.18	0.06	5.48
Balance with banks	RMB	-	-	0.00*	0.00*

Category		1 April 2015	
		Foreign currency (In crores)	Amount (₹ in crores)
Advance to suppliers	US $	0.03	1.69
Advance to suppliers	EUR	0.02	1.11
Advance to suppliers	GBP	0.00*	0.13
Advance to suppliers	CHF	0.00*	0.04
Advance to suppliers	JPY	0.03	0.02
Advance to suppliers	CAD	0.02	1.02
Balance with banks	EUR	0.01	0.73
Balance with banks	GBP	0.01	0.86
Balance with banks	RMB	0.00*	0.00*
Balance with banks	RUB	0.01	0.01

* Amount below 0.01 crore.

(ii) Amounts payable in foreign currency on account of the following:

Category	Currency type	31 March 2017		31 March 2016	
		Foreign currency (In crores)	Amount (₹ in crores)	Foreign currency (In crores)	Amount (₹ in crores)
Import of goods and services	USD	0.44	28.29	0.26	17.40
Import of goods and services	EUR	0.03	1.85	0.02	1.13
Import of goods and services	GBP	0.00*	0.18	0.00*	0.13
Import of goods and services	MYR	-	-	0.01	0.21
Import of goods and services	SGD	0.00 *	0.02	0.00*	0.06
Import of goods and services	THB	0.03	0.06	0.00*	0.00*
Import of goods and services	ZAR	-	-	0.01	0.04
Import of goods and services	AED	0.02	0.31	-	-
Import of goods and services	AUD	0.00*	0.01	-	-
Import of goods and services	BRL	0.00*	0.01	-	-
Import of goods and services	CHF	0.00*	0.03	-	-
Import of goods and services	JPY	0.00*	0.00	-	-
Loan from Banks	USD	0.03	1.95	0.06	3.86
Import of capital goods	US $	-	-	0.22	14.38
Import of capital goods	EUR	-	-	0.06	4.51
Import of capital goods	JPY	-	-	0.21	0.11
Import of capital goods	GBP	-	-	0.02	1.66
Import of capital goods	CHF	0.00*	0.00	-	-

Category	Currency type	1 April 2015	
		Foreign currency (In crores)	Amount (₹ in crores)
Import of capital goods	US $	0.43	27.47
Import of capital goods	EUR	0.04	2.60

* Amount below 0.01 crore.

(d) Commodity future contracts to hedge against fluctuation in commodity prices:

The following are the outstanding future contracts entered into by the company as on 31 March 2017:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2017	Copper	34	569	Buy
31 March 2017	Copper	18	996	Sell
31 March 2016	Copper	16	419	Buy
31 March 2016	Copper	9	645	Sell
1 April 2015	Copper	29	361	Buy
1 April 2015	Copper	3	216	Sell

Note 43: 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 2017		31 March 2016		1 April 2015	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Global Ventures (Mauritius) Limited	0.26	0.26	0.25	0.25	0.09	0.09
Sterlite Technologies Americas LLC	-	-	-	0.23	0.23	0.23
Speedon Network Limited	90.10	94.46	68.60	71.30	43.25	46.97
Maharashtra Transmission Communication Infrastructure Limited	1.65	1.65	-	0.01	0.01	2.07
Sterlite Technologies UK Ventures Limited	18.83	19.80	19.80	19.80	17.13	22.74
Elitecore Technologies (Mauritius) Limited	-	3.79	3.79	3.79	-	-
Elitecore Technologies SDN. BHD	-	0.26	0.26	0.26	-	-
Total	**110.83**		**92.70**		**60.71**	

Note 44: Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Description	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.			
Principal amount due to micro and small enterprises	11.76	10.95	0.23
Interest due on above	0.08	0.07	-
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.08	0.07	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.08 crore (31 March 2016: ₹ 0.07 crore; 1 April 2015 Nil) and same is not accrued in the books of account. Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" / informations available with the Company regarding their status under the Micro, Small and Medium Enterprises development Act 2006.

Note 45: Research and Development Expenditure

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Capital expenditure		
- Plants and machinery - capitalized during the year	21.38	2.64
	21.38	**2.64**
Revenue expenditure		
- Salaries, wages and bonus	8.25	3.61
- Raw materials consumed	1.37	1.65
- General expenses	5.65	2.94
Total	**15.27**	**8.20**

As on 31st March 2017, Company has two recognized Research and Development Centre. Centrewise breakup of expenditure is as follows :

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Sterlite Center of Research-Aurangabad	0.53	2.64
- Capital Expenditure	11.92	8.20
- Revenue Expenditure	**12.45**	**10.84**
Sterlite Tech Smart Network Center-Gurgaon		
- Capital Expenditure	20.85	-
- Revenue Expenditure	3.35	-
	24.20	-

Note 46: Disclosures Pursuant to Indian Accounting Standard (Ind AS) 11 "Construction Contracts"

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Amount of contract revenue recognised during the year (net of excise)	340.71	363.48
The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the reporting date	779.42	438.71
Retention amount due from customers for contracts in progress upto the reporting date	63.43	49.38
Gross amount due from customers for contract work as an asset	98.76	41.30

Note 47: Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Company reviews and agrees policies for managing each of these risks, which are summarised below.

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

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

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

The sensitivity analysis have been prepared on the basis that the amount of net 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 2017.

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

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

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

Interest rate risk

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

The Company is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Comapny 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 2017, after taking into account the effect of interest rate swaps, approximately 80% of the Company's borrowings are at a fixed rate of interest (31 March 2016: 52%, 1 April 2015: 50%).

Interest rate sensitivity

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

(₹ in crores)

Particulars	Increase/Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2017		
Base Rate	+50	1.11
Base Rate	-50	(1.11)
31 March 2016		
Base Rate	+50	1.72
Base Rate	-50	(1.72)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company 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.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged 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 exposure of 99.50% as at 31 March 2017 and 99% as at 31 March 2016.

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, 2017						
	+5%	0.05/(2.99)	+5%	0.08/(1.30)	+5%	(0.00*)/0.38
	-5%	(0.05)/2.99	-5%	(0.08)/1.30	-5%	0.00*/(0.38)
31 March, 2016						
	+5%	(0.37)/(2.79)	+5%	0.22/(0.03)	+5%	0.10/(2.38)
	-5%	0.37/2.79	-5%	(0.22)/0.03	-5%	(0.10)/2.38

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. Due to the volatility of the price of the copper, the Company also entered into various purchase contracts for copper on London Metal Exchnage. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1 month forecast of the required copper supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 13.20 crores (31 March 2016: ₹ 1.60 crores). Sensitivity analysis of these investments have been provided in Note 49.

(b) Credit risk

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

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this 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 insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks 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's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 41 and the liquidity table below:

(c) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

₹ in crores

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at 31 March, 2017						
Borrowings	50.38	309.73	303.01	396.47	8.10	1,067.69
Other financial liabilities	90.08	-	19.30	0.38	-	109.76
Trade payables	174.64	94.41	163.16	-	-	432.21
Payables for purchase of Property, plant and equipments	-	2.63	3.90	111.54	-	118.07
Derivatives	10.33	7.60	6.93	11.72	-	36.58
Financial guarantee contracts*	0.00	4.71	0.00	0.00	0.00	4.71
	325.43	**419.08**	**496.30**	**520.11**	**8.10**	**1,769.02**
As at 31 March, 2016						
Borrowings	12.08	224.59	345.40	286.44	41.46	909.96
Other financial liabilities	81.20	-	14.09	0.38	-	95.68
Trade payables	115.04	193.04	50.00	-	-	358.08
Payables for purchase of Property, plant and equipments	-	-	27.89	100.39	-	128.29
Derivatives	-	3.70	1.43	2.42	-	7.55
Financial guarantee contracts*	0.00	0.00	0.00	26.14	0.00	26.14
	208.32	**421.33**	**438.81**	**415.77**	**41.46**	**1,525.70**
As at 1 April,2015						
Borrowings	1.35	72.93	173.19	573.73	-	821.20
Other financial liabilities	41.21	-	14.40	-	-	55.61
Trade payables	197.22	83.59	40.48	-	-	321.30
Payables for purchase of Property, plant and equipments	-	-	14.20	23.43	-	37.63
Derivatives	-	3.46	1.34	2.26	-	7.06
Financial guarantee contracts*	0.00	0.00	0.00	75.57	0.00	75.57
	239.78	**159.98**	**243.61**	**674.99**	**0.00**	**1,318.37**

* Based on the maximum amount that can be called for under the financial guarantee contract.

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 equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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

Particulars	As at 31 March 2017 (₹ in crores)	As at 31 March 2016 (₹ in crores)	As at 1 April 2015 (₹ in crores)
Interest Bearing Loans and borrowings	993.29	667.61	757.40
Trade Payables	432.21	358.08	321.30
Other Financial Liabilities	338.81	473.87	164.11
Less: Cash and Bank balances, Current investments	(113.95)	(39.05)	(314.93)
Net debt	**1,650.37**	**1,460.51**	**927.87**

Particulars	As at 31 March 2017 (₹ in crores)	As at 31 March 2016 (₹ in crores)	As at 1 April 2015 (₹ in crores)
Equity share capital	79.66	79.04	78.81
Other equity	891.66	815.15	647.10
Total capital	**971.32**	**894.19**	**725.91**
Capital and net debt	**2,621.69**	**2,354.70**	**1,653.78**
Gearing ratio	62.95%	62.03%	56.11%

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 period.

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

Note 49: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of 31 March, 2017:

(₹ in crores)

Particulars	Carrying Value			Fair Value		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Financial assets						
Investments	48.21	1.60	55.11	48.21	1.60	55.11
Derivative instruments	6.63	2.77	3.67	6.63	2.77	3.67
Total	**54.84**	**4.37**	**58.78**	**54.84**	**4.37**	**58.78**
Financial liabilities						
Derivative instruments	36.58	7.55	7.06	36.58	7.55	7.06
Total	**36.58**	**7.55**	**7.06**	**36.58**	**7.55**	**7.06**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast 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.

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 2017, 31 March 2016 and 1 April 2015 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF method	Long-term operating margin	31 March 2017: 15% - 23% 31 March 2016: 23% 1 April 2015: Nil	1% (31 March 2016: 1%; 1 April 2015: Nil) increase/ (decrease) in the margin would result in increase / (decrease) in fair value by ₹ 0.59 crore (31 March 2016: ₹ 0.06 crore; 1 April 2015: Nil)
		WACC (pre-tax)	31 March 2017: 20% 31 March 2016: 20% 1 April 2015: Nil	1% (31 March 2016: 1%; 1 April 2015: Nil) increase/ (decrease) in the WACC would result in decrease/ (increase) in fair value by approx. ₹ 1.14 crore (31 March 2016: ₹ 0.15 crore; 1 April 2015: Nil)
		Discount for lack of marketability	31 March 2017: 5% 31 March 2016: 5% 1 April 2015: Nil	Increase (decrease) in the discount would decrease (increase) the fair value.

Note 50: Fair Values Hierachy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017; 31 March 2016 and 1 April 2015

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at 31 March, 2017	35.01	35.01	-	-
As at 31 March, 2016	-	-	-	-
As at 1 April 2015	55.11	55.11	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment - Others				
As at 31 March, 2017	13.20	-	-	13.20
As at 31 March, 2016	1.60	-	-	1.60
As at 1 April 2015	-	-	-	-
Derivative assets				
As at 31 March, 2017	6.63	-	6.63	-
As at 31 March, 2016	2.77	-	2.77	-
As at 1 April 2015	3.67	-	3.67	-
Derivative liabilities				
As at 31 March, 2017	(36.58)	-	(36.58)	-
As at 31 March, 2016	(7.55)	-	(7.55)	-
As at 1 April 2015	(7.06)	-	(7.06)	-
Assets for which fair values are disclosed				
Investment properties				
As at 31 March, 2017	14.64	-	14.64	-
As at 31 March, 2016	13.21	-	13.21	-
As at 1 April 2015	11.89	-	11.89	-

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

Note 51: Related Party Disclosures

(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 Technologies Americas LLC*
Sterlite Technologies Europe Ventures Limited
Sterlite Power Technologies Private Limited#
*Liquidated during the year with effect from June 22, 2016.
#Transferred to Twin Star Overseas Limited, Mauritius.

(iii) Joint ventures
Sterlite Conduspar Industrial Ltda (58:42 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limitada)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. Pravin Agarwal
(Vice Chairman & Whole-time Director)
Dr. Anand Agarwal
(CEO & Whole-time Director)
Mr. A. R. Narayanaswamy
(Non-Executive & Independent Director)
Mr. Arun Todarwal
(Non-Executive & Independent Director)
Mr. C. V. Krishnan
(Non-Executive & Independent Director)
Avaantika Kakkar (Non-Executive & Independent Director)
Mr Pratik Agarwal
(Non-Executive Director)

(ii) Relative of key management personnel (KMP)
Mr. Ankit Agarwal

(iii) Entities where key management personnel / relatives of key management personnel have significant influence (EKMP)
Bharat Aluminium Company Limited
Sterlite Power Transmission Ltd.
Hindustan Zinc Limited
Twin Star Technologies Limited
Sterlite Power Grid Ventures Limited
Sterlite Grid 1 Limited
East North Interconnection Company Limited
Jabalpur Transmission Company Limited
Bhopal Dhule Transmission Company Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE
Sterlite Power Technologies Private Limited
Khaitan & Co. LLP
Universal Floritech LLP
Sterlite Tech Foundation

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. Anupam Jindal (Chief Financial Officer)
Mr. Amit Deshpande (Company Secretary)

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

(₹ in crores)

S. No.	Particulars	Subsidiary		Joint Ventures		Holding Company		KMP		Relative of KMP		EKMP	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Transactions												
1	Remuneration	-	-	-	-	-	-	21.47	16.51	1.96	0.59	-	-
2	Sitting Fees	-	-	-	-	-	-	0.10	0.15	0.01	0.03	-	-
3	Commission	-	-	-	-	-	-	0.38	0.38	0.13	0.13	-	-
4	Dividend received / (paid)	-	-	-	-	(31.41)	(12.56)	(0.25)	(0.09)	(0.24)	(0.08)	(0.71)	(0.29)
5	Investment during the year	120.70	7.05	-	-	-	-	-	-	-	-	-	-
6	Sale of investment in subsidiary	-	-	-	-	-	0.05	-	-	-	-	-	-
7	Loans and advances given##	25.05	22.10	0.45	-	-	-	1.37	-	-	-	50.11	-
8	Repayment of loans	7.42	0.14	0.16	-	-	-	-	-	-	-	24.18	-
9	Trade advances											0.84	-
10	Advances from subsidiary##	0.44	1.24	-	-	-	-	-	-	-	-	-	-
11	Repayment of advances to subsidiary	0.35	0.26	-	-	-	-	-	-	-	-	-	-
12	Interest charged on loans	7.31	4.79	-	-	-	-	-	-	-	-	2.07	-
13	Management fees paid	-	-	-	-	-	-	-	-	-	-	0.21	0.40
14	Management fees charge	-	-	-	-	-	-	-	-	-	-	8.27	28.62
15	Corporate guarantee commission charged	0.04	0.23	-	-	-	-	-	-	-	-	-	-
16	Purchase of goods	0.04	-	-	-	-	-	-	-	-	-	64.42	19.63
17	Purchase of services	22.87	16.01	-	-	-	-	-	-	-	-	-	-
18	Purchase of power	-	-	-	-	-	-	-	-	-	-	-	36.50
19	Sale of goods (net of excise duty)	121.25	109.90	7.62	17.72	-	-	-	-	-	-	20.23	9.68
20	Expenses incurred	(0.71)	1.47	-	-	-	-	-	-	-	-	1.19	-
21	Contributions made	-	-	-	-	-	-	-	-	-	-	2.71	0.57
22	Rental income	-	-	-	-	-	-	-	-	-	-	0.06	0.02
23	ESOP expenses charged	-	-	-	-	-	-	-	-	-	-	0.76	3.37
24	Professional fees paid	-	-	-	-	-	-	-	-	-	-	0.47	0.64

S. No.	Particulars	Subsidiary 31 March 2017	Subsidiary 31 March 2016	Subsidiary 1 April 2015	Joint Ventures 31 March 2017	Joint Ventures 31 March 2016	Joint Ventures 1 April 2015	Holding Company 31 March 2017	Holding Company 31 March 2016	Holding Company 1 April 2015	KMP 31 March 2017	KMP 31 March 2016	KMP 1 April 2015	Relative of KMP 31 March 2017	Relative of KMP 31 March 2016	Relative of KMP 1 April 2015	EKMP 31 March 2017	EKMP 31 March 2016	EKMP 1 April 2015
	Outstanding Balances																		
1	Advance outstanding against supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.84	-	7.45
2	Loans/advance receivables##	110.83	92.70	60.71				-	-	-	1.37	-	-	-	-	-	9.60	-	-
3	Loans/advance payables##	1.67	1.59	2.13	-	-		-	-	-	-	-	-	-	-	-	-	19.32	10.12
4	Trade receivables	16.94	29.51	26.44	20.07	22.01	6.92	-	-	-	-	-	-	-	-	-	2.38	-	81.64
5	Trade payables	3.95	-	1.16	-	-	-	-	-	-	-	-	-	-	-	-	15.31		7.21
6	Investment in equity shares and preference shares	251.65	130.95	123.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Corporate and bank guarantees given and outstanding	4.71	58.13	104.45	-	-		-	-	-	-	-	-	-	-	-	114.00	114.00	114.00

(C) Disclosure in respect of material related party transaction during the year:

	Particulars	Relationship	31 March 2017	31 March 2016
1	**Remuneration #**			
	Mr. Pravin Agarwal	KMP	10.89	9.55
	Dr. Anand Agarwal	KMP	8.69	5.27
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.05	0.06
	Mr. A. R. Narayanaswamy	KMP	0.03	0.04
	Mr. C. V. Krishnan	KMP	0.02	0.03
	Ms. Avaantika Kakkar	KMP	0.01	0.03
	Mr. Pratik Agarwal	KMP	0.01	0.03
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.13	0.13
	Mr. A. R. Narayanaswamy	KMP	0.13	0.13
	Ms. Avaantika Kakkar	KMP	0.13	0.13
	Mr. Pratik Agarwal	KMP	0.13	0.13
4	**Dividend received / (paid)**			
	Twin Star Overseas Limited	Holding Company	(31.41)	(12.56)
5	**Investment during the year**			
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	-	5.51
	Speedon Network Limited	Subsidiary	120.70*	-
	*Pertains to Compulsory convertible debenture (CCDs)			
6	**Sale of Investment in Subsidiary**			
	Twin Star Overseas Limited, Mauritius	Holding Company	-	0.05
7	**Loans given ##**			
	Speedon Network Limited	Subsidiary	23.16	20.99
	Twinstar Display Technologies Limited.	EKMP	9.87	-
	Sterlite Power Transmission Limited.	EKMP	40.24	-
8	**Repayment of loans**			
	Speedon Network Limited	Subsidiary	7.16	-
	Sterlite Power Transmission Limited	EKMP	20.69	-
	Twinstar Display Technologies Limited	EKMP	3.49	-
9	**Trade Advances**			
	Vedanta Limited	EKMP	0.84	-
10	**Advances from subsidiary ##**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	0.44	-
	Sterlite (Shanghai) Trading Company Limited	Subsidiary	-	1.23
11	**Repayment of advances to subsidiary**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	0.35	0.26
12	**Interest charged on loans**			
	Speedon Network Limited	Subsidiary	7.07	-
	Sterlite Technologies UK Ventures Limited	Subsidiary	0.20	4.58
13	**Management fees paid**			
	Vedanta Limited	EKMP	0.21	0.40
14	**Management fees charge**			
	Sterlte Power Transmission Limited	EKMP	-	28.62
	Twin Star Display Technologies Limited	EKMP	8.27	-
15	**Corporate guarantee commission charged**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	0.04	0.23
16	**Purchase of goods**			
	Vedanta Limited	EKMP	-	2.06
	Fujairah Gold FZE	EKMP	64.42	17.56
17	**Purchase of services**			
	Speedon Network Limited	Subsidiary	18.09	16.01
	Sterlite (Shanghai) Trading Company Limited	Subsidiary	2.94	-
18	**Purchase of power**			
	Vedanta Limited	EKMP	-	36.50
19	**Sale of goods (net of excise duty)**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	120.16	108.22
	Sterlite Conduspar Industrial Ltda	Joint Venture	7.62	17.72
	Sterlite Power Transmission Limited	EKMP	20.23	9.68
20	**Expenses incurred by STL / (on behalf of STL)**			
	Speedon Network Limited	Subsidiary	(0.71)	1.47
	Sterlite Power Transmission Limited	EKMP	1.02	-

(C) Disclosure in respect of material related party transaction during the year: (Contd.)

	Particulars	Relationship	31 March 2017	31 March 2016
21	**Contributions made**			
	Sterlite Tech Foundation	EKMP	2.71	0.57
22	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.02
23	**ESOP expenses charged**			
	Sterlite Power Transmission Limited	EKMP	0.76	3.37
24	**Payment of professional fees**			
	Khaitan & Co. LLP	EKMP	0.47	0.64

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2017	31 March 2016
Short term employee benefits	21.47	16.51
Post employment benefits#	0.40	0.32
Share based payment transaction	0.89	1.70
Total compensation paid to key management personnel	**22.76**	**18.53**

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Key Management Personnel are not included above.

#Includes expenses incurred and recoverable.

** The loan given to KMP is per the employment service agreement. The Company has charged interest @ 9.5% which is more than the average rate of interest on borrowing.

NOTE 52: FIRST TIME ADOPTION OF IND AS

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

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

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

  The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

- An item of freehold land has been measured at fair value at the date of transition to Ind AS being 1 April 2015. The Company has elected to regard the fair value of land as deemed cost at the date of transition to Ind AS.

- Since there is no change in the functional currency, the Company has elected to continue with the carrying value of its investment property as recognised in its Indian GAAP financials as deemed cost at the transition date.

- Ind AS 102 Share-based Payments has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2015.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, currency/interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Company, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Company continues to apply hedge accounting after the date of transition to Ind AS.

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

	Footnotes	Amount as per Local GAAP (₹ in crores)	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Assets				
Non-current assets				
Property, Plant & Equipment	1, 9	668.57	17.19	685.76
Capital work-in-progress		29.96	-	29.96
Investment Property	1	-	9.35	9.35
Other Intangible assets		6.72	-	6.72
Investment in subsidiaries	2	120.14	3.73	123.87
Financial Assets				
Trade receivables		10.27	-	10.27
Loans	2	59.81	(3.08)	56.73
Other non-current financial assets	3	7.05	(1.66)	5.39
Other non-current assets	3, 4	38.19	(24.88)	13.31
		940.72	**0.64**	**941.36**
Current assets				
Inventories		161.36	-	161.36
Financial Assets				
Investments	5	55.00	0.11	55.11
Trade receivables		485.66	(0.32)	485.34
Cash and cash equivalents		41.13	-	41.13
Other bank balances		218.69	-	218.69
Loans		3.98	-	3.98
Other current financial assets	6	35.76	3.67	39.43
Other current assets	3, 8	82.61	0.15	82.77
		1,084.18	**3.62**	**1,087.81**
Total Assets		**2,024.90**	**4.27**	**2,029.17**
Equity And Liabilities				
Equity				
Equity share capital		78.81	-	78.81
Other equity				
Securities premium	7	-	1.45	1.45
Retained earnings	1, 2, 3, 5, 6, 9, 10, 11	480.10	45.71	525.81
Other reserves	6	117.97	1.85	119.82
Total Equity		**676.88**	**49.02**	**725.91**
Non-current liabilities				
Financial Liabilities				
Borrowings	7, 8	575.50	(1.77)	573.73
Other financial liabilities	9	22.48	0.95	23.43
Employee benefit obligations		5.51	-	5.51
Provisions	10	1.37	(0.25)	1.12
Deferred tax liabilities (net)	1, 2, 3, 4, 5, 6, 7, 9, 10	43.83	(15.90)	27.93
		648.69	**(16.97)**	**631.72**
Current liabilities				
Financial Liablities				
Borrowings	8	185.08	(1.41)	183.67
Trade payables	12	298.07	23.23	321.30
Other financial liabilities	6, 12	-	140.68	140.68
Other current liabilities	12	170.82	(161.83)	8.99
Employee benefit obligations		7.41	-	7.41
Provisions	11	37.95	(28.45)	9.50
		699.33	**(27.79)**	**671.54**
Total		**2,024.90**	**4.26**	**2,029.17**

Note (a): The opening balance sheet under Indian GAAP as at 1 April 2015 is after giving effect to the demerger of power business. Refer Note 54G for details.

Reconciliation of equity as at 31 March 2016

	Footnotes	Amount as per Local GAAP (₹ in crores)	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Assets				
Non-current assets				
Property, Plant & Equipment	1, 9	736.34	33.97	770.31
Capital work-in-progress	9	126.39	(1.63)	124.76
Investment Property	1	-	9.19	9.19
Goodwill		133.21	-	133.21
Other Intangible assets		10.69	-	10.69
Investment in subsidiaries	2	127.23	3.73	130.95
Financial Assets				
Investments		1.60	-	1.60
Trade receivables		0.39	-	0.39
Loans	2	95.40	(2.70)	92.70
Other non-current financial assets	3	12.34	(2.76)	9.58
Other non-current assets	3, 4	45.14	(25.30)	19.84
		1,288.73	**14.49**	**1,303.22**
Current assets				
Inventories		189.19	-	189.19
Financial Assets				
Investments		-	-	-
Trade receivables		740.92	0.30	741.22
Cash and cash equivalents		20.82	-	20.82
Other bank balances		18.23	-	18.23
Other current financial assets	6	88.13	2.77	90.90
Other current assets	3, 8	143.86	0.55	144.41
		1,201.15	**3.62**	**1,204.77**
Total Assets		**2,489.88**	**18.11**	**2,507.99**
Equity and Liabilities				
Equity				
Equity share capital		79.04	-	79.04
Other equity				
Securities premium	7	3.21	1.46	4.67
Retained earnings	1, 2, 3, 5, 6, 7, 9, 10, 11, 13, 15	613.50	63.09	676.59
Other reserves	6	119.21	14.68	133.89
Total Equity		**814.96**	**79.23**	**894.19**
Non-current liabilities				
Financial Liabilities				
Borrowings	7, 8	327.01	0.88	327.90
Other financial liabilities	9	103.43	(2.66)	100.77
Net employee defined benefit liabilities		11.43	-	11.43
Provisions	10	16.27	(1.70)	14.57
Deferred tax liabilities (net)	1, 2, 3, 4, 5, 6, 7, 9, 10, 13, 15	54.15	(10.89)	43.26
		512.29	**(14.36)**	**497.93**
Current				
Financial Liablities				
Borrowings	8	340.56	(0.85)	339.72
Trade payables	12	351.66	6.42	358.08
Other financial liabilities	6, 12	377.86	(4.77)	373.09
Other current liabilities		24.02	-	24.02
Net employee defined benefit liabilities		10.56	-	10.56
Provisions	11	57.97	(47.57)	10.40
		1,162.63	**(46.76)**	**1,115.87**
Total		**2,489.88**	**18.11**	**2,507.99**

Note (a): The opening balance sheet under Indian GAAP as at 1 April 2015 is after giving effect to the demerger of power business. Refer Note 54G for details.

Profit reconciliation for the year ended 31 March 2016 :

	Footnotes	Amount as per Local GAAP (₹ in crores)	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Income				
Revenue from operations	6, 13	2,035.65	123.14	2,158.79
Other income	16	16.87	(13.59)	3.28
Total income (I)		**2,052.53**	**109.55**	**2,162.07**
Expenses				
Cost of raw material and components consumed	6, 14	900.84	(3.16)	897.68
Purchase of traded goods		33.44	-	33.44
(Increase) / decrease in inventories of finished goods work-in-progress and traded goods		(12.71)	-	(12.71)
Excise duty on sale of goods	13	-	131.07	131.07
Employee benefits expense	15	182.20	(3.34)	178.87
Other expenses	3, 10, 13, 14	502.29	(3.69)	498.60
Total expenses (II)		**1,606.07**	**120.88**	**1,726.95**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**446.46**	**(11.34)**	**435.13**
Depreciation and amortisation expense	9	107.13	(0.11)	107.02
Finance costs	6, 7, 9, 10, 16	92.29	5.59	97.88
Finance income	2, 3, 16	-	(17.39)	(17.39)
Profit before tax		**247.05**	**0.58**	**247.61**
Tax expense:				
Current tax		52.77	-	52.77
Deferred tax	2, 3, 6, 7, 9, 10, 13	19.15	0.20	19.35
Income tax for earlier years		(5.93)	-	(5.93)
Income tax expense		**65.99**	**0.20**	**66.19**
Profit for the year		**181.06**	**0.38**	**181.42**
Other comprehensive income	17			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net movement on cash flow hedges	6	-	1.98	1.98
Income tax effect	6	-	(0.69)	(0.69)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**-**	**1.29**	**1.29**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss defined benefit plans	15	-	(3.34)	(3.34)
Income tax effect	15	-	1.16	1.16
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**-**	**(2.18)**	**(2.18)**
Other comprehensive income for the year		**-**	**(0.89)**	**(0.89)**
Total comprehensive income for the year		**181.06**	**(0.51)**	**180.53**

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016:

1 Property, plant and equipment

The Company has elected to measure an item of freehold land at fair value of ₹ 50.96 crore at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 45.46 crore (31 March 2016: ₹ 45.46 crores) was recognised in property, plant and equipment. This amount has been recognised against retained earnings net of tax.

The impact of componentisation of items of property, plant and equipment of ₹ 18.93 crore has been disclosed under Ind AS adjustments. The same was considerd in the Indian GAAP financial statements for the year ended 31 March 2016 based on the requirements of Schedule II to the Companies Act, 2013. The corresponding charge has been considered in Other equity of ₹ 12.38 crore (net of deferred tax of ₹ 6.55 crore)

Commercial property of ₹ 9.35 crore (31 March 2016: ₹ 9.19 crore) shown as fixed assets under Indian GAAP has been reclassified to Investment property under Ind AS.

2 Financial Assets - Loans

The Company has given loans to subsidiaries at lower than market rates of interest. Accordingly an amount of ₹ 3.73 crore being the difference between the nominal value of the loan and its fair value calculated based on market interest rate has been classified as equity investment of the Company in subsidiary. The differential interest is accrued as income over the period of the loan. Accordingly, as at the date of transition to Ind AS, ₹ 0.65 crore (31 March 2016: ₹ 1.03 crore) accrued interest income was included in the loan amount.

3 Other non-current financial assets

Interest free security deposits have been accounted for at amortised cost using market rates of interest. The difference between the nominal amount of deposits and the amortised cost as at the date of transition to Ind AS of ₹ 1.66 crore (31 March 2016: ₹ 2.76 crore) has been classified as prepaid expenses under other non-current assets. Interest income on deposits is recognised on EIR basis disclosed under Finance income and the prepaid expense is amortised on a straight line basis over the period of deposit disclosed under Other expenses.

4 Other non-current assets

MAT credit of ₹ 25.95 crore (31 March 2016: ₹ 27.20 crore) shown under non current assets in Indian GAAP as at the date of transition to Ind AS has been reclassified to deferred tax under Ind AS.

5 Financial assets - Investments

Under Indian GAAP, investment in mutual funds were measured at lower of cost and fair value. Under Ind AS, these are measured at fair value.

6 Other current financial assets / liabilities

The adjustments of ₹ 3.67 crore (31 March 2016: ₹ 2.77 crore) in Other current financial assets and ₹ 2.61 crore (31 March 2016: ₹ 4.77 crore) in Other current financial liabilities pertain to accounting for derivatives. The fair value of forward foreign exchange contracts is recognised under Ind AS, and was not recognised under Indian GAAP. The contracts, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instrument in cash flow hedges of either expected future sales or purchases for which the Company has firm commitments or expected sales or purchases that are highly probable.

The corresponding adjustment has been recognised as a separate component of equity, in the cash flow hedge reserve. On the date of transition, cash flow hedge reserve was credited by ₹ 1.85 crore on 1 April 2015 (31 March 2016: ₹ 2.28 crore) and net movement of ₹ 1.29 crore (net of tax) during the year ended on 31 March 2016 was recognised in OCI and subsequently taken to cash flow hedge reserve.

7 Securities premium

Under Indian GAAP, the balance in securities premium was utilised towards expenses on issue of non-convertible debentures. Under Ind AS, the NCDs are measured at amortised cost using effective interest method. The difference between the carrying amount of NCDs under Indian GAAP and the amortised cost under Ind AS as at the date of transition to Ind AS has been credited to securities premium.

8 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised and charged to profit or loss over the period of the borrowings. Unamortised costs were disclosed under Other assets. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

9 Other financial liabilities

Under Ind AS, deferred payables for purchase of property, plant and equipment beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit. Under Indian GAAP, such payables were recognised and measured at nominal amounts.

10 Non-current provisions

Under Indian GAAP, provisions were not discounted. Under Ind AS, provisions are discounted to present value, where the effect of time value of money is material.

11 Current provisions

Under Indian GAAP, proposed dividends including dividend distribution taxes are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 28.45 crore for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 of ₹ 47.57 crore recognized under Indian GAAP was reduced from provisions and with a corresponding impact in the retained earnings.

12 Trade payables and other current liabilities

For the purpose of Ind AS financial statements, certain amounts have been reclassified among trade payables, other current financial liabilities and other current liabilities based on the requirements of Ind AS. There is no change in the measurement of such amounts under Ind AS as compared to Indian GAAP.

13 Revenue from operations

Under Indian GAAP, Revenue from operations was disclosed net of Excise duty on sales of ₹ 131.07 crore for the year ended 31 March 2016. Under Ind AS, Revenue is shown gross of Excise duty and the amount of Excise duty is shown as expense in the Statement of Profit and Loss.

The Company changed the accounting policy for revenue recognition on telecom software solutions (software license sale and related services) to percentage of completion method (POCM) from the earlier method of recognising products sale based on delivery and sale of services based on milestones achieved as per terms and conditions of the specific customer contracts. The effect of the above change (i.e. reduction in revenue by ₹ 8.07 crore) has been given retrospectively in the year ended 31 March 2016 as required by Ind AS - 8 "Accounting policies, changes in accounting estimates and errors". Further, provision for onerous contracts of ₹ 5.44 crore recognised under Indian GAAP in Other expenses has been reversed under Ind AS due to change in accounting policy to POCM.

14 Other expenses - Leases

The Company has evaluated an arrangement under the requirements of Appendix C to Ind AS 17 "Leases" for procurement of raw materials from a plant located in Company's premises but owned by vendor. Based on such evalaution, the arrangement contains an operating lease. Accordingly, ₹ 3 crore being part of the amounts paid towards procurement of raw materials from the vendor plant has been reclassified to lease rent under Other expenses.

15 Employee benefits expense

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹ 3.34 crore and remeasurement loss on defined benefit plans has been recognised in the OCI net of tax.

16 Finance income

Interest subvention received on certain short-term borrowings relating to exports has been re-classified to finance income under Ind AS.

Under Ind AS, Finance income has been shown separately. Under Indian GAAP, such income was disclosed under Other Income.

17 Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

18 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 53: Excise /Customs Matter Pending with Hon. Supreme Court

The Company had in an earlier year received an order of CESTAT upholding the demand of ₹ 188 crores (including penalties and excluding interest) (31 March 2016: ₹ 188 crores; 1 April 2015: ₹ 188 crores) in the pending excise/custom matters on various grounds. The Company's appeal with the Honorable High Court of Mumbai was rejected on the grounds of jurisdiction. The Company preferred an appeal with the Honorable Supreme Court of India against the order of CESTAT which has been admitted. The Company has re-evaluated the case on admission of appeal by the Honorable Supreme Court. Based on their appraisal of the matter, the legal advisors/consultants are of the view that under most likely event, the provision of ₹ 4.50 crores made by the Company against the above demand is adequate. The management is confident of a favorable order and hence no further provision is considered against the said demand.

Note 54: Other Notes

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

B. The Company has spent an amount of ₹ 3.05 crores (31 March 2016: 2.23 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of skill development, education and health in the cities of Pune, Aurangabad, Silvassa and Mumbai. Out of ₹ 3.05 crores (31 March 2016: ₹ 2.23 crores), an amount of ₹ 2.71 crore (31 March 2016: ₹ 0.57 crore) was spent by way of contribution to Sterlite Tech Foundation, in which directors/senior executives of the Company and their relatives are trustees.

Details of CSR expenditure:

Particulars	**31 March 2017 (₹ in crores)**	**31 March 2016 (₹ in crores)**
A. Gross amount required to be spent by the Company	3.05	1.61
B. Amount spent during the year	3.05	2.23
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	3.05	2.23

C. Acquisition and Amalgmation of Elitecore Technologies Private Limited

The Company acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product company, on 29 September 2015, pursuant to share purchase agreement dated 22 September 2015 for a total purchase consideration of ₹ 187.37 crores which was discharged through bank payments. Post the acquisition, ETPL has been merged with the Company with appointed date of 29 September 2015 under the Scheme of Amalgamation ('the Scheme') approved by Hon'ble Gujarat High Court vide Order dated 21 March 2016 and effective date 20 May 2016 (being the date of filing with Registrar of Companies).

The Company has accounted for the merger in accrodance with the provisions of the Scheme as approved by the High Court whereby the assets and liabilities of ETPL have been recognised at their book values. The excess of amount of investments in ETPL cancelled pursuant to the merger over the net asset value of ETPL on the Appointed Date has been treated as Goodwill. Such Goodwill shall be amortized over a period of 5 years from the Appointed date as per the Court order.

As a result of the amalgamation, the financial statements of the Company for the year ended 31 March 2016 incorporate the operations of ETPL with effect from the Appointed date i.e. 29 September 2015.

Details of book values of assets and liabilities of ETPL amalgamated into the Company as on the appointed date i.e. 29 September 2015 are as follows:

Particulars	(₹ in crores)
Assets	
Non-current assets	
Property, plant & equipment	4.91
Other intangible assets	1.52
Investment in subsidiaries	0.14
Financial assets	
Other non-current financial assets	1.73
Deferred Tax Assets	2.29
Other non-current assets	4.31
	14.90
Current assets	
Inventories	1.01
Financial assets	
Trade receivables	42.66
Cash and cash equivalents	27.24
Other current financial assets	0.63
Other current assets	10.26
	81.80
Total assets (A)	**96.70**
Liabilities	
Non-current liabilities	
Financial Liabilities	
Borrowings	2.65
Employee benefit obligations	3.46
Provisions	0.44
	6.55
Current liabilities	
Financial liablities	
Borrowings	9.42
Trade payables	33.05
Other financial liabilities	1.51
Other liabilities	4.72
Employee benefit obligations	0.15
Provision	2.11
	50.96
Total liabilities (B)	**57.51**
Net assets (share capital and reserves) (A-B)	**39.19**
Purchase consideration	187.37
Goodwill	**148.18**

D. Disclosure related to Specified Bank Notes

Following is the disclosure relating to details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8 November 2016 to 30 December 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March 2017 as issued by the Ministry of Corporate Affairs :

Particulars	Specified Bank Notes (Amount in ₹)	Other Denomination Notes (Amount in ₹)	Total (Amount in ₹)
Closing cash in hand on 08.11.2016	98,500	42,355	1,40,855
Add: Permited receipts	6,500	4,85,628	4,92,128
Less: Permited payments	-	4,77,409	4,77,409
Less: Amount deposited in banks	1,04,500	-	1,04,500
Closing cash in hand on 30.12.2016	**500**	**50,574**	**51,074**

E. De-merger of business of Speedon Network Limited ('SNL')

The Board of Directors has approved the merger of passive infrastructure business of Speedon Network Limited ('SNL') (a wholly owned subsidiary of the Company) with the Company with the appointed date of 1 October 2016, subject to requisite regulatory approvals. The Scheme of amalgamation in this regard has been filed with National Company Law Tribunal (NCLT) - Mumbai and Ahmedabad bench and is pending their approval.

F. Change in accounting policy of telecom software solutions

From April 1, 2016, the Company has changed the accounting policy for revenue recognition on telecom software solutions (software license sale and related services) to percentage of completion method from the earlier method of recognising products sale based on delivery and sale of services based on milestones achieved as per terms and conditions of the specific customer contracts. The above change has been applied retrospectively as required by Ind AS - 8. Revenue and Profit before tax is higher/(lower) as follows:

₹ in crores

Particulars	Year ended March-17	Year ended March-16
Revenue	(4.79)	(8.07)
Profit before tax	(4.79)	(2.63)

G. Demerger of Power Business

The Board of directors of the Company on 18 May 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting company') and their respective shareholders and creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into SPTL with the appointed date of 1 April 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated 22 April 2016 and it became effective from 23 May 2016 (being the date of filing with Registrar of Companies).

As a result of the demerger, the opening balance sheet as at 1 April 2015 and the financial statements of the Company as at and for the year ended 31 March 2016, do not include the operations of the demerged undertaking.

As per the Scheme, STL shall reduce the book values of assets and liabilities pertaining to the demerged undertaking (i.e. Power Business) as on the appointed date from its books of account. Accordingly, the following assets and liabilities pertaining to Power Business have been reduced from the books of account of STL as on April 1, 2015:

Particulars	(₹ in crores)
Assets	
Non-current assets	
Property, plant & equipment	238.94
Capital work-in-progress	2.98
Other intangible assets	0.07
Investment in subsidiaries	1,198.11
Financial assets	
Loans	9.20
Other non-current financial assets	1.47
Other non-current assets	1.10
	1,451.87
Current assets	
Inventories	236.65
Financial assets	
Trade receivables	413.06
Cash and cash equivalents	0.51
Other current financial assets	76.50
Other current assets	23.01
	749.73
Total (A)	**2,201.60**
Liablities	
Non-current liabilities	
Financial Liabilities	
Borrowings	562.84
Employee benefit obligations	2.28
Deferred tax liabilities (net)	5.75
	570.86
Current liabilities	
Financial liablities	
Borrowings	228.25
Trade payables	586.09
Other financial liabilities	160.39
Net employee defined benefit liabilities	1.41
	1,064.95
Total (B)	**1,635.82**
Excess of book value of assets over the book value of liabilities (A - B)	**565.78**

Further, as per the Scheme, the excess of book value of assets over the book value of liabilities of the demerged undertaking shall be adjusted against the securities premium account and balance, if any, shall be first adjusted against the general reserve account and thereafter against profit and loss account of the demerged company. Also the investment of STL in SPTL of ₹ 0.05 crore has been cancelled and adjusted against surplus in the statement of profit and loss as per the Scheme. Accordingly, the following adjustments have been made in the opening reserves as at 1 April 2015:

Particulars	₹ in crores
Excess of book value of assets over the book value of liabilities	**565.78**
Adjusted against:	
Securities premium	197.26
General reserve	99.97
Surplus in the statement of profit and loss	268.55
Total	**565.78**

The resulting company shall reimburse the demerged company for all liabilities incurred by the demerged company in so far as such liabilities relate to period prior to the appointed date i.e. 1 April 2015 in respect of the demerged undertaking as per the Scheme.

Note 55: Segment Reporting

The Company's operations predominately relate to Telecom product and solutions and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments"

Geographical Information

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
(1) Revenue from external customers		
- Within India	1,706.44	1,459.24
- Outside India	694.74	699.54
Total revenue per statement of profit and loss	**2,401.18**	**2,158.78**
The revenue information above is based on the locations of the customers		
Revenue from one customer in India amounted to ₹ 340.71 crores (31 March 2016: ₹ 363.48 crores)		
(2) Non-current operating assets		
- Within India	1,088.59	1,048.15
- Outside India	-	-
Total	**1,088.59**	**1,048.15**
Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.		

Note 56: Previous year Figures

The financial statements for the year ended 31 March 2016 and 31 March 2017 incorporate the impact of the merger as mentioned in Note 53C from the appointed date 29 September 2015. Hence, to that extent, financial statements for the year ended 31 March 2016 are not comparable with the financial statements for the year ended 31 March 2017.

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

For and on behalf of the board of directors of Sterlite Technologies Limited

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

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : 26 April 2017

Independent Auditor's Report

To the Members of Sterlite Technologies Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Sterlite Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a joint venture, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

As stated in Note 50 to the accompanying consolidated Ind AS financial statements, the Holding Company had in an earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties and excluding interest) (₹ 188 crores as at March 31, 2016) in a pending excise/customs matter. The Holding Company's appeal against this order with the Honourable Supreme Court has been admitted. Based on the current status and legal advice received, provision for liability as recorded and disclosed in Note 20 in the accompanying consolidated Ind AS financial statements is considered adequate by Management. In the event the decision of the Honourable Supreme Court goes against the Holding Company on any of the grounds of appeal, additional provision against the said demand may be required. Pending disposal of the matter by the Honourable Supreme Court, we are unable to comment on the adequacy of the provisions made towards the amount of excise / customs duty payable. Our audit opinion on the consolidated financial statements for the year ended March 31, 2016 was also qualified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2017, of their consolidated profit including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 55C to the consolidated Ind AS financial statements which describes the accounting for merger which has been done as per the Scheme of amalgamation approved by the High Court. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph, to the extent applicable, we report that:

   (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;

   (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;

   (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

   (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

      i. Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture – Refer Notes 29, 41 and 50 to the consolidated Ind AS 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 – Refer Note 23 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its joint venture;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India;

      iv. The Holding Company has provided requisite disclosures in Note 55D to these consolidated Ind AS financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management.. As per books of account of the subsidiaries incorporated in India, and as represented by the management of these entities, the subsidiaries did not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries whose financial statements include total assets of ₹ 281.68 crore and net assets (i.e. total assets minus total liabilities) of ₹ 232.32 crore as at March 31, 2017, and total revenues of ₹ 312.84 and net cash inflows of ₹ 27.86 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which 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 accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 25.35 crore and net assets (i.e. total assets minus total liabilities) of ₹ 2.36 crore as at March 31, 2017, and total revenues of ₹ 9.10 crore and net cash outflows of ₹ 3.63 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 2.83 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements and other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, 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 and other financial information certified by the Management.

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place of Signature: Pune
Date: April 26, 2017

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sterlite Technologies Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Sterlite Technologies Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial controls over financial reporting as at March 31, 2017:

The Holding Company's internal financial controls over evaluation and assessment of provision for an excise/customs matter pending with the Honourable Supreme Court were not operating effectively which could potentially result in the Group not recognising sufficient provision there against.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Holding 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Holding Company and its subsidiary companies which are companies incorporated in India as of March 31, 2017.

Other Matter

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated Ind AS financial statements of the Holding Company, which comprise the consolidated Balance Sheet as at March 31, 2017, and the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and our report dated April 26, 2017 expressed a qualified opinion thereon.

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place of Signature: Pune
Date: April 26, 2017

Consolidated Balance Sheet as at 31 March 2017

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Assets				
Non-current assets				
Property, plant & equipment	3	1,183.05	984.78	879.46
Capital work-in-progress	3	65.91	172.32	63.31
Investment property	6	9.04	9.19	9.35
Goodwill	4	103.57	133.21	-
Other intangible assets	4	17.05	18.97	15.80
Deferred tax assets	19	43.11	10.06	11.35
Investment in a joint venture	7A, 51	0.92	5.64	5.16
Financial assets				
Investments	7B	13.20	1.60	-
Trade receivables	9	4.52	4.64	10.27
Loans	8	7.08	-	5.30
Other non-current financial assets	10	11.77	14.36	6.99
Other non-current assets	11	18.64	34.06	21.89
		1,477.86	**1,388.83**	**1028.88**
Current assets				
Inventories	13	333.49	205.31	173.58
Financial assets				
Investments	12	35.01	-	55.11
Trade receivables	9	686.69	708.40	473.01
Cash and cash equivalents	14A	129.81	60.48	54.78
Other bank balances	14B	7.60	17.24	219.05
Other current financial assets	10	65.61	95.39	49.88
Other current assets	11	214.58	148.87	88.52
		1,472.79	**1,235.69**	**1113.93**
Total Assets		**2,950.65**	**2,624.52**	**2142.81**
Equity and Liabilities				
Equity				
Equity share capital	15	79.66	79.04	78.81
Other Equity				
Securities premium	16	16.03	4.67	1.46
Retained earnings	16	620.15	528.56	405.50
Other reserves	16	164.23	142.37	126.25
Equity attributable to equity holders of the parent		**880.07**	**754.64**	**612.02**
Non-controlling interest		45.20	31.21	25.97
Total Equity		**925.27**	**785.85**	**637.99**
Non-current liabilities				
Financial liabilities				
Borrowings	18	427.07	467.84	714.22
Other financial liabilities	23	112.31	103.03	27.81
Employee benefit obligations	37	14.29	11.81	5.98
Provisions	20	22.90	14.57	1.11
Other non current liabilities	24	-	0.43	0.82
Deferred tax liabilities (net)	19	39.69	38.16	25.20
		616.26	**635.85**	**775.14**
Current liabilities				
Financial liabilities				
Borrowings	21	591.00	354.20	204.52
Trade payables	22	448.64	372.21	326.94
Other financial liabilities	23	286.73	423.46	170.10
Employee benefit obligations	37	11.69	10.88	7.88
Provisions	20	13.76	10.39	9.50
Other current liabilities	24	57.30	31.68	10.74
		1,409.12	**1,202.82**	**729.68**
Total Liabilities		**2,025.38**	**1,838.67**	**1504.82**
Total Equity & Liabilities		**2,950.65**	**2,624.52**	**2142.81**
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

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

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : 26 April 2017

Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

(All amounts in ₹ crores unless otherwise stated)

	Note	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Income			
Revenue from operations	25	2,593.56	2,274.86
Other income	27	11.56	3.89
Total Income (I)		**2,605.12**	**2,278.75**
Expenses			
Cost of raw material and components consumed	28	1,063.73	938.87
Purchase of traded goods		40.69	33.72
(Increase) / decrease in inventories of finished goods work-in-progress, traded goods and construction work-in-progress	29	(106.07)	(11.78)
Excise duty on sale of goods		144.71	130.87
Employee benefits expense	30	290.30	205.10
Other expenses	31	641.29	518.91
Total Expenses (II)		**2,074.65**	**1,815.69**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**530.47**	**463.06**
Depreciation and amortisation expense	32	159.23	125.60
Finance costs	33	122.93	119.24
Finance income	26	(11.89)	(12.32)
Profit before tax & share in profit/(loss) of joint venture		**260.20**	**230.54**
Share of loss of joint venture	51	(2.83)	(5.56)
Profit before tax		**257.37**	**224.98**
Tax expense:			
Current tax		63.70	53.29
Deferred tax	19	(27.26)	17.83
Adjustment of tax relating to earlier periods		3.22	(5.93)
Total tax expenses		**39.66**	**65.19**
Profit for the year		**217.71**	**159.79**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		**(0.83)**	**1.98**
Income tax effect		**0.29**	**(0.69)**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(0.55)**	**1.29**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss defined benefit plans		**(0.82)**	**(3.34)**
Income Tax effect		**0.28**	**1.16**
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(0.53)**	**(2.18)**
Other comprehensive income for the year, net of tax		**(1.08)**	**(0.89)**
Total comprehensive income for the year, net of tax		**216.63**	**158.90**
Profit for the year		**217.71**	**159.79**
Attributable to:			
Owners of the Company		201.38	153.71
Non-controlling interest		16.33	6.08
Other comprehensive income		**(1.08)**	**(0.89)**
Attributable to:			
Owners of the Company		(1.08)	(0.89)
Non-controlling interest		-	-
Total comprehensive income		**216.63**	**158.90**
Attributable to:			
Owners of the Company		200.30	152.82
Non-controlling interest		16.33	6.08
Earnings per equity share	34		
Basic			
Computed on the basis of profit for the year (₹)		**5.07**	**3.90**
Diluted			
Computed on the basis of profit for the year (₹)		**4.98**	**3.82**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

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

Anupam Jindal
Chief Financial Officer

Place : Pune
Date : 26 April 2017

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Amit Deshpande
Company Secretary

Consolidated Statement of Changes in Equity

(All amounts in ₹ crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

	No. in Crs.	₹ in crores
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At 1 April 2015	**39.41**	**78.81**
Issued during the year - ESOP	0.11	0.23
Issued during the year - bonus on ESOP	0.00*	0.00*
At 31 March 2016	**39.52**	**79.04**
Issued during the year - ESOP	0.31	0.62
Issued during the year - bonus on ESOP	-	-
At 31 March 2017	**39.83**	**79.66**

* Figures below 0.01 crore.

B. OTHER EQUITY

	Capital Reserve	Securities Premium	Employee Stock Option	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign currency translation reserve	Cash Flow Hedge Reserve
As at 1 April 2015	**0.04**	**1.46**	**5.43**	**112.50**	**-**	**405.50**	**1.84**	**6.43**	**25.97**
Profit for the year	-	-	-	-	-	153.71	-	-	6.08
Other comprehensive income	-	-	-	-	-	(2.18)	1.29	-	-
Total comprehensive income	**0.04**	**1.46**	**5.43**	**112.50**	**-**	**557.02**	**3.14**	**6.43**	**32.05**
Exercise of ESOPs	-	3.21	(3.21)	-	-	-	-	-	-
Issue of bonus shares	-	(0.00)*	-	-	-	-	-	-	-
Employees stock option expenses for the year (refer note 38)	-	-	13.46	-	-	-	-	-	-
Amount charged to resulting company (refer note 55G)	-	-	3.37	-	-	-	-	-	-
Amount transferred from debenture redemption reserve		-		(75.00)	75.00	-	-	-	-
Final equity dividend including taxes thereon	-	-	-	-	-	(28.46)	-	-	-
Recycled to statement of profit and loss	-	-	-	-	-	-	(0.93)	-	-
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	-	3.30	(0.84)
Equity investment in Sterlite Conduspar Industrial Ltda	-	-	-	-	-	-	-	(1.16)	-
As at 31 March 2016	**0.04**	**4.67**	**19.05**	**37.50**	**75.00**	**528.56**	**2.21**	**8.57**	**31.21**
Profit for the year	-	-	-	-	-	201.38	-	-	16.33
Other comprehensive income	-	-	-	-	-	(0.53)	(0.55)	-	-
Total comprehensive income	**0.04**	**4.67**	**19.05**	**37.50**	**75.00**	**729.41**	**1.66**	**8.57**	**47.54**
Exercise of ESOPs	-	11.37	(11.37)	-	-	-	-	-	-
Employees stock option expenses for the year (refer note 38)	-	-	11.30	-	-	-	-	-	-
Amount charged to resulting company (refer note 55G)	-	-	0.76	-	-	-	-	-	-
Amount transferred from debenture redemption reserve	-	-	-	(37.50)	37.50	-	-	-	-
Amount transferred to debenture redemption reserve	-	-	-	37.50	-	(37.50)	-	-	-
Equity dividend including taxes thereon	-	-	-	-	-	(71.76)	-	-	-
Recycled to statement of profit and loss	-	-	-	-	-	-	(3.44)	-	-
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	-	(10.46)	(2.34)
Equity investment in Sterlite Conduspar Industrial Ltda	-	-	-	-	-	-	-	(1.89)	-
As at 31 March 2017	**0.04**	**16.04**	**19.74**	**37.50**	**112.50**	**620.15**	**(1.78)**	**(3.78)**	**45.20**

* Amount below 0.01 crore.

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

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

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

per **Paul Alvares**
Partner
Membership Number : 105754

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : 26 April 2017

Place : Pune
Date : 26 April 2017

Consolidated Statement of Cash Flows

for the year ended 31 March 2017

	Note	31 March 2017 (₹ in crores)	March 31 2016 (₹ in crores)
A. Operating activities			
Profit before tax		**257.37**	**224.98**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant & equipment	32	125.88	106.53
Amortization & impairment of intangible assets	32	33.20	18.92
Depreciation of investment properties	32	0.15	0.15
Provision for doubtful debts and advances	31	4.32	(46.93)
Provision for warranty	31	10.32	14.06
Bad debts / advances written off	31	0.32	49.26
Balances no longer payable written back	27	-	(1.82)
Loss on sale of plant and equipment, net	31	0.46	0.21
Employees stock option expenses	30	11.30	13.46
Finance costs	33	122.93	119.24
Finance income	26	(11.89)	(12.32)
Share of loss of joint venture		(2.83)	(5.56)
Unrealized exchange difference		(29.42)	(0.07)
		264.74	255.14
Operating profit before working capital changes		**522.11**	**480.12**
Working capital adjustments:			
Increase in trade payables		92.42	13.87
Increase (decrease) in long-term provisions		-	(0.44)
Increase in short-term provisions		(0.53)	(4.44)
Increase in other current liabilities		26.38	31.71
Increase in other current financial liabilities		55.76	53.69
Increase in other non-current financial liabilities		-	0.38
Increase in current employee benefit obligations		0.82	2.99
Increase in non-current employee benefit obligations		2.48	2.38
Decrease (increase) in trade receivable		18.27	(187.48)
Increase in inventories		(128.18)	(30.72)
Increase/(decrease) in long-term loans		(7.08)	5.30
Decrease/(increase) in short-term loans		0.00	3.28
Decrease/(increase) in other current financial assets		29.59	(45.31)
Decrease/(increase) in other non-current financial assets		0.93	(4.81)
Increase in other current assets		(60.57)	(52.61)
Decrease/(increase) in other non-current assets		12.43	(4.50)
Change in working capital		42.71	(216.71)
Cash generated from operations		**564.83**	**263.41**
Income tax paid (net of refunds)		**(76.33)**	**(48.74)**
Net cash flow from operating activities		**488.50**	**214.67**

Consolidated Statement of Cash Flows

for the year ended 31 March 2017

	Note	31 March 2017 (₹ in crores)	March 31 2016 (₹ in crores)
B. Investing activities			
Purchase of property, plant & equipments		(212.73)	(223.88)
Purchase of intangible assets		(1.73)	(7.01)
Proceeds from sale of property, plant & equipment		0.67	0.57
Acquisition of business (refer note 55C)		-	(187.37)
Investment in subsidiaries		-	0.04
Purchase of non-current investments		(6.88)	(2.08)
Sale of Investment in subsidiaries		0.01	0.05
Proceeds of current investments		-	55.26
Purchase of current investments		(35.01)	-
Proceeds of non-current investments		-	0.05
Investment in bank deposits (having original maturity of more than three months)		-	(10.02)
Redemption of bank deposits (having original maturity of more than three months)		3.70	216.87
Investment in margin money deposits		-	(7.60)
Redemption of margin money deposits		7.60	-
Interest received (finance income)		12.08	9.64
Net cash flow used in investing activities		**(232.28)**	**(155.50)**
C. Financing activities			
Proceeds of long-term borrowings		150.00	216.03
Repayment of long-term borrowings		(383.01)	(125.87)
Proceeds/(repayment) of short term borrowings (net)		236.80	(6.76)
Proceeds of issue of shares against employee stock options		0.62	0.22
Interest paid		(120.39)	(136.31)
Dividend paid on equity shares		(58.79)	(23.41)
Tax on equity dividend paid		(12.13)	(4.82)
Net cash flow used in financing activities		**(186.89)**	**(80.92)**
Net increase/decrease in cash and cash equivalents		**69.32**	**(21.74)**
Cash and cash equivalents as at beginning of year		**60.48**	**54.78**
Cash and cash equivalents taken over on amalgamation of subsidiary (refer note 55C)		**-**	**27.44**
Cash and cash equivalents as at year end *		**129.81**	**60.48**

*The Cash and cash equivalents include balance of ₹ 2.43 crores (31 March 2016: ₹ 1.58 crores, 1 April 2015: ₹ 1.33 crores) which is not available for use by the Company.

Components of cash and cash equivalents:

	Note	31 March 2017	March 31 2016
Balances with banks:			
On current accounts		113.82	58.83
On unpaid dividend account		2.43	1.58
Deposit with original maturity of less than 3 months		13.51	-
Cash in hand		0.05	0.07
Total cash and cash equivalents	14A	**129.81**	**60.48**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

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

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

per **Paul Alvares**
Partner
Membership Number : 105754

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : 26 April 2017

Place : Pune
Date : 26 April 2017

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Company) and its subsidiaries and joint venture (collectively, the Group) for the year ended 31 March 2017. 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. TheGroup is primarily engaged in the business of Telecom products and solutions. Information on the Group's structure is provided in Note 36. Information on other related party relationships of the Group is provided in Note 49.

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

The consolidated Ind AS financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on April 26, 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Grouphas prepared in accordance with Ind AS. Refer note 46for information on how the Group adopted Ind AS.

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

The consolidated Ind AS financial statements are presented in Indian Rupees Crores, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries and joint venture as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. 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) Offset (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 and cash flows 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 AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by theGroupin preparing its consolidated Ind ASfinancial statements:

a) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date have been carried forward. (refer note 46). Business combination post 1 April 2015 has been accounted for as per the provisions of the Scheme of amalgamation approved by Court including the accounting for the resulting goodwill. (refer note 55C for details)

b) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of joint venture' in the statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) Current versus non-current classification

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

d) Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

e) Fair value measurement

The Groupmeasures financial instruments such as derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets such as property, plant and equipment. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management in conjunction with external valuersalso compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. The valuation results are discussed at the Audit Committee.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 35, 47, 48)
- Quantitative disclosures of fair value measurement hierarchy (note 48)
- Investment properties (note 6)
- Investment in mutual funds (note 12)
- Financial instruments (including those carried at amortised cost) (note 42)

f) Revenue Recognition

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

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Groupon its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of thegoods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Freight charged on sales and recovered is included as a part of revenue.

Rendering of services

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

Revenue from projects

Revenue from fixed price construction contracts for optical fibre cable networks is recognised based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses.

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

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

Revenue from telecom software and solutions

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

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

Interest income

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

Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Group's right to receive is established, which is generally when shareholders approve the dividend.

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 incomein the statement of profit andloss.

g) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. 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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

i) Property, plant and equipment

Certain items of freehold land and plant and machinery of the Group have been measured at fair value at the date of transition to Ind AS. The Group regards the fair value as deemed cost at the transition date, viz., 1 April 2015.

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

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery (Excluding S. No. 8 and 9)	3 - 20 Years *	Continous process plant -25 Years
		Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 5 Years *	Service and networks -6 years and
		Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years

Asset Category	Useful Life considered	Useful life (Schedule II#)
Vehicles	4 - 5 Years *#	8 Years
Telecom - Ducts, Cables and Optical Fibre	18 Years	18 Years
Other telecom networks equipments	3-18 Years *	13 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 Group, based on technical assessments made by technical experts and management estimates, depreciates the certain items of building, plant and machinery, data processing equipment, furniture and fixtures, office equipments. electric fittings, vehiclesand other telecom networks equipments 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.

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

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

j) Investment properties

The Group has elected to continue with the carrying value for its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property 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.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by the management. External valuers are involved in determination of the fair values on a need basis and with relevant approvals.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

k) Intangible Assets

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

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

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

The Groupdoes 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.

Duct taken on Indefeasible Right of Use (IRU) is amortized over the agreement period on a straight line basis.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

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

Softwares are amortised on a straight line basis over a period of five to six years. Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order (refer Note 5).

Research costs are expensed as incurred.

l) Borrowing Costs

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

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly stated in the arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.1.l).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Groupwill obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

n) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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

o) Impairment of non-financial assets

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

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

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

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

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

p) Provisions

General

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

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

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. The initial estimate of warranty-related costs is revised annually.

q) Retirement and other employee benefits

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

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

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

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

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

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

r) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

s) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value.Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.The Group makes such election on an instrument-by-instrument basis.The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment.However, the Group may transfer the cumulative gain or loss within equity.

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

b) Lease receivables under Ind AS 17

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

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

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

This category generally applies to borrowings. For more information refer Note 18.

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

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Groupdoes not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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

t) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts,interest rate swaps and forward commodity contracts to hedge its foreign currency risks,interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment ;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has not classified any hedge as Fair value hedge or Hedge of a net investment in a foreign operation.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

u) Cash and cash equivalents

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

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

v) Cash dividend distribution to equity holders of the parent

The Group recognises a liability to make cash distributions to equity holders of the parent 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.

w) Presentation of EBITDA

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

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

2.4 Standards issued but not yet effective

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

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

Amendments to Ind AS 7, Statement of Cash Flows

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

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Group is assessing the potential effect of the amendments on its financial statements.

Note 3: Tangible Assets

(Amount ₹ in Crores)

	Freehold land#	Leasehold land##	Buildings##	Plant & machinery	Furniture & fixtures##	Data processing equipments*	Office equipments	Electrical fittings	Vehicles	Total
Cost										
At 1April 2015**	98.70	29.62	255.04	1,524.97	14.23	21.67	13.23	53.16	6.93	2,017.56
Transfer on account of demerger (Refer note 55G)	(36.78)	(0.32)	(89.11)	(269.28)	(4.31)	(4.53)	(4.91)	(22.04)	(2.24)	(433.52)
Additions	1.37	-	27.21	158.76	2.52	9.10	0.80	2.76	2.73	205.25
Addition on account of merger (Refer note 55C)	-	-	1.12	-	1.53	10.72	1.31	0.14	0.41	15.23
Translation Adjustments	-	0.04	0.62	2.68	-	-	0.01	0.02	-	3.37
Deletions/Adjustments	-	-	(0.50)	(5.81)	(0.08)	(0.34)	(0.16)	-	(0.44)	(7.33)
At 31 March 2016	63.29	29.34	194.38	1,411.32	13.89	36.62	10.28	34.04	7.39	1,800.56
Additions	-	5.83	57.32	229.42	4.17	14.08	4.42	11.81	2.96	330.01
Borrowing cost	-	-	-	4.11	-	-	-	-	-	4.11
Translation Adjustments	-	(0.15)	(2.65)	(8.55)	(0.04)	-	(0.03)	(0.34)	-	(11.75)
Deletions/Adjustments	-	-	(1.26)	(3.98)	(1.38)	(1.19)	(0.84)	(0.36)	(1.18)	(10.17)
At 31 March 2017	63.29	35.03	247.79	1,632.33	16.65	49.51	13.84	45.16	9.17	2,112.76
Depreciation,amortisation & Impairment										
At 1 April 2015**	-	1.75	54.70	761.18	5.77	16.69	6.49	25.33	3.55	875.46
Transfer on account of demerger (Refer note 55G)	-	(0.01)	(17.09)	(140.76)	(1.54)	(2.79)	(0.88)	(6.41)	(1.40)	(170.88)
Additions	-	0.26	7.67	91.25	1.61	2.82	1.20	1.36	0.99	107.16
Addition on account of merger (Refer note 55C)	-	-	0.12	-	0.82	8.24	0.85	0.10	0.20	10.33
Translation Adjustments	-	-	0.04	0.20	-	-	-	0.01	-	0.25
Deletions/Adjustments	-	-	(0.33)	(5.43)	(0.04)	(0.32)	(0.10)	-	(0.32)	(6.54)
At 31 March 2016	-	2.00	45.11	706.44	6.62	24.64	7.56	20.39	3.02	815.77
Additions	-	0.29	10.79	101.23	2.25	4.56	1.56	2.74	1.45	124.87
Impairment	-	-	-	-	-	-		-	-	-
Translation Adjustments	-	(0.02)	(0.33)	(1.71)	(0.02)		(0.02)	(0.06)		(2.15)
Deletions/Adjustments	-	-	(1.12)	(3.63)	(0.89)	(1.12)	(0.76)	(0.33)	(0.92)	(8.78)
At 31 March 2017	-	2.27	54.45	802.32	7.96	28.08	8.33	22.74	3.54	929.71
Net Book Value										
At 31 March 2017	63.29	32.75	193.34	830.00	8.68	21.43	5.51	22.42	5.63	1,183.05
At 31 March 2016	63.29	27.34	149.27	704.89	7.27	11.98	2.73	13.65	4.37	984.78
At 1 April 2015	61.92	27.56	128.32	635.28	5.69	3.24	2.71	12.20	2.54	879.46

Capital work-in-progress*	
At 31 March 2017	65.91
At 31 March 2016	172.32
At 1 April 2015	63.31

*Mainly includes Plant & Machinery.

** The balances disclosed above are after adjustments relating to first time adoption of Ind AS. Refer Note 46 for details.

"# Freehold Land includes part of land given on operating lease:
Gross block ₹ 3.33 crores (31 March 2016: ₹ 3.33 crores, 1 April 2015: NIL)
Depreciation for the year NIL (31 March 2016: NIL, 1 April 2015: NIL)
Accumulated depreciation NIL (31 March 2016: NIL, 1 April 2015: NIL)
Net Block ₹ 3.33 crores (31 March 2016: ₹ 3.33 crores, 1 April 2015: NIL)"

"# Buildings include those constructed on leasehold land:
Gross block ₹ 118.25 crores (31 March 2016: ₹ 104.32 crores, 1 April 2015: ₹ 118.51 crores)
Depreciation for the year ₹ 5.28 crores (31 March 2016: ₹ 4.25 crores, 1 April 2015: ₹ 4.48 crores)
Accumulated depreciation ₹ 31.29 crores (31 March 2016: ₹ 26.42 crores, 1 April 2015: ₹ 28.16 crores)
Net block ₹ 86.95 crores (31 March 2016: ₹ 77.89 crores, 1 April 2015: ₹ 90.35 crores)"

"## Leasehold Land, Building, Furniture & Fixture includes part of land given on operating lease:
Gross block ₹ 51.07 crores (31 March 2016: NIL, 1 April 2015: NIL)
Depreciation for the year ₹ 1.28 crores (31 March 2016: NIL, 1 April 2015: NIL)
Accumulated depreciation ₹ 12.93 (31 March 2016: NIL, 1 April 2015: NIL)
Net Block ₹ 38.14 crores (31 March 2016: NIL, 1 April 2015: NIL)"

"* Data processing equipments include laptops taken on finance lease:
Gross block ₹ 3.28 crores (31 March 2016: ₹ 2.38 crores, 1 April 2015: NIL)
Depreciation for the year ₹ 1.09 crores (31 March 2016: ₹ 0.22 crores, 1 April 2015 NIL)
Accumulated depreciation ₹ 1.31 crores (31 March 2016: ₹ 0.22 crores, 1 April 2015 NIL)
Net block ₹ 1.97 crores (31 March 2016: ₹ 2.16 crores, 1 April 2015: NIL)"

Note 4: Intangible Assets

(₹ in crores)

	Software/ licenses	Patents	Customer acquisition	Right of Way	Indefeasible right of use	Goodwill	Total
Cost							
At 1 April 2015	12.71	9.32	5.55	5.10	0.99	-	33.67
Transfer on account of demerger (Refer note 55G)	(2.35)	-	-	-	-	-	(2.35)
Additions	5.48	-	0.14	-	-	-	5.62
Addition on account of Merger (Note 55C)	3.23	-	-	-	-	148.19	151.42
Deletions/Adjustment	(0.01)	-	(0.04)	-	-	-	(0.05)
Translation Adjustments	0.03	-	-	-	-	-	0.03
At 31 March 2016	19.09	9.32	5.65	5.10	0.99	148.19	188.34
Additions	3.00	-	0.01	-	-	-	3.01
Addition on account of Merger (Refer note 55C)	-	-	-	-	-	-	-
Deletions/Adjustments	(0.35)	-	-	-	-	-	(0.35)
Translation Adjustments	(0.01)	-	-	-	-	-	(0.01)
At 31 March 2017	21.72	9.32	5.66	5.10	0.99	148.19	190.98
Amortization & Impairment							
At 1 April 2015	6.32	9.32	1.42	0.23	0.17	-	17.46
Transfer on account of demerger (Refer note 55G)	(1.94)	-	-	-	-	-	(1.94)
Additions	3.05	-	0.82	-	0.07	14.98	18.92
Addition on account of Merger (Note 55C)	1.71	-	-	-	-	-	1.71
Deletions/Adjustments	0.01	-	-	-	-	-	0.01
At 31 March 2016	9.15	9.32	2.24	0.23	0.24	14.98	36.16
Additions	3.68	-	0.82	-	0.07	29.64	34.21
Deletions/Adjuments	-	-	-	-	-		
Translation Adjuments	(0.00)						
At 31 March 2017	12.83	9.32	3.06	0.23	0.31	44.62	70.37
Net Book Value							
At 31 March 2017	8.89	-	2.60	4.87	0.68	103.57	120.62
At 31 March 2016	9.94	-	3.41	4.87	0.75	133.21	152.18
At 1 April 2015	5.98	-	4.13	4.87	0.82	-	15.80

Net Book Value	**31 March 2017**	**31 March 2016**	**1 April 2015**
Goodwill	103.57	133.21	-
Other Intangible Assets	17.05	18.97	15.80

Note 5: Impairment Testing of Goodwill

Goodwill generated on acquition of Elitecore Technologies Private Limited ('ETPL') which was merged with the Group with effect from 29 September 2015 has been allocated to Telecom software product CGU (acquired as a result of merger of ETPL with the Group) for impairment testing.

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Goodwill	103.57	133.21	-

The Group performed its annual impairment test for the year ended 31 March 2017 as of 31 December 2016. The recoverable amount of Telecom software product CGU as at 31 December 2016 is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to the cash flow projections for impairment testing during the current year is 20.98%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 5% which is consistent with the industry forecasts. As a result of the analysis, management did not identify impairment for this CGU.

Key assumptions used in the value in use calculations

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

EBIDTA margins

EBITDA margins are based on the actual EBITDA of telecome software product division for past 3 years preceeding the beginning of the budget period. The EBITDA margins considered are from 10%-13.5% over the budget period for anticipated order flows.

Discount Rate

Discount rates represent the current market assessment of the risks specific to each 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 its operating segments and is derived from its 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. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rates used to extrapolate cash flows beyond the forecast period

The Group has considered growth rate of 5% to extrapolate cash flows beyond the forcast period which is consistent with the industry forecasts.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below

Growth rate assumptions - The management recognizes that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. A reduction to 2% in the long-term growth rate would result in impairment.

Discount rates - A rise in post-tax discount rate to 17.80% (pre-tax rate 24.41%) would result in a further impairment.

EBITDA margins A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA below 11% would result in impairment

Note 6: Investment Property

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Cost			
Opening gross block	10.03	10.03	10.03
Addition	-	-	-
Deletion	-	-	-
Closing gross block	10.03	10.03	10.03
Depreciation,amortization & Impairment			
Opening balance	0.84	0.69	0.53
Additions	0.15	0.15	0.15
Closing balance	1.00	0.84	0.69
Net Block	**9.04**	**9.19**	**9.35**
Opening balance	9.19	9.35	9.50
Additions	-	-	-
Depreciation	(0.15)	(0.15)	(0.15)
Deletions	-	-	-
Closing balance	**9.04**	**9.19**	**9.35**

Notes

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed costs.

Information regarding income and expenditure of Investment property

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Rental income derived from investment properties	0.76	0.54
Direct operating expenses (including repairs and maintenance) generating rental income	0.01	0.01
Profit arising from investment properties before depreciation and indirect expenses	**0.75**	**0.53**
Less – Depreciation	(0.15)	(0.15)
Profit arising from investment properties before indirect expenses	**0.59**	**0.38**

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

As at 31 March 2017 and 31 March 2016 the fair values of the investment property are ₹ 14.64 crores and ₹ 13.21 crores respectively. These values are based on valuations performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property have been provided in Note 48.

Note 7A: Investments in Joint Venture

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Equity instruments (unquoted)			
Equity investment in Sterlite Conduspar Industrial Ltda (refer note 51)	0.92	5.64	5.16
	0.92	**5.64**	**5.16**

Note 7B: Investments - Others

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Investments at fair value through OCI (fully paid)			
Equity instruments (unquoted)			
10 (31 March 2016: 10, 1 April 2015: Nil) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	0.00*	0.00*	-
166 (31 March 2016: Nil, 1 April 2015: Nil) Equity shares of Metis Eduventures Private Ltd.	2.00	-	-
Equity component of debt instrument (unquoted)			
15,99,990 (31 March 2016: 15,99,990, 1 April 2015: Nil) 0.001% Compulsorily Convertible Debentures of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	3.20	1.60	-
40,00,000 (31 March 2016: Nil,1 April 2015: Nil) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Private Ltd.	8.00	-	-
	13.20	**1.60**	**-**

* Amount is below ₹ 0.01 crore.

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer note 47 for determination of their fair values.

Note 8: Loans (Unsecured, Considered Good)

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Loan and advance to related parties (refer note 49)	7.08	-	5.30
Total non-current loans	**7.08**	**-**	**5.30**

Loans are non-derivative financial assets which generate a fixed interest income for the Group.

Note 9: Trade Receivables

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Non-current			
Trade receivables	4.52	4.64	10.27
	4.52	**4.64**	**10.27**
Break-up for security details			
Trade receivables			
- Unsecured, considered good	4.52	4.64	10.27
- Considered doubtful	-	6.55	49.04
	4.52	**11.18**	**59.31**
Impairment Allowance (allowance for bad and doubtful debts)			
- Unsecured, considered good	-	-	-
- Considered doubtful	-	6.55	49.04
	-	**6.55**	**49.04**
Total Non-current trade receivables	**4.52**	**4.64**	**10.27**

Note 9: Trade Receivables (Contd.)

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Current			
Trade receivables	664.24	686.39	384.45
Receivables from related parties (refer note 49)	22.45	22.01	88.56
	686.69	**708.40**	**473.01**
Break-up for security details			
Trade receivables			
- Unsecured, considered good	686.69	708.40	473.01
- Considered doubtful	10.55	-	-
	697.24	**708.40**	**473.01**
Impairment Allowance (allowance for bad and doubtful debts)			
- Unsecured, considered good	-	-	-
- Considered doubtful	10.55	-	-
	10.55	**-**	**-**
Total Current trade receivables	**686.69**	**708.40**	**473.01**

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 respectively in which any director is a partner, a director or a member.

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

Note 10: Other Financial Assets

		31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Non-current				
Security deposits (unsecured, considered good)				
Covered by bank guarantee		5.56	5.04	6.38
Others		5.31	6.19	0.61
	(A)	**10.86**	**11.23**	**6.99**
Non-current bank balance (refer note 14 B)		0.90	2.57	-
Advances recoverable in cash or kind (unsecured)				
Secured, considered good		-		
Unsecured, considered good		-	0.57	-
Considered doubful		-	0.12	-
		-	**0.69**	**-**
Provision for doubtful advances		-	0.12	-
Total Advance receivable in cash or kind	**(B)**	**-**	**0.57**	**-**
Total other non-current financial assets (A+B)		**11.77**	**14.36**	**6.99**
Current				
Security deposits (unsecured, considered good)	**(A)**	3.10	1.75	0.93
Advances recoverable in cash or kind (unsecured, considered good)	**(B)**	55.71	90.52	45.11
Derivate instruments				
Foreign exchange forward contracts		4.89	2.77	3.67
Currency / Interest rate swaps		1.74	-	-
	(C)	**6.63**	**2.77**	**3.67**
Interest accrued on investments	**(D)**	0.17	0.36	0.16
Total other current financial assets	**(A+B+C+D)**	**65.61**	**95.39**	**49.88**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Advances recoverable in cash are non-derivative financial assets. These pertain to costs incurred as part of project execution which is recoverable from customer on actual basis.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and Currency and Interest rate swaps, designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD), Euros (EUR) and GB pound sterling (GBP) and hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD.

Note 11: Other Assets

		31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Non-current				
Capital advances (unsecured, considered good)	**(A)**	2.63	5.62	3.99
Others				
Advance income tax, including TDS (net of provisions)		0.00	12.04	6.69
Balances with central excise authorities		14.67	14.08	8.52
Prepaid expenses		1.34	1.91	1.21
Others		-	0.41	1.48
	(B)	16.01	28.44	17.90
Total other non-current assets	**(A+B)**	18.64	34.06	21.89
Current				
Advance income tax, including TDS (net of provisions)		5.16	-	-
Unbilled revenue		6.19	5.72	2.05
Gross amount due from customers for contract as an asset (refer note 45)		98.76	41.30	-
Balances with central excise authorities		33.14	24.10	22.71
Other advances		71.35	77.75	63.76
Total other current assets		**214.58**	**148.87**	**88.52**

* Below ₹ 0.01 crores

Note 12: Current Investments

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Current investments (valued at lower of cost and fair value) (quoted)			
0.01 crore (31 March 2016: Nil, 1 April 2015: 0.01 crore) units of Reliance Liquid Fund- Treasury Plan-	35.01	-	20.01
Direct Growth Plan - Growth Option			
Nil (31 March 2016: Nil, 1 April 2015: 0.01 crore) units of Reliance Money Manager Fund	-	-	20.06
Direct Growth Plan Growth Option			
Nil (31 March 2016: Nil, 1 April 2015: 0.01 crore) units of Axis Banking Debt Fund - Direct Plan - Growth	-	-	10.03
Nil (31 March 2016: Nil, 1 April 2015: 0.00* crore) units of Religare Invesco Liquid Fund - Direct Plan - Growth	-	-	5.00
Aggregate amount of quoted investments [Market Value ₹ 35.01 crores (31 March 2016: nil,	**35.01**	**-**	**55.11**
1 April, 2015: ₹ 55.11 crores)]			

* Below ₹ 0.01 crores

Note 13: Inventories

(Valued at lower of cost and net realisable value)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Raw materials and components	93.93	82.23	67.07
Raw materials and components [Includes stock in transit ₹ 15.22 crores (31 March 2016: ₹ 17.84 crores, 1 April 2015: ₹ 41.42 crores] (refer note 28)			
Work-in-progress (refer note 29)	24.90	26.58	21.63
Construction work-in-progress	124.75	31.82	-
Finished goods [Includes stock in transit ₹ 11.61 crores (31 March 2016: ₹ 5.22 crores, 1 April 2015: ₹ 17.37 crores)] (refer note 29)	42.58	32.55	57.31
Traded goods (refer note 29)	8.04	3.25	2.48
Stores, spares, packing materials and others	39.29	28.88	25.09
Total	**333.49**	**205.31**	**173.58**

Note 14A: Cash and Cash Equivalents

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Balance with banks:			
On current accounts	113.82	58.83	53.41
On unpaid dividend account	2.43	1.58	1.33
Deposit with original maturity of less than 3 months	13.51	-	
Cash in hand	0.05	0.07	0.04
	129.81	**60.48**	**54.78**

Note 14B: Other Bank Balances

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Deposit with original maturity for more than 12 months *	2.80	2.57	0.36
Deposit with original maturity for more than 3 months but less than 12 months**	5.70	9.64	218.69
Margin money deposit #	-	7.60	-
	8.50	**19.81**	**219.05**
Amount disclosed under non current financial assets (refer note 10)	0.90	2.57	-
Total	**7.60**	**17.24**	**219.05**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

* Includes ₹ 0.77 crore (31 March 2016: ₹ Nil, 1 April 2015: ₹ Nil) held as lien by banks against bank guarantees

** Includes ₹ 2.38 crore (31 March 2016: ₹ 0.61 crore, 1 April 2015: ₹ 59.00 crores) held as lien by banks against bank guarantees and further it also inculdes ₹ Nil (31 March 2016: ₹ 6.00 crores, 1 April 2015: Nil) given as security to vendor vide Court order.

Margin money deposit are subject to first charge to secure the Group's cash credit loans.

Note 15: Share Capital

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Authorised shares (no. crores)			
75.00 (31 March 2016: 75.00, 1 April 2015: 75.00) equity shares of ₹ 2 each	**150.00**	**150.00**	**150.00**
Issued, subscribed and fully paid-up shares (no. crores)			
39.83 (31 March 2016: 39.52, 1 April 2015: 39.41) equity shares of ₹ 2 each fully paid - up.	79.66	79.04	78.81
Total issued, subscribed and fully paid-up share capital	**79.66**	**79.04**	**78.81**

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

	31 March 2017		31 March 2016	
	Nos-in crores	(₹ in crores)	Nos-in crores	(₹ in crores)
At the beginning of the period	39.52	79.04	39.41	78.81
Issued during the year - ESOP	0.31	0.63	0.11	0.22
Issued during the year - bonus on ESOP	-	-	0.00	0.00
Outstanding at the end of the year	**39.83**	**79.66**	**39.52**	**79.04**

* Figures below 0.01 crore.

b. Terms/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 85,550 (31 March 2016: 85,550 , 1 April 2015: 85,550) equity shares held by custodian bank against Global Depository Receipts ('GDRs') which do not have voting rights.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 (31 March 2016 : ₹ 0.60)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2017		31 March 2016		1 April 2015	
	Nos in crores	% holding	Nos in crores	% holding	Nos in crores	% holding
Immediate holding company						
Twin Star Overseas Limited, Mauritius	20.94	52.58%	20.94	52.99%	20.94	53.14%
Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company]						
Vedanta Limited	0.48	1.20%	0.48	1.21%	0.48	1.21%

d. Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2017	31 March 2016	1st April 2015
	Nos in crores	Nos in crores	Nos in crores
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	**0.04**	1.88	1.92

In addition, company has issued total 0.46 crore shares (31 March 2016 : 0.18 crore shares, 1 April 2015: 0.11crore shares) during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

e. Detail of shareholders holding more than 5 % of shares in the company

	31 March 2017		31 March 2016		1 April 2015	
	No. in crores	% holding	No. in crores	% holding	No. in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.58%	20.94	52.99%	20.94	53.14%
2. Life Insurance Corporation of India	1.76	4.41%	1.90	4.80%	2.13	5.40%

f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Group, please refer note 38.

Note 16 : Other Equity

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Securities premium account		
Balance as per last financial statements	4.67	1.46
Add: Additions on ESOPs excercised	11.37	3.21
Less: Utilised for issue of bonus shares	-	0.00*
Closing balance	**16.03**	**4.67**
Other Reserves		
Capital reserve	**0.04**	**0.04**
Employee stock option outstanding		
Balance as per last financial statements	19.05	5.43
Add: Employees stock option expenses for the year (refer note 30 and note 38)	11.30	13.46
Add : Amount charged to resulting Company (refer note 38 and note 55G)	0.76	3.37
Less: Transferred to securities premium account	11.37	3.21
Closing balance	**19.74**	**19.05**
Foreign currency translation reserve		
Balance as per last financial statements	8.57	6.43
Less : Equity investment in Sterlite Conduspar Industrial Ltda	(1.89)	(1.16)
Add : Effect of foreign exchange rate variations during the year	(10.46)	3.30
Closing balance	**(3.78)**	**8.57**
Debenture redemption reserve		
Balance as per last financial statements	37.50	112.50
Add : Amount transferred from surplus in the consolidated statement of profit and loss	37.50	-
Less: Amount transferred to general reserve	37.50	75.00
Closing balance	**37.50**	**37.50**
General reserve		
Balance as per last financial statements	75.00	-
Add: Amount transferred from debenture redemption reserve	37.50	75.00
Closing balance	**112.50**	**75.00**
Cash flow hedge reserves		
Balance as per last financial statements	2.21	1.84
Add: Cash flow hedge reserve created on currency forward contracts	2.18	1.29
Add: Cash flow hedge reserve created on interest rate swap contract	(2.72)	-
Less: Amount reclassified to consolidated statement of profit and loss	(3.44)	(0.93)
Closing balance	**(1.78)**	**2.21**
Total Other Reserves	**164.23**	**142.37**
Retained earnings		
Balance as per last financial statements	528.56	405.50
Add : Net profit for the year	201.38	153.71
Add : Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post employement benefit obligation, net of tax	(0.53)	(2.18)
Less: Equity dividend and tax thereon (note 17)	(71.76)	(28.46)
Less: Transfer to debenture redemption reserve	(37.50)	-
Total Retained earnings	**620.15**	**528.56**
Total Other Equity	**800.41**	**675.60**

* Amount below 0.01 crore.

Note 17: Distribution Made and Proposed

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2016: ₹ 1.00 per share (31 March 2015: ₹ 0.60 per share)*	39.74	23.65
Dividend Distribution Tax on final dividend	8.08	4.81
Interim dividend for the year ended on 31 March 2017: ₹ 0.50 per share (31 March 2016: ₹ Nil per share)*	19.90	-
Dividend Distribution Tax on interim dividend*	4.05	-
	71.76	**28.46**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2017: ₹ 0.75 per share (31 March 2016: ₹ 1.00 per share)	29.87	39.54
Dividend Distribution Tax on proposed dividend	6.08	8.06
	35.95	**47.60**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March.

During the year ended 31 March 2017 and 31 March 2016, 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.

*Out of total dividend paid ₹ 0.75 crore (31 March 16 ₹ 0.38 crore) is unclaimed

Note 18: Long-Term Borrowings

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Non-current			
Debentures			
Nil (31 March 2016 : Nil, 1 April 2015 : 2,000) 10.60% Non convertible debentures of ₹ 10 lacs each (secured)	-	-	79.85
Nil (31 March 2016 : Nil, 1 April 2015 : 2,500) 11.45% Non convertible debentures of ₹ 10 lacs each (secured)	-	-	248.68
1,500 (31 March 2016 : Nil, 1 April 2015 : Nil) 8.45% Non convertible debentures of ₹ 10 lacs each (secured)	150.00	-	-
Term loans			-
Indian rupee term loans from banks (secured)	113.96	286.01	165.60
Foreign currency loan from bank (secured)	162.38	180.25	220.08
Finance lease obligation (secured)	0.73	1.59	-
	427.07	**467.84**	**714.22**
The above amount includes			
Secured borrowings	427.07	467.84	714.22
Unsecured borrowings	-	-	-
Total non-current borrowings	**427.07**	**467.84**	**714.22**
Current Maturities			
Debentures			
800 (31 March 2015 : 2,000) 10.60% Non convertible debentures of ₹ 10 lacs each (secured)	-	81.32	-
700 (31 March 2015 : 2,500) 11.45% Non convertible debentures of ₹ 10 lacs each (secured)	-	68.68	-
Term loans			
Indian rupee term loans from banks (secured)	66.01	100.04	52.14
Foreign currency loan from bank (secured)	1.67	9.46	15.99
Finance lease obligation (secured)	0.82	0.79	-
Sales tax loan (interest free) (unsecured)	-	0.45	0.45
Interest Accured (secured)	5.90	2.38	7.43
	74.40	**263.11**	**76.00**

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
The above amount includes			
Secured borrowings	74.40	262.66	75.55
Unsecured borrowings	-	**0.45**	**0.45**
	74.40	263.11	76.00
Amount disclosed under the head			
"other current financial liabilities" (note 23)	74.40	263.11	76.00
Net amount	-	-	-

Notes:

Sterlite Technologies Limited (STL)

a) Non convertible debentures carry 8.45% rate of interest. Out of the total non-convertible debenture, 50% are redeemable at par during the FY 2019-20 and balance in the FY 2020-21. These non-convertible debenture are secured by by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of STL

b) Indian rupee term loan from banks amounting to ₹ 36.46 crores carries interest @ Base rate + 1.00 % p.a. Loan amount is repayable in 5 quarterly equated installments of ₹ 6.25 crores (excluding interest) and 6th installment of ₹ 5.21 crores.The term loan is secured by by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of STL

c) Indian rupee term loan from the bank amounting to ₹ 1.00 crores carries interest @ LTMLR + 1.10% p.a. Loan amount is repayable in June 2017. The term loan is secured by by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of STL

d) Indian rupee term loan from banks amounting to ₹ 120.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated installments of ₹ 10.00 crores (excluding interest) starting from June 2017. The term loan is secured by by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of STL

e) Foreign Currency term loan from banks amounting to ₹ 161.97 crores (USD 2.5 crores) carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated installments of USD 0.125 crores starting from April 2018.The term loan is secured by by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of STL

f) Foreign currency term loan from bank of ₹ 2.09 crores (USD 0.03 crore) carries interest ranging from 6.20% to 6.65% p.a. Loan amount is repayable in 5 quarterly equated installments of ₹ 0.42 crores (excluding interest) from the end of this financial period. The term loan is secured by first pari passu charge by way of hypothecation on certain present and future current assets and certain movable fixed assets of STL and by way of mortgage on certain present and future immovable fixed assets of STL.

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

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

h) Foreign currency term loan from bank of ₹ NIL (March 16 ₹ 19.09 crores) carried interest @ LIBOR + 4.5% p.a. The term loan was secured by first charge on the immovable fixed assets of JSTFCL.

Speedon Network Limited (Erstwhile Sterlite Networks Limited) (SNL)

i) The term loan represents Indian rupee term loan of ₹ NIL (March 2016 ₹ 123.70 crores) which carried interest at 11.45% p.a. (2014-15 - 11.75%) obtained from Bank of India. The term loan was secured by first charge on all immovable assets both present and future pertaining to project, tangible moveable assets, all accounts of the borrower, that may be opened in accordance with the Transaction Documents, and in all funds from time from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Account and a first charge on the receivables.

Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity till final settlement date.

Maharashtra Transmission Communication Infrastructure Limited (MTCIL)

j) The company has obtained Indian rupee term loan amounting to 225 Million (31 March 2016 - ₹ 21.98 Millions, 31 March 2015- ₹ 6.70.00 Millions) which carries interest at base rate plus 1.50% p.a from Bank of India. Total amount is repayable in 32 equal quarterly instalments calculated on the basis of 3.125% of term loan (principal amount) starting from 1 April 2018. The loan is secured by the charge on entire network of OPGW telecom network facility running along the MSETCL's 2,801 kms of transmission network, including but not limited to right of way, equipment, stocks and optical fibre cables, whether installed or lying loose or at site or in transit or acquired, relating to the project or which may at any time during the continuance of the term loan facility, being installed or lying loose or in case being in or upon the borrower's premises in the state of Maharashtra, excluding machinery or equipment owned by the Companys' contractor.All the present and future book debts, outstanding, money receivables, claims, bills which are now due and owing or which may any time hereafter during continuance of this term loan facility and owing to the Company in course of its business by any person, firm, company or body corporate or by any central or state government or any government body or authority or local authority. All insurance contracts/ proceeds relating to or pertaining to the project and aforementioned project assets.

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. Group has also satisfied all other debt covenants prescribed in the terms of bank loan/non convertible debentures. The other loans do not carry any debt covenant.

Note 19: Deferred Tax Liabilities (Net)

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	86.92	76.99	64.44
Fair valuation of Land on transition date	15.73	15.73	15.73
Others	1.06	(1.77)	(2.15)
Gross deferred tax liability	**103.72**	**90.96**	**78.02**
Less : Netted off against deferred tax assets	64.02	52.80	52.82
Net deferred tax liabilities	**39.69**	**38.16**	**25.20**
Deferred tax assets			
Provision for doubtful debts and advances	3.65	2.26	15.67
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	8.85	7.70	4.47
Provision for inventory	4.95	3.54	2.43
Provision for litigations / contingencies	2.51	2.51	2.51
Provision for warranty	8.47	5.47	-
Unused Tax Credit	30.06	27.20	25.95
Deferred tax asset recognised on losses of SNL (refer note 35 and 55E)	31.76	-	-
Fair valuation of Plant & Machinery on transition date	8.39	10.06	11.35
Others	8.49	4.12	1.80
Gross deferred tax assets	**107.13**	**62.86**	**64.17**
Less : Netted off against deferred tax liabilities	64.02	52.80	52.82
Net deferred tax assets	**43.11**	**10.06**	**11.35**

Reconciliation of deferred tax liability / deferred tax asset

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Opening deferred tax liability, net	28.10	13.85
Deferred tax (credit)/ charge recorded in statement of profit and loss	(27.26)	17.83
Deferred tax (credit)/ charge recorded in OCI	(0.57)	(0.47)
Movement in Unused Tax Credit	(2.86)	(1.25)
Deferred tax on account of impact of merger [refer note 55C]	-	(2.29)
Others	(0.83)	0.43
Closing deferred tax liability, net	**(3.42)**	**28.10**

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Profit or loss section		
Current Income Tax		
Current income tax charge	63.70	53.29
Adjustment of tax relating to earlier periods	3.22	(5.93)
Deferred Tax		
Relating to origination and reversal of temporary differences	(27.26)	17.83
Income tax expenses reported in the statement of profit or loss	**39.66**	**65.19**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	0.29	(0.69)
Re-measurement loss defined benefit plans	0.28	1.16
Income tax charged through OCI	**0.57**	**0.47**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2016:

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Profit before tax & share in profit/(loss) of joint venture	**260.20**	**230.54**
At India's statutory income tax rate of 34.61% (31 March 2016: 34.61%)	68.52	85.70
At lower tax rate of Subsidiaries	12.15	0.52
Adjustments in respect of current income tax of previous years	3.22	(5.93)
Tax benefits available under tax laws	(16.84)	(15.98)
Deferred tax asset recognised on losses of SNL (refer note 35 and 55E)	(31.76)	-
Deferred tax asset recognised on other subsidiary adjustment	2.02	(1.53)
Others	2.35	2.41
At the effective income tax rate of 15.24% (31 March 2016: 28.28%)	**39.66**	**65.19**
Income tax expense reported in the statement of profit and loss	**39.66**	**65.19**

Note 20: Provisions

	Long-term			Short-term		
	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Provision for litigations/contingencies	-	-	-	9.50	9.50	9.50
Provision for warranty	22.90	14.57	1.11	4.26	0.89	-
Others						
Total	**22.90**	**14.57**	**1.11**	**13.76**	**10.39**	**9.50**

Provision for litigations/contingencies

The provision of ₹ 9.50 crores as at March 31, 2017 (31 March 2016: ₹ 9.50 Crores, 1 April, 2015: ₹ 9.50) is towards contingencies in respect of disputed claims against the Group as described in note 41 and note 50, the timing of outflow and quantum of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty

The Group has given warranty on products and services forming part of projects being undertaken by the Group to repair or replace the items that fail to perform satisfactorily during the warranty period and on telecom software and licences / services sold to customers. The timing of the outflow is expected to be within a period of three years from the date of completion of the projects and within six months from the date of sale of telecom software.

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
At the beginning of the year	15.47	1.11
Adjustment on account of merger (refer note 55C)	-	0.88
Arising during the year	11.23	14.06
Unwinding of interest during the year	1.37	0.30
Utilized during the year	(0.90)	(0.88)
Unused amounts reversed	-	-
At the end of the year	**27.16**	**15.47**
Current portion	4.26	0.90
Non-current portion	22.90	14.57

Note 21: Short-Term Borrowings

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Cash credit from banks (secured)	29.63	12.08	1.35
Working capital demand loans from banks (secured)	30.00	-	-
Commercial paper from bank (unsecured)	175.00	175.00	-
Other loan from banks (secured)	311.37	142.12	203.17
Other loan from banks (unsecured)	45.00	25.00	-
Total	**591.00**	**354.20**	**204.52**
The above amount includes			
Secured borrowings	371.00	154.20	204.52
Unsecured borrowings	220.00	200.00	-
Net Amount	**591.00**	**354.20**	**204.52**

Notes:

(i) Cash credit is secured by hypothecation of raw materials , work in progress, finished goods and trade receivables. STL cash credit is repayable on demand and carries interest @ 8.95% -12.50 % p.a. JSFTCL cash credit is repayable on demand and carries interest at PBOC+1.5% p.a.

(ii) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the Group (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Group. Working Capital Demand Loan has been taken for a period of 30 days and carries interest @ 7.80%.

(iii) Commercial Papers are unsecured and are generally taken for a period from 80 to 90 days and carry interest @ 6.47% - 6.60% p.a.

(iv) Other loans from banks include buyer's credit arrangements (secured) and export packing credit (unsecured). Buyer's credit are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables. Buyer's credit is repaid / rolled over after a period of six months and carry interest @ 0.55% - 2.10% p.a. (excluding hedging premium). Export packing credit is generally taken for a period of 90-180 days and carries interest @ 4.00% to 4.90% p.a.

Note 22: Trade Payables

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Current	-	-	
(i) Micro, medium and small enterprises (refer note 44)	11.76	10.95	0.76
(ii) Contract liability for expenses	152.02	9.79	23.09
(iii) Others	284.86	351.47	303.09
Other Details			
(i) Trade payable to related parties	15.31	-	7.21
(ii) Others	433.33	372.21	319.73
Total	**448.64**	**372.21**	**326.94**

Trade payables are non-interest bearing and are normally settled on 60-90 days terms.

Note 23: Other Financial Liabilities

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Non-current			
Other financial liabilities at amortised cost			
Payables for purchase of property, plant and equipment*	111.93	102.65	27.81
Security deposit	0.38	0.38	-
Total non-current financial liabilities	**112.31**	**103.03**	**27.81**
Current			
Derivative instruments			
Foreign exchange forward contracts	26.25	7.55	7.06
Currency / Interest Rate Swaps	10.33	-	-
	36.58	**7.55**	**7.06**
Other financial liabilities at amortised cost			
Interest accrued but not due on borrowings	0.82	3.17	17.67
Current maturities of long-term borrowings (refer note 18)	74.40	263.11	76.00
Unclaimed dividend (refer note 14A)	2.43	1.58	1.33
Interest free deposit from customers	3.44	0.30	0.64
Interest free deposit from vendors	12.47	3.21	1.11
Payables for purchase of property, plant and equipment*	44.62	50.92	23.72
Others	111.97	93.62	42.56
	250.15	**415.91**	**163.03**
Total current financial liabilities	**286.73**	**423.46**	**170.10**

* Payables for purchase of property, plant and equipment mainly includes deferred payables for purchase of property, plant and equipment. Deferred payables where credit terms allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and Currency / Interest rate swaps, designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD), Euros (EUR) and GB pound sterling (GBP) and hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD.

Other payables are non-interest bearing and have an average term of six months.

Interest payable is normally settled monthly throughout the financial year.

For explanations on the Group's credit risk management processes, refer to Note 53.

Note 24: Other Liabilities

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Non-Current			
Unearned revenue	-	0.43	0.82
Total other non-current liabilities	**-**	**0.43**	**0.82**
Current			
Unearned revenue from services	17.53	7.53	0.89
Advance from customers	9.69	6.96	1.22
Withholding taxes (TDS) payable	4.37	6.61	1.87
Indirect taxes payable	19.68	6.15	3.17
Others	6.03	4.43	3.59
Total other current liabilities	**57.30**	**31.68**	**10.74**

Note 25: Revenue from Operations

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Sale of products		
- Finished goods	1,961.50	1,747.94
- Traded goods	49.34	32.07
Sale of services	79.94	42.07
Revenue from projects (refer note 45)	340.71	363.48
Revenue from software products/licenses and implementation activities	119.47	55.78
Other operating revenue		
- Scrap sales	20.20	17.92
- Export incentives*	22.40	15.60
Revenue from operations	**2,593.56**	**2,274.86**

* Realisability is subject to recovery from the customers

Note 26: Finance Income

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Interest income on		
- Bank deposits	1.80	8.26
- Loans to related parties	2.07	-
- Current investments	0.19	-
- Others	1.68	0.69
Government Grant/Interest Subvention	6.15	2.95
Net gain on sale of current investments	-	0.42
Total	**11.89**	**12.32**

Note 27: Other Income

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Balances no longer payable written back	-	1.82
Management Fees (refer note 49)	8.27	-
Miscellaneous income	3.29	2.07
Total	**11.56**	**3.89**

Note 28: Cost of Raw Material and Components Consumed

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Inventory at the beginning of the year	82.23	174.67
Less : Adjustment on account of demerger (refer note 55G)	-	107.60
	82.23	67.07
Add: Purchases	1,075.43	954.03
	1,157.66	1,021.10
Less: Inventory at the end of the year	93.93	82.23
Cost of raw material and components consumed	**1,063.73**	**938.87**

Note 29: (Increase) / Decrease in Inventories

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Opening inventories:		
Traded goods	3.25	8.17
Work-in-progress	26.58	73.68
Construction work-in-progress	31.82	-
Finished goods	32.55	119.12
	94.20	**200.97**
Adjustment on account of demerger (refer note 55G)		
Traded goods	-	5.69
Work-in-progress	-	52.05
Finished goods	-	61.82
	-	**119.56**
Opening inventories (net):		
Traded goods	3.25	2.48
Work-in-progress	26.58	21.63
Construction work-in-progress	31.82	-
Finished goods	32.55	57.31
	94.20	**81.41**
Adjustment on account of merger (refer note 55C)		
Traded goods	-	1.01
	-	**1.01**
Closing inventories:		
Traded goods	8.04	3.25
Work-in-progress	24.90	26.58
Construction work-in-progress	124.75	31.82
Finished goods	42.58	32.55
	200.27	**94.20**
(Increase) / decrease in inventories	**(106.07)**	**(11.78)**

Note 30: Employee Benefit Expense

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Salaries, wages and bonus	257.01	173.42
Contribution to provident fund and superannuation fund	6.96	5.30
Employees stock option expenses (refer note 38)	11.30	13.46
Gratuity expenses (refer note 37)	3.10	2.08
Staff welfare expenses	11.93	10.85
Total	**290.30**	**205.10**

Note 31: Other Expenses

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Increase /(decrease) of excise duty on inventory	(1.08)	0.88
Consumption of stores and spares	124.16	86.32
Power, fuel and water	96.37	82.90
Repairs and maintenance		
- Building	3.69	1.86
- Machinery	10.14	10.30
CSR expenses (refer note 55B)	3.05	2.23
Carriage inwards	6.32	9.69
Consumption of packing materials	61.80	58.48
Sales commission (other than sole selling agent)	15.85	19.72
Sales promotion	13.31	8.50
Carriage outwards	38.34	46.98
Rent	26.58	15.77
Insurance	7.98	6.91
Rates and taxes	9.02	5.54
Travelling and conveyance	44.35	29.78
Loss on sale of plant and equipment, net	0.46	0.21
Bad debts / advances written off	0.32	49.26
Provision for doubtful debts and advances	4.32	(46.93)
Directors sitting fee and commission	0.61	0.60
Payment to auditor (refer details below)	1.33	1.15
Research and development expenses		
- Salaries, wages and bonus	8.25	3.61
- Raw materials consumed	1.37	1.65
- General expenses	5.65	2.94
Miscellaneous expenses	159.10	120.56
Total	**641.29**	**518.91**

Payment to auditor

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
As auditor:		
Audit fee (including limited review and audit of consolidated financial statement)	0.82	0.78
Tax audit fee	0.10	0.09
In other capacity:		
Other services (including certification fees)	0.40	0.28
Total	**1.32**	**1.15**

Note 32: Depreciation and Amortisation Expense

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Depreciation of tangible assets	124.87	106.93
Depreciation of investment property	0.15	0.15
Amortisation of intangible assets	34.21	18.92
Provision /(reversal) for impairment of tangible assets	-	(0.40)
Total	**159.23**	**125.60**

Note 33: Finance Cost

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	89.60	94.89
Bank charges	12.93	14.32
Exchange difference to the extent considered as an adjustment to borrowing costs	18.02	9.74
Fair value changes on interest rate swaps designated as cash flow hedges	1.02	-
Unwinding of discount on provision	1.37	0.30
Total	**122.93**	**119.24**

* During the year, the Group has capitalised borrowing costs of ₹ 4.11 crores (31 March 2016: Nil) incurred on the borrowings specifically availed for expansion of production facilities @ 10.10% p.a. The interest expense disclosed above in net of the interest amount capitalised.

Note 34: Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Profit for the year	201.38	153.71
Weighted average number of equity shares in calculating basic EPS	39.69	39.45
Effect of dilution:		
Employee stock options outstanding during the year#	0.77	0.78
Weighted average number of equity shares in calculating diluted EPS	40.46	40.23
Earnings / (loss) per share		
Basic (on nominal value of ₹ 2 per share) Rupees/share	**5.07**	**3.90**
Diluted (on nominal value of ₹ 2 per share) Rupees/share	**4.98**	**3.82**

Note 35: Significant Accounting Judgements, Estimates and Assumptions

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

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Recognition of DTA on losses in subsidiary

As more fully explained in Note 55E, substantial part of business of Speedon Network Limited ('SNL') (a wholly owned subsidiary of the Group) is in the process of being demerged from SNL and merged with the Company. The same has been approved by the Board of directors of the Company and is currently pending the approval of NCLT. Ind AS 12 permits recognition of deferred tax asset on tax loss carryforward to the extent it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The management has determined that the merger of SNL with the Company will allow the tax losses in SNL to be utilised against the taxable income of the Company. Accordingly, the Group has recognised a deferred tax asset of ₹ 31.76 crore on the losses of SNL pertaining to the business being merged with the Company.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis, are disclosed and further explained in Note 5.

Excise/Customs matter pending with Hon. Supreme Court

The Group had in an earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties and excluding interest) (₹ 188 crores as at 31 March 2016) in a pending excise/customs matter againt which the Group's appeal with the Honourable Supreme Court has been admitted. The details of the matter and the amount of provision made based on management's estimate are disclosed and further explained in Note 50

Estimated costs (including estimates of liquidated damages) for revenue recognition on projects

For the purpose of revenue recognition on fixed price projects based on percentage of completion method, the Group determines the stage of completion of the project as proportion of actual cost incurred to total estimated cost of the project. The Group estimates the total cost of the project at each period end (inlcuding the estimates of liquidated damages). These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end

Share-based payments

The Company measures the cost of equity-settled transactions with employees using Black and Scholes model and Binomial 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 of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38

Estimation of provision for warranty claims

Provision for warranty claims is recognised based on management's best estimates of the costs that would be incurred on warranty claims on the basis of historical experience and/or nature of business. Refer Note 20 for further details on provision for warranty claims.

Note 36: The list of Subsidiaries/Joint Venture which are included in the Consolidation and the Company's Effective Holdings therein are as under

Name of the Company	Effective ownership as on 31 March, 2017	Effective ownership as on 31 March, 2016	Effective ownership as on 1 April, 2015	Country of incorporation
List of subsidiaries				
Speedon Network Limited	100.00%	100.00%	100.00%	India
Maharashtra Transmission Communication Infrastructure Limited	67.55%	67.55%	67.55%	India
Sterlite Telesystems Limited	100.00%	100.00%	100.00%	India
Sterlite Global Ventures (Mauritius) Limited	100.00%	100.00%	100.00%	Mauritius
Jiangsu Sterlite and Tongguang Fiber Co. Limited	75.00%	75.00%	75.00%	China
Sterlite (Shanghai) Trading Company Limited	100.00%	100.00%	100.00%	China
Elitecore Technologies (Mauritius) Limited	100.00%	100.00%	100.00%	Mauritius
Elitecore Technologies SDN. BHD	100.00%	100.00%	100.00%	Malasiya
Sterlite Technologies Americas LLC	-	-	100.00%	USA
Sterlite Technologies Europe Ventures Limited	100.00%	100.00%	100.00%	Cyprus
Sterlite Technologies UK Ventures Limited	100.00%	100.00%	100.00%	United Kingdom
Sterlite Power Technologies Private Limited #	-	100.00%	100.00%	India
List of joint venture				
Sterlite Conduspar Industrial Ltda	58.05%	58.05%	50.00%	Brazil

Transferred to Twinstar Overseas Limited, Mauritius

Note 37: Employee Benefit Obligations

	Long-term			Short-term		
	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1 April 2015 (₹ in crores)
Provision for employee benefits						
Provision for gratuity	12.32	11.81	5.98	4.10	2.22	2.00
Provision for leave benefit	1.97	-	-	7.59	8.66	5.88
Total	**14.29**	**11.81**	**5.98**	**11.69**	**10.88**	**7.88**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Defined benefit obligation at the beginning of the year	16.62	10.06	7.24
Adjustment on account of demerger (refer note 55G)	-	-	(3.24)
Adjustment on account of merger (refer note 55C)	-	2.32	-
Current service cost	2.13	1.36	0.96
Interest cost	1.33	0.89	0.68
Actuarial (gain)/loss	0.58	3.04	5.05
Past service cost	-	-	-
Benefits paid	(0.86)	(1.05)	(0.63)
Defined benefit obligation, at the end of the year	19.80	16.62	10.06

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Fair value of plan assets at the beginning of the year	2.59	2.08	1.41
Expected return on plan assets	0.36	0.17	0.12
Contribution by employer	1.10	1.13	1.12
Benefits paid	(0.52)	(0.79)	(0.63)
Actuarial gain / (loss)	(0.15)	0.00	0.05
Fair value of plan assets at the end of the year	3.38	2.59	2.08

* Amount below ₹ 0.01 crore.

The Group expects to contribute ₹ 4.10 crores (31 March 2016: ₹ 2.22 crores) to its defined benefit gratuity plan in 2017-18.

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

Particulars	31 March 2017 %	31 March 2016 %	1st April 2015 %
Investment with Insurer (Life Insurance Corporation of India)	100	100	100

Details of defined benefit obligation

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Present value of defined benefit obligation	19.80	16.62	10.06
Fair value of plan assets	3.38	2.59	2.08
Benefit liability	16.42	14.03	7.98

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Current service cost	2.13	1.36	0.96
Interest cost on benefit obligation	1.33	0.89	0.68
Expected return on plan assets	(0.36)	(0.17)	(0.12)
Net benefit expense	**3.10**	**2.08**	**1.52**

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

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Actuarial Losses on Obligation For the Period	0.67	3.34	4.72
Return on Plan Assets, Excluding Interest Income	0.15	(0.00)	(0.04)
Change in Asset Ceiling	-	-	-
Net Expense For the Period Recognized in OCI	0.82	3.34	4.68

Amounts for the current and previous years are as follows:

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	31 March 2015 (₹ in crores)	31 March 2014 (₹ in crores)	31 March 2013 (₹ in crores)
Defined benefit obligation	19.80	16.62	13.30	7.24	6.83
Transfer on account of demerger	-	-	3.24	-	-
Plan assets	3.38	2.59	2.08	1.41	0.53
Surplus / (deficit)	16.42	14.03	7.98	5.83	6.30
Experience adjustments on plan liabilities	1.62	1.62	0.49	0.75	(0.12)
Experience adjustments on plan assets	(0.15)	(0.00)*	(0.05)	(0.01)	(0.08)

* Amount is below ₹ 0.01 crore.

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

Particulars	31 March 2017	31 March 2016	1st April 2015
Discount rate	7.22%	8.00%	7.98%
Expected rate of return on plan asset	7.22%	8.00%	7.98%
Employee turnover	10.00%	10.00%	10.00%
Expected rate of salary increase	8.00%	8.00%	8.00%
Actual rate of return on plan assets	7.00%	8.34%	9.00%

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

Sensitivity Analysis

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Projected Benefit Obligation on Current Assumptions	19.80	16.62	10.06
Delta Effect of +1% Change in Rate of Discounting	(1.17)	(0.96)	(0.73)
Delta Effect of -1% Change in Rate of Discounting	1.33	1.09	0.78
Delta Effect of +1% Change in Rate of Salary Increase	1.31	1.08	0.76
Delta Effect of -1% Change in Rate of Salary Increase	(1.18)	(0.97)	(0.73)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.13)	(0.05)	(0.05)
Delta Effect of -1% Change in Rate of Employee Turnover	0.14	0.05	0.01

Maturity Analysis of projected benefit obligation: From the Fund

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	3.03	2.48	2.03
2nd Following Year	1.12	0.98	0.77
3rd Following Year	1.15	0.98	0.86
4th Following Year	1.16	1.00	0.80
5th Following Year	1.13	0.99	0.81
Sum of Years 6 To 10	6.81	5.90	4.26
Beyond 10 Years	0.06	0.06	0.05

Maturity Analysis of projected benefit obligation: From the Employer

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	0.37	0.31	0.02
2nd Following Year	0.41	0.34	0.04
3rd Following Year	0.44	0.38	0.04
4th Following Year	0.47	0.40	0.04
5th Following Year	0.50	0.42	0.04
Sum of Years 6 To 10	2.38	1.91	0.21
Beyond 10 Years	0.77	0.49	0.08

Note 38: Employee Share Based Payments

The Company has granted employees stock options plan, 2006 (ESOP Scheme 2006) and employees stock options plan, 2010 (ESOP Scheme 2010) to its employees pursuant to the resolution passed by the shareholders at the extraordinary general meeting held on March 13, 2006 and annual general meeting held on July 14, 2010 respectively. The Company has followed the fair value methods like Black Scholes Options Pricing Model and Binomial Model for the valuation of these options. The compensation committee of the Company has approved twelve grants vide their meetings held on June 14, 2006; March 19, 2007, September 28, 2007, June 14, 2008, June 26, 2009, December 29, 2011, July 27,2012, April 30, 2014, March 30,2015 ,January 28, 2016 , July 25,2016 and January 18,2017. As per the plans, Options granted under ESOP would vest in not less than one year and not more than five years from the date of grant of such options. Vesting of options is subject to continued employment with the Company. All the plans are equity settled plans.

The Company has charged ₹ 11.30 crore (31 March 2016: ₹ 13.46 crores) to the statement of profit and loss in respect of options granted under ESOP scheme 2006 and options granted under ESOP scheme 2010

Other details of the options granted under ESOP scheme 2006 are as follows:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Date of grant	14-Jun-06	19-Mar-07	28-Sep-07	14-Jun-08	26-Jun-09
Number of options granted	11,64,250	3,18,000	6,53,875	1,27,750	12,09,500
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period (years)	3	2.25	1.71	1	5
Exercise period (years)	1	1	1	1	1
Vesting conditions	Business performance	Business performance	Business performance	Business performance	Business performance

Other details of the options granted under ESOP scheme 2010 are as follows:

Particulars	Grant 1	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7
Date of grant #	29-Dec-11	30-Apr-14	30-Mar-15	28-Jan-16	25-Jul-16	18-Jan-17
Number of options granted	22,24,000	37,13,800	57,24,600	11,50,130	19,89,000	1,50,000
Additional options granted ##	10,606	2,45,346	9,66,170	2,18,525	-	-
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (years)	5	5	5	2	5	5
Exercise period (years)	1	1.09	1.18	1.34	1	1
Vesting conditions	Business performance	Business performance	Business performance	Business performance	Relative total shareholder return	Continued Employment

The Company had granted 26,68,800 options in ESOP scheme 2010 on July 27, 2012 (Grant 2), the vesting for which was linked to business performance which could not be met. Hence the options were forfeited during the year 2012-13.

The Company has modified the ESOP schemes to give effect of the impact of demerger on the fair value of equity shares of the Company as mentioned in the Scheme of demerger

The details of the activity under ESOP scheme 2006 have been summarized below:

Particulars	31 March 2017		31 March 2016	
	Number of options	Weighted average exercise price(₹)	Number of options	Weighted average exercise price(₹)
Outstanding at the beginning of the year	-	-	28,373	2
Granted during the year	Nil	-	Nil	-
Forfeited during the year	Nil	-	Nil	-
Exercised during the year	Nil	-	23,133	2
Expired during the year	Nil	-	5,241	2
Outstanding at the end of the year	Nil	-	Nil	2
Exercisable at the end of the year	Nil	-	Nil	2
Weighted average remaining contractual life (in years)	-	-	-	
Weighted average fair value of options granted	-	-	35.23	

The outstanding ESOPs as above are entitled to bonus in the ratio of 1:1.
The weighted average share price for the year ended 31 March 2017 was ₹ 98.48 (31 March 2016: ₹ 82.27)
The fair value as per the Black Scholes Options Pricing Model was measured based on the following input:**

Date of grant : June 26, 2009	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**June 26, 2010**	**June 26, 2011**	**June 25, 2012**	**June 25, 2013**	**June 25, 2014**
Weighted average stock price	36.65	36.65	36.65	36.65	36.65
Expected volatility (*)	97.30%	81.93%	77.57%	72.68%	70.10%
Risk free rate	5.61%	5.83%	6.05%	6.27%	6.47%
Exercise price (₹ Per Option)	1	1	1	1	1
Time to maturity (years)	1.50	2.50	3.50	4.50	5.50
Dividend yield	0.60%	0.60%	0.60%	0.60%	0.60%
Outputs					
Option Fair Value	**35.40**	**35.24**	**35.08**	**34.93**	**34.77**
Vesting Percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**35.23**

As approved by the Extra-Ordinary General Meeting of the company held on February 25, 2010, the Company has made sub-division of the face value of its equity share capital from ₹ 5 per share to ₹ 2 per share. Further, the Company in the same meeting has approved bonus shares in the ratio of 1:1. Thus, ESOP data as above has been recalculated and presented after considering the impact of the sub-division of face value of the equity share and bonus thereon.

** There were no options outstanding in respect of grant 1, 2, 3, & 4 under ESOP scheme 2006 as at April 1, 2015,accordingly fair value disclosures for these grants have not been given

The details of the activity under ESOP scheme 2010 have been summarized below:

Particulars	31 March 2017		31 March 2016	
	Number of options	Weighted average exercise price(₹)	Number of options	Weighted average exercise price(₹)
Outstanding at the beginning of the year	78,54,492	2	85,68,656	2
Granted during the year	35,79,647	-	11,50,130	-
Forfeited during the year	-	-	-	-
Exercised during the year	30,87,147	2	10,83,130	2
Expired during the year	12,12,424	2	7,81,164	2
Outstanding at the end of the year	71,34,568	2	78,54,492	2
Exercisable at the end of the year	8,22,452	2	3,43,746	2
Weighted average remaining contractual life (in years)	2.65		3.65	
Weighted average fair value of options granted	56.21		41.73	

The weighted average share price for the year ended 31 March 2017 was ₹ 98.48 (31 March 2016: ₹ 82.27)

The fair value as per the Black Scholes Options Pricing Model / Binomial Options Pricing Model was measured based on the following input:

Date of grant: December 29, 2011	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**December 29, 2012**	**December 29, 2013**	**December 29, 2014**	**December 29, 2015**	**December 29, 2016**
Weighted average stock price	28.00	28.00	28.00	28.00	28.00
Expected volatility (*)	48.31%	47.36%	64.15%	68.63%	65.78%
Risk free rate	8.33%	8.34%	8.35%	8.37%	8.39%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.50	2.50	3.50	4.50	5.51
Dividend yield	0.73%	0.73%	0.73%	0.73%	0.73%
Outputs					
Option fair value	**25.93**	**25.87**	**25.82**	**25.78**	**25.70**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**25.87**

Date of grant: April 30, 2014	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**June 1, 2015**	**June 1, 2016**	**June 1, 2017**	**June 1, 2018**	**June 1, 2019**
Weighted average stock price	30.45	30.45	30.45	30.45	30.45
Expected volatility (*)	44.41%	46.93%	47.87%	46.48%	57.47%
Risk free rate	8.66%	8.72%	8.78%	8.82%	8.87%
Dividend yield	0.79%	0.79%	0.79%	0.79%	0.79%
Outputs					
Option fair value	**28.32**	**28.23**	**28.14**	**28.03**	**27.94**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**28.22**

Date of grant: March 30, 2015	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**June 1, 2016**	**June 1, 2017**	**June 1, 2018**	**June 1, 2019**	**June 1, 2020**
Weighted average stock price	51.10	51.10	51.10	51.10	51.10
Expected volatility (*)	51.55%	48.02%	49.61%	49.11%	48.02%
Risk free rate	7.84%	7.80%	7.77%	7.76%	7.76%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.68	2.68	3.68	4.68	5.68
Dividend yield	0.59%	0.59%	0.59%	0.59%	0.59%
Outputs					
Option fair value	**48.85**	**48.68**	**48.51**	**48.33**	**48.14**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**48.66**

Date of grant: January 28, 2016	Vest 1	Vest 2
Variables	**June 1, 2017**	**June 1, 2018**
Weighted average stock price	83.25	83.25
Expected volatility (*)	55.34%	50.03%
Risk free rate	7.22%	7.43%
Exercise price (₹ Per Option)	2	2
Time to maturity (years)	1.84	3.34
Outputs		
Option fair value	**80.40**	**79.71**
Vesting percentage	**40.00%**	**60.00%**
Options fair value (Black Scholes Model)		**79.99**

Pursuant to Employee Stock Options Scheme 2010 (ESOP Scheme 2010) ,the company had granted ESOP dated 25th July 2016. Vesting options in the Grant are based on two criteria :

1. Assured vesting of 30 % Options in Five years , irrespective of performance - Valued based on Black Scholes Model

2. 70% Vesting based on Total Shareholders return based on market performance - Valued based on Binomial Model

A brief of both the vesting options & the variables have been given below:

Date of grant: July 25, 2016	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**August 1, 2017**	**August 1, 2018**	**August 1, 2019**	**August 1, 2020**	**August 1, 2021**
Price of underlying Stock	89.00	89.00	89.00	89.00	89.00
Expected volatility (*)	50.28%	52.25%	50.22%	49.14%	50.00%
Risk free rate	6.50%	6.62%	6.72%	6.80%	6.86%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.50	2.50	3.50	4.50	5.50
Dividend yield	1.14%	1.14%	1.14%	1.14%	1.14%
Outputs					
Option fair value	**85.58**	**84.71**	**83.84**	**82.98**	**82.12**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**84.62**

Date of grant: July 25, 2016	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**August 1, 2017**	**August 1, 2018**	**August 1, 2019**	**August 1, 2020**	**August 1, 2021**
Price of underlying Stock	88.90	88.90	88.90	88.90	88.90
Expected volatility (*)	51.00%	51.00%	51.00%	51.00%	51.00%
Risk free rate	6.50%	6.62%	6.72%	6.80%	6.86%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.50	2.50	3.50	4.50	5.50
Dividend yield	1.14%	1.14%	1.14%	1.14%	1.14%
Outputs					
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Binomial Model)					**87.30**

Date of grant: Janaury 18, 2017	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Variables	**February 1, 2018**	**February 1, 2019**	**February 1, 2020**	**February 1, 2021**	**February 1, 2022**
Price of underlying Stock	106.95	106.95	106.95	106.95	106.95
Expected volatility (*)	47.02%	47.56%	48.79%	47.55%	48.70%
Risk free rate	6.12%	6.24%	6.39%	6.53%	6.63%
Exercise price (₹ Per Option)	2	2	2	2	2
Time to maturity (years)	1.54	2.54	3.54	4.54	5.54
Dividend yield	0.47%	0.47%	0.47%	0.47%	0.47%
Outputs					
Option fair value	**104.36**	**103.97**	**103.59**	**103.21**	**102.82**
Vesting percentage	**50.00%**	**20.00%**	**10.00%**	**10.00%**	**10.00%**
Options fair value (Black Scholes Model)					**103.94**

(*)The measure of volatility used in the above model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The volatility periods considered above, corresponding to the respective expected lives of the different vests are prior to the grant date. The daily volatility of stock prices is considered as per the National Stock Exchange (NSE) prices over these years. ESOP Scheme 2016 and ESAR Scheme 2016 have been approved by the shareholders through postal ballot on March 30, 2016. However no grant has been made under ESOP Scheme 2016 or ESAR Scheme 2016 and accordingly no charge in respect of the same has been accrued in the financial statements for the year ended 31 March 2017.

As part of the Scheme of Arrangement for demerger, employees of power business have been transferred to Sterlite Power Transmission Limited ('SPTL'). ESOPs granted to such employees will continue to be held and exercised by them. The charge in respect of ESOPs held by employees transferred from the Company to SPTL shall be borne by SPTL with effect from April 1, 2015. Accordingly, an amount of ₹ 0.76 crore and 3.37 crores pertaining to charge for the year ended 31 March 2017 and 31 March 2016 respectively, on ESOPs held by such employees has been transferred to SPTL.

NOTE 39: LEASES

Operating lease

The Group 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 Group.

Future minimum lease payments over non cancellable period of operating leases are as follows :

(a) Lease payments recognised in the Consolidated Statement of Profit and Loss for the year is ₹ 26.58 crores (31 March 2016: ₹ 15.77 crores, 1 April 2015: ₹ 11.47 crores).

(b) The future minimum lease payments payable over the next one year is ₹ 21.96 crores (31 March 2016: ₹ 16.79 Crores, 1 April 2015: ₹ 10.24 crores).

(c) The future minimum lease payments payable later than one year but not later than five year is ₹ 35.75 crores (31 March 2016: ₹ 32.27 Crores, 1April 2015: ₹ 22.26crores).

(d) The future minimum lease payments payable later than five years is ₹ 16.53 croes (31 March 2016: ₹ 0.35 crores, 1 April 2015: ₹ 0.45 crores)

Group as lessor :

The Group has given office building on operating lease. The lease term is for non cancellable period of three years and renewable at the option of the Lessee.

Future minimum lease receipts over non cancellable period of operating leases are as follows :

(a) Lease income recognised in the statement of profit and loss for the year is ₹ 1.03 crore (31 March 2016: ₹ 0.54 crores, 1 April 2015: ₹ 0.39 crores).

(b) The future minimum lease payments receivable over the next one year is ₹ 1.94 crore (31 March 2016: ₹ 0.76 crores, 1 April 2015: ₹ 0.39 crore).

(c) The future minimum lease payments receivable later than one year but not later than five year is ₹ 2.57 crores (31 March 2016: ₹ 1.14 crores, 1 April 2015: ₹ 1.20 crores).

Finance lease

Group as lessee :

The Group has taken laptops on finance lease. The lease term is for periods of three years.

Future minimum lease payments under finance lease with the present value of the net minimum lease payments are as follows:

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Minimum payment	Present value of MLP	Minimum payment	Present value of MLP	Minimum payment	Minimum payment
Within one year	0.87	0.82	0.83	0.79	-	-
After one year but not more than five years	1.02	0.73	1.67	1.39	-	-
Total minimum lease payments	1.89	1.55	2.50	2.18	-	-
Less: amounts representing finance charges	0.34	-	0.32	-	-	-
Present value of minimum lease payments	1.55	1.55	2.18	2.18	-	-

Note 40: Capital and Other Commitments

a.] Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) are ₹ 64.94 crores (31 March 2016 :₹ 110.49 Cr. 1 April 2015: ₹ 164.67 Cr)

b.] Entities in telecom network business has entered into master service agreements (MSAs) / Indefeasible right of use (IRU) agreement with internet service providers pursuant to which entities have committed minimum availability of telecom networks over the period of respective MSAs. The MSAs contain provision for disincentives and penalties in case of certain defaults.

c.] The Group has entered into agreements with the lenders of following subsidiaries wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital of below mentioned subsidiaries and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

31 March 2017	31 March 2016	1 April 2015
Maharashtra Transmission Communication Infrastructure Limited	Speedon Network Limited	Speedon Network Limited
	Maharashtra Transmission Communication Infrastructure Limited	Maharashtra Transmission Communication Infrastructure Limited

d] For commitments relating to lease arrangments please refer note 39.

Note 41: Contingent Liabilities

		31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
1	Disputed liabilities in appeal			
	a) Sales tax	0.43	0.43	0.43
	b) Excise duty [Including excise duty case in Supreme Court, refer note 20 and note 50]	262.25	259.84	262.91
	c) Customs duty	75.38	73.54	69.60
	d) Service tax	0.63	0.63	-
	e) Income tax	25.32	22.77	21.20
	f) Claims lodged by a bank against the Company (*)	18.87	18.87	18.87
	g) Claims against the Company not acknowledged as debt	1.11	1.11	1.11
2	Outstanding amount of export obligation against advance license	70.32	2.74	6.95
3	Corporate guarantee to the income tax department on behalf of group companies.	114.00	114.00	114.00

The Group has not provided for disputed sales tax, excise duty, customs duty and service tax arising from disallowances made in assessments which are pending with appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognized in the financial statements.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

* In an earlier year, one of the Bankers of the Group had wrongly debited an amount of ₹ 18.87 crores, towards import consignment under letter of credit not accepted by the Group, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Group in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28-Oct-2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28-Jan-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 before the Bombay High Court. The management doesn't expect the claim to succeed.

Note 42: Hedging Activities and Derivatives

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI 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 arise requiring recognition through profit or loss.

The cash flow hedges as at 31 March 2017 were assessed to be highly effective and a net unrealised gain of ₹ 3.24 crore, with a deferred tax liability of ₹ 1.12 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended 31 March 2016 were assessed to be highly effective and an unrealised gain of ₹ 1.98 crore with a deferred tax liability of ₹ 0.69 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2017 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2018.

At 31 March 2017, the Group had currency/interest rate swap agreements in place with a notional amount of USD 2.50 crore (₹ 162.13 crore) whereby the Group receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates.

The cash flow hedges during the year ended 31 March 2017 were assessed to be highly effective and a net unrealised loss of ₹ 4.07 crore, with a deferred tax asset of ₹ 1.41 crore relating to the hedging instruments, is included in OCI. The amounts retained in OCI at 31 March 2017 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2018.

Note 43: Derivative Instruments

(a) The following are the outstanding forward exchange contracts entered into by the Group, for hedge purpose, as on 31 March 2017:

Purpose	Foreign currency (In crores)	Amount (₹ in crores)	Buy/Sell	No. of contracts (Quantity)
31 March 2017				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 6.64	426.94	Buy	217.00
Hedge of trade receivables and highly probable foreign currency sale	US $ 2.55	163.69	Sell	39.00
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 1.18	82.16	Buy	74.00
Hedge of trade receivables and highly probable foreign currency sale	EUR 1.11	77.86	Sell	10.00
Hedge of payables, buyers credit and highly probable foreign currency purchases	GBP 0.53	43.86	Buy	15.00
Hedge of trade receivables and highly probable foreign currency sale	GBP 0.38	31.38	Sell	3.00
Hedge of trade receivables and highly probable foreign currency sale	AED 0.02	0.42	Sell	2.00
31 March 2016				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 3.65	242.24	Buy	174
Hedge of trade receivables and highly probable foreign currency sale	US $ 2.44	162.60	Sell	55
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 1.30	97.33	Buy	49
Hedge of trade receivables and highly probable foreign currency sale	EUR 0.44	32.77	Sell	11
Hedge of payables, buyers credit and highly probable foreign currency purchases	GBP 0.39	37.53	Buy	17
Hedge of trade receivables and highly probable foreign currency sale	GBP 0.66	62.50	Sell	11
April 1, 2015				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 4.60	294.13	Buy	185
Hedge of trade receivables and highly probable foreign currency sale	US $ 1.73	110.80	Sell	45
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 0.72	54.82	Buy	31
Hedge of trade receivables and highly probable foreign currency sale	EUR 0.24	16.31	Sell	24
Hedge of trade receivables and highly probable foreign currency sale	GBP 1.00	99.05	Sell	27

(b) Interest rate swap contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency fluctuations are given below:

Year	Currency type	No. of contracts	Foreign currency (In Crore) (Nominal value)	Period of contract	Floating rate	Fixed rate
31 March 2017	US $	2	2.50	1 April 2016 to 03 January 2023	(6m Libor + 270 bps) on USD Principal	10.04% on INR principal

(c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amount receivable in foreign currency on account of the following:

Category		31 March 2017		31 March 2016	
		Foreign currency (In crores)	Amount (₹ in crores)	Foreign currency (In crores)	Amount (₹ in crores)
Export of goods	US $	0.14	9.16	0.33	21.78
Export of goods	EUR	0.00*	0.03	0.00*	0.07
Export of goods	AED	0.04	0.67	-	-
Advance to suppliers	US $	0.48	31.43	0.04	2.92
Advance to suppliers	EUR	0.14	9.74	0.02	1.38
Advance to suppliers	GBP	0.00*	0.16	0.00*	0.30
Advance to suppliers	CHF	0.00*	0.07	0.00*	0.01
Advance to suppliers	JPY	0.06	0.03	-	-
Advance to suppliers	CAD	0.01	0.51	-	-
Advance to suppliers	SGD	0.00*	0.03	0.00*	0.00*
Advance to suppliers	AED	-	-	0.00*	0.00*
Advance to suppliers	AUD	0.00*	0.01	-	-
Advance to suppliers	CNY	0.01	0.06	-	-
Advance to suppliers	SEK	0.00*	0.00*	-	-
Balance with banks	US $	0.05	2.94	0.10	6.54
Balance with banks	EUR	0.02	1.26	0.01	0.71
Balance with banks	GBP	0.05	4.18	0.06	5.48

Category		1 April 2015	
		Foreign currency (In crores)	Amount (₹ in crores)
Advance to suppliers	US $	0.03	1.69
Advance to suppliers	EUR	0.02	1.11
Advance to suppliers	GBP	0.00*	0.13
Advance to suppliers	CHF	0.00*	0.04
Advance to suppliers	JPY	0.03	0.02
Advance to suppliers	CAD	0.02	1.02
Balance with banks	EUR	0.01	0.73
Balance with banks	GBP	0.01	0.86
Balance with banks	RMB	0.00*	0.00*
Balance with banks	RUB	**0.01**	**0.01**

* Amount below 0.01 crore.

(ii) Amounts payable in foreign currency on account of the following:

Category	Currency type	31 March 2017		31 March 2016	
		Foreign currency (In crores)	Amount (₹ in crores)	Foreign currency (In crores)	Amount (₹ in crores)
Import of goods and services	USD	0.51	33.61	0.44	29.27
Import of goods and services	EUR	0.03	1.85	0.02	1.13
Import of goods and services	GBP	0.00*	0.18	0.00*	0.13
Import of goods and services	MYR	-	-	0.01	0.21
Import of goods and services	SGD	0.00*	0.02	0.00*	0.06
Import of goods and services	THB	0.03	0.06	0.00*	0.00*
Import of goods and services	ZAR	-	-	0.01	0.04
Import of goods and services	AED	0.02	0.31	-	-
Import of goods and services	AUD	0.00*	0.01	-	-
Import of goods and services	BRL	0.00*	0.01	-	-
Import of goods and services	CHF	0.00*	0.03	-	-
Import of goods and services	JPY	0.00*	0.00	-	-
Loan from Banks	USD	0.03	1.95	0.06	3.86
Import of capital goods	US $	-	-	0.22	14.38
Import of capital goods	EUR	-	-	0.06	4.51
Import of capital goods	JPY	-	-	0.21	0.11
Import of capital goods	GBP	-	-	0.02	1.66
Import of capital goods	CHF	0.00*	0.06	-	-

Category	Currency type	1 April 2015	
		Foreign currency (In crores)	Amount (₹ in crores)
Import of capital goods	US $	0.65	41.45
Import of capital goods	EUR	0.04	2.60

* Amount below 0.01 crore.

(d) Commodity future contracts to hedge against fluctuation in commodity prices:

The following are the outstanding future contracts entered into by the Group as on 31 March 2017:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2017	Copper	34	569	Buy
31 March 2017	Copper	18	996	Sell
31 March 2016	Copper	16	419	Buy
31 March 2016	Copper	9	645	Sell
1 April 2015	Copper	29	361	Buy
1 April 2015	Copper	3	216	Sell

Note 44: Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Description	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.			
Principal amount due to micro and small enterprises	11.76	10.95	0.76
Interest due on above	0.08	0.07	0.01
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iii) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.08	0.07	0.01
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.08 crore (31 March, 2016 ₹ 0.07 crore) and same is not accrued in the books of accounts. Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" / informations available with the Group regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

Note 45: Disclosures Pursuant to Indian Accounting Standard (Ind AS) 11 “Construction Contracts”

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Amount of contract revenue recognised during the year	340.71	363.48
The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the reporting date	779.42	438.71
Retention amount due from customers for contracts in progress upto the reporting date	63.43	49.38
Gross amount due from customers for contract work as an asset	98.76	41.30

Note 46: First Time Adoption of Ind AS

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

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

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

- Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

- An item of freehold land and certain items of plant and machinery of the Group have been measured at fair value at the date of transition to Ind AS being 1 April 2015. The Group has elected to regard the fair value of such land and plant and machinery as deemed cost at the date of transition to Ind AS.

- Since there is no change in the functional currency, the Group has elected to continue with the carrying value of its investment property and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

- Ind AS 102 Share-based Payments has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2015.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, currency/interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Group has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Group, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Group continues to apply hedge accounting after the date of transition to Ind AS.

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

	Footnotes	Amount as per Local GAAP (₹ in crores) [Refer note (a) below]	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
ASSETS				
Non-current assets				
Property, Plant & Equipment	1, 2, 9	896.70	(17.24)	879.46
Capital work-in-progress		63.40	(0.09)	63.31
Investment Property	1	9.35	-	9.35
Goodwill		-	-	-
Other Intangible assets		15.80	-	15.80
Deferred tax assets	1	-	11.35	11.35
Investment in joint venture	2	-	5.16	5.16
Financial Assets		-	5.16	5.16
Trade receivables		10.27	-	10.27
Loans		-	5.30	5.30
Other non-current financial assets	3	8.75	(1.76)	6.99
Other non-current assets	3, 4	47.58	(25.69)	21.89
		1,051.85	**(22.98)**	**1,028.88**
Current assets				
Inventories	2	178.26	(4.68)	173.58
Financial Assets				
Investments	5	55.00	0.11	55.11
Trade receivables	2	470.43	2.58	473.01
Cash and cash equivalents	2	55.85	(1.07)	54.78
Other bank balances		219.05	-	219.05
Other current financial assets	2, 6	47.22	2.65	49.88
Other current assets	3, 8	91.48	(2.96)	88.52
		1,117.30	**(3.36)**	**1,113.93**
Total Assets		**2,169.15**	**(26.34)**	**2,142.81**
Equity and Liabilities				
Equity				
Equity share capital		78.81	-	78.81
Other equity				
Securities Premium	7	-	1.46	1.46
Retained Earnings	1, 3, 5,6, 9, 10, 11	386.66	18.84	405.50
Other reserves	6	120.17	6.07	126.25
Equity attributable to equity holders of the parent		**585.64**	**26.38**	**612.02**
Non Controlling Interest		25.97	-	25.97
Total Equity		**611.61**	**26.38**	**637.99**
Non-current liabilities				
Financial Liabilities				
Borrowings	2, 7, 8	721.81	(7.59)	714.22

	Footnotes	Amount as per Local GAAP (₹ in crores) [Refer note (a) below]	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Other financial liabilities	9	26.86	0.95	27.81
Employee benefit obligations		5.98	-	5.98
Provisions	10	1.37	(0.26)	1.11
Deferred tax liabilities (net)	1, 2, 3, 4,	41.60	(16.40)	25.20
Other non current liabilities	5, 6, 7, 9, 10	0.82	-	0.82
Current liabilities		**798.44**	**(23.30)**	**775.14**
Financial Liablities				
Borrowings	8	205.93	(1.41)	204.52
Trade payables	2, 12	328.15	(1.22)	326.94
Other financial liabilities	2, 6, 12	168.45	1.66	170.10
Other current liabilities	12	10.74	-	10.74
Employee benefit obligations		7.88	-	7.88
Provisions	11	37.95	(28.45)	9.50
		759.10	**(29.42)**	**729.68**
Total		**2,169.15**	**(26.34)**	**2,142.81**

Note (a): The opening balance sheet under Indian GAAP as at 1 April 2015 is after giving effect to the demerger of power business. Refer Note 55G for details.

Reconciliation of equity as at 31 March 2016

	Footnotes	Amount as per Local GAAP (₹ in crores)	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Assets				
Non-current assets				
Property, Plant & Equipment	1, 2, 9	983.21	1.58	984.78
Capital work-in-progress	9	173.95	(1.63)	172.32
Investment Property	1	9.19	-	9.19
Goodwill		133.21	-	133.21
Other Intangible assets	2	20.55	(1.58)	18.97
Deferred tax assets	1	-	10.06	10.06
Financial Assets				
Investments	2	1.60	5.64	7.24
Trade receivables		4.64	-	4.64
Other non-current financial assets	3	16.58	(2.22)	14.36
Other non-current assets	3, 4	61.02	(26.96)	34.06
		1,403.95	**(15.12)**	**1,388.83**
Current assets				
Inventories	2	215.51	(10.20)	205.31
Financial Assets				
Investments		-	-	-
Trade receivables	2	698.15	10.25	708.40
Cash and cash equivalents	2	61.04	(0.56)	60.48
Other bank balances		17.24	-	17.24
Other current financial assets	2, 6	92.84	2.55	95.39
Other current assets	3, 8	151.67	(2.80)	148.87
		1,236.46	**(0.75)**	**1,235.69**
Total Assets		**2,640.41**	**(15.87)**	**2,624.52**
Equity and Liabilities				
Equity				
Equity share capital		79.04	-	79.04
Other equity				
Securities Premium	7	3.22	1.45	4.67
Retained Earnings	1, 3, 5, 6, 7, 9, 10, 11, 13, 15	493.14	35.42	528.56
Other reserves	6	123.43	18.94	142.37
Equity attributable to equity holders of the parent		**698.83**	**55.81**	**754.64**

Non Controlling Interest		31.21	-	31.21
Total Equity		**730.04**	**55.81**	**785.85**
Non-current liabilities				
Financial Liabilities				
Borrowings	2, 7, 8	468.59	(0.74)	467.84
Other financial liabilities	9	106.44	(3.41)	103.03
Employee benefit obligations		11.81	-	11.81
Provisions	10	16.28	(1.70)	14.58
Deferred tax liabilities (net)	1, 2, 3, 4, 5, 6, 7, 9, 10, 13, 15	49.05	(10.89)	38.16
Other non current liabilities		0.43	-	0.43
		652.60	**(16.74)**	**635.85**
Current liabilities				
Financial Liablities				
Borrowings	2, 8	357.25	(3.05)	354.20
Trade payables	2, 12	379.86	(7.65)	372.21
Other financial liabilities	6, 12	428.00	(4.54)	423.46
Other current liabilities	2	23.82	7.86	31.68
Employee benefit obligations		10.88	-	10.88
Provisions	11	57.97	(47.58)	10.39
		1,257.77	**(54.94)**	**1,202.82**
Total		**2,640.41**	**(15.87)**	**2,624.52**

Profit reconciliation for the year ended 31 March 2016:

	Footnotes	Amount as per Local GAAP (₹ in crores)	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Income				
Revenue from operations	2, 6, 13	2,291.64	(16.78)	2,274.86
Other income	2, 16	3.99	(0.10)	3.89
Total income (I)		**2,295.63**	**(16.88)**	**2,278.75**
Expenses				
Cost of raw material and components consumed	2, 6, 14	953.71	(14.84)	938.87
Purchase of traded goods		33.72	-	33.72
(Increase) / decrease in inventories of finished goods				
work-in-progress and traded goods	2	(17.11)	5.32	(11.78)
Excise duty on sale of goods	13	130.87	-	130.87
Employee benefits expense	2, 15	210.82	(5.72)	205.10
Other expenses	2, 3, 10, 13, 14	527.51	(8.60)	518.91
Total expenses (II)		**1,839.52**	**(23.83)**	**1,815.69**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**456.10**	**6.96**	**463.06**
Depreciation and amortisation expense	2, 9	130.88	(5.28)	125.60
Finance costs	2, 6, 7, 9, 10, 16	113.24	6.00	119.24
Finance income	3, 16	(8.82)	(3.50)	(12.32)
Profit before tax & share in profit/(loss) of joint venture		**220.80**	**9.73**	**230.54**
Share of loss of joint venture	2	-	(5.56)	(5.56)
Profit before tax		220.80	4.17	224.98
Tax expense:				
Current tax		53.29	-	53.29
Deferred tax	2, 3, 6, 7, 9, 10, 13	16.29	1.55	17.83
Income tax for earlier years		(5.93)	-	(5.93)
Income tax expense		**63.65**	**1.55**	**65.19**
Profit for the year		157.16	2.63	159.79
Other comprehensive income	17			

	Footnotes	Amount as per Local GAAP (₹ in crores)	Ind AS adjustments (₹ in crores)	Amount as per Ind AS (₹ in crores)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net movement on cash flow hedges	6	-	1.98	1.98
Income tax effect	6	-	(0.69)	(0.69)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**-**	**1.29**	**1.29**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss defined benefit plans	15	-	(3.34)	(3.34)
Income tax effect	15	-	1.16	1.16
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**-**	**(2.18)**	**(2.18)**
Other comprehensive income for the year		-	(0.89)	(0.89)
Total comprehensive income for the year		**151.08**	**1.74**	**152.82**

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016:

1 **Property, plant and equipment**

The Group has elected to measure an item of freehold land at fair value of ₹ 50.96 crore and certain items of plant and machinery at fair value of ₹ 82.30 crore as at the date of transition to Ind AS. Hence at the date of transition to Ind AS, a net increase of ₹ 9.46 crore (31 March 2016: ₹ 13.55 crores) was recognised in property, plant and equipment. This amount has been recognised against retained earnings net of tax

The impact of componentisation of items of property, plant and equipment of ₹ 18.93 crore has been disclosed under Ind AS adjustments. The same was considered in the Indian GAAP financial statements for the year ended 31 March 2016 based on the requirements of Schedule II to the Companies Act, 2013. The corresponding charge has been considered in Other equity of ₹ 12.38 crore (net of deferred tax of ₹ 6.55 crore)

Commercial property of ₹ 9.35 crore (31 March 2016: ₹ 9.19 crore) shown as fixed assets under Indian GAAP has been reclassified to Investment property under Ind AS.

2 **Investment in Joint Venture**

The Group's investment in joint venture in Brazil was accounted for using proportionate consolidation method under Indian GAAP. Under Ind AS, the same has been accounted for under equity method. Refer Note 51 in notes to accounts of annual consolidated financial statements for details of assets, liabilities, revenue and expenses of the joint venture and the group's share in the equity and profit/ loss of the joint venture.

3 **Other non-current financial assets**

Interest free security deposits have been accounted for at amortised cost using market rates of interest. The difference between the nominal amount of deposits and the amortised cost as at the date of transition to Ind AS of ₹ 1.95 crore (31 March 2016: ₹ 2.98 crore) has been classified as prepaid expenses under other non-current assets. Interest income on deposits is recognised on EIR basis disclosed under Finance income and the prepaid expense is amortised on a straight line basis over the period of deposit disclosed under Other expenses.

4 **Other non- current assets**

MAT credit of ₹ 25.95 crore (31 March 2016: ₹ 27.20 crore) shown under non current assets in Indian GAAP as at the date of transition to Ind AS has been reclassified to deferred tax under Ind AS.

5 **Financial assets - Investments**

Under Indian GAAP, investment in mutual funds were measured at lower of cost and fair value. Under Ind AS, these are measured at fair value.

6 **Other current financial assets**

The adjustments of ₹ 3.67 crore (31 March 2016: ₹ 2.77 crore) in Other current financial assets and ₹ 2.61 crore (31 March 2016: ₹ 4.77 crore) in Other current financial liabilities pertain to accounting for derivatives. The fair value of forward foreign exchange contracts is recognised under Ind AS, and was not recognised under Indian GAAP. The contracts, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instrument in cash flow hedges of either expected future sales or purchases for which the Group has firm commitments or expected sales or purchases that are highly probable.

The corresponding adjustment has been recognised as a separate component of equity, in the cash flow hedge reserve. On the date of transition, cash flow hedge reserve was credited by ₹ 1.85 crore on 1 April 2015 (31 March 2016: ₹ 2.28 crore) and net movement of ₹ 1.29 crore (net of tax) during the year ended on 31 March 2016 was recognized in OCI and subsequently taken to cash flow hedge reserve."

7 **Securities premium**

Under Indian GAAP, the balance in securities premium was utilised towards expenses on issue of non-convertible debentures. Under Ind AS, the NCDs are measured at amortised cost using effective interest method. The difference between the carrying amount of NCDs under

Indian GAAP and the amortised cost under Ind AS as at the date of transition to Ind AS has been credited to securities premium.

8 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised and charged to profit or loss over the period of the borrowings. Unamortised costs were disclosed under Other assets. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

9 Other financial liabilities

Under Ind AS, deferred payables for purchase of property, plant and equipment beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit. Under Indian GAAP, such payables were recognised and measured at nominal amounts.

10 Non current provisions

Under Indian GAAP, provisions were not discounted. Under Ind AS, provisions are discounted to present value, where the effect of time value of money is material.

11 Current provisions

Under Indian GAAP, proposed dividends including dividend distribution taxes are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the group (usually when approved by shareholders in a general meeting) or paid. In case of the Group, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 28.45 crore for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 of ₹ 47.57 crore recognized under Indian GAAP was reduced from provisions and with a corresponding impact in the retained earnings.

12 Trade payables and other current liabilities

For the purpose of Ind AS financial statements, certain amounts have been reclassified among trade payables, other current financial liabilities and other current liabilities based on the requirements of Ind AS. There is no change in the measurement of such amounts under Ind AS as compared to Indian GAAP.

13 Revenue from operations

Under Indian GAAP, Revenue from operations was disclosed net of Excise duty on sales of ₹ 130.87 crore for the year ended 31 March 2016. Under Ind AS, Revenue is shown gross of Excise duty and the amount of Excise duty is shown as expense in the Statement of Profit and Loss.

The Group changed the accounting policy for revenue recognition on telecom software solutions (software license sale and related services) to percentage of completion method (POCM) from the earlier method of recognizing products sale based on delivery and sale of services based on milestones achieved as per terms and conditions of the specific customer contracts. The effect of the above change (i.e. reduction in revenue by ₹ 8.07 crore) has been given retrospectively in the year ended 31 March 2016 as required by Ind AS - 8 ""Accounting policies, changes in accounting estimates and errors"". Further, provision for onerous contracts of ₹ 5.44 crore recognised under Indian GAAP in Other expenses has been reversed under Ind AS due to change in accounting policy to POCM.

14 Other expenses - Leases

The Group has evaluated an arrangement under the requirements of Appendix C to Ind AS 17 "Leases" for procurement of raw materials from a plant located in STL's premises but owned by vendor. Based on such evalaution, the arrangement contains an operating lease. Accordingly, ₹ 3 crore being part of the amounts paid towards procurement of raw materials from the vendor plant has been reclassified to lease rent under Other expenses.

15 Employee benefits expense

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹ 3.34 crore and remeasurement loss on defined benefit plans has been recognized in the OCI net of tax.

16 Finance income

Interest subvention received on certain short term borrowings relating to exports has been re-classified to finance income under Ind AS.

17 Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

18 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 47: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of 31 March 2017:

(in crores)

Particulars	Carrying Value			Fair Value		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Financial assets						
Investments	48.21	1.60	55.11	48.21	1.60	55.11
Derivative instruments	6.63	2.77	3.67	6.63	2.77	3.67
Total	**54.84**	**4.37**	**58.78**	**54.84**	**4.37**	**58.78**
Financial liabilities						
Derivative instruments	36.58	7.55	7.06	36.58	7.55	7.06
Total	**36.58**	**7.55**	**7.06**	**36.58**	**7.55**	**7.06**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast 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.

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 2017, 31 March 2016 and 1 April 2015 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF method	Long-term operating margin	31 March 2017: 15% - 23% 31 March 2016: 23% 1 April 2015: Nil	1% (31 March 2016: 1%; 1 April 2015: Nil) increase/ (decrease) in the margin would result in increase / (decrease) in fair value by ₹ 0.59 crore (31 March 2016: ₹ 0.06 crore; 1 April 2015: Nil)
		WACC (pre-tax)	31 March 2017: 20% 31 March 2016: 20% 1 April 2015: Nil	1% (31 March 2016: 1%; 1 April 2015: Nil) increase/ (decrease) in the WACC would result in decrease/ (increase) in fair value by approx. ₹ 1.14 crore (31 March 2016: ₹ 0.15 crore; 1 April 2015: Nil)
		Discount for lack of marketability	31 March 2017: 5% 31 March 2016: 5% 1 April 2015: Nil	Increase (decrease) in the discount would decrease (increase) the fair value.

Note 48: Fair Values Hierachy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017; 31 March 2016 and 1 April 2015

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at 31 March 2017	35.01	35.01	-	-
As at 31 March 2016	-	-	-	-
As at 1 April 2015	55.11	55.11	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment - Others				
As at 31 March 2017	13.20	-	-	13.20
As at 31 March 2016	1.60	-	-	1.60
As at 1 April 2015	-	-	-	-
Derivative assets				
As at 31 March 2017	6.63	-	6.63	-
As at 31 March 2016	2.77	-	2.77	-
As at 1 April 2015	3.67	-	3.67	-
Derivative liabilities				
As at 31 March 2017	(36.58)	-	(36.58)	-
As at 31 March 2016	(7.55)	-	(7.55)	-
As at 1 April 2015	(7.06)	-	(7.06)	-
Assets for which fair values are disclosed				
Investment properties				
As at 31 March 2017	14.64	-	14.64	-
As at 31 March 2016	13.21	-	13.21	-
As at 1 April 2015	11.89	-	11.89	-

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

Note 49: Related Party Disclosures

(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) Joint ventures
Sterlite Conduspar Industrial Ltda (58:42 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limitada)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. Pravin Agarwal
(Vice Chairman & Whole-time Director)

Dr. Anand Agarwal (CEO & Whole-time Director)

Mr Pratik Agarwal (Non executive Director)

Mr. A. R. Narayanaswamy (Non executive & Independent Director)

Mr. Arun Todarwal (Non executive & Independent Director)

Mr. C. V. Krishnan (Non executive & Independent Director)

Ms. Avaantika Kakkar (Non executive & Independent Director)

(ii) Relative of key management personnel
Mr. Ankit Agarwal

(iii) Entities where key management personnel / relatives of key management personnel have significant influence (EKMP)
Bharat Aluminium Company Limited

Sterlite Power Transmission Ltd.

Hindustan Zinc Limited

Twin Star Technologies Limited

Sterlite Power Grid Ventures Limited

Sterlite Grid 1 Limited

East North Interconnection Company Limited

Jabalpur Transmission Company Limited

Bhopal Dhule Transmission Company Limited

Twin Star Display Technologies Limited

Vedanta Limited

Fujairah Gold FZE

Sterlite Power Technologies Private Limited

Khaitan & Co. LLP

Universal Floritech LLP

Sterlite Tech Foundation

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. Anupam Jindal (Chief Financial Officer)

Mr. Amit Deshpande (Company Secretary)

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

(₹ in crores)

S. No.	Particulars	Joint Ventures		Holding Company		KMP		Relative of KMP		EKMP	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Transactions										
1	Remuneration	-	-	-	-	21.47	16.51	1.96	0.59	-	-
2	Sitting Fees	-	-	-	-	0.10	0.18	-	-	-	-
3	Commission	-	-	-	-	0.50	0.50	-	-	-	-
4	Dividend received / (paid)	-	-	(31.41)	(12.56)	(0.25)	(0.09)	(0.24)	(0.08)	(0.71)	(0.29)
5	Sale of investment in subsidiary	-	-	0.01	0.05	-	-	-	-	-	-
6	Loans and advances given##**	0.45	-	-	-	1.37	-	-	-	50.11	-
7	Repayment of loans	0.16	-	-	-	-	-	-	-	24.18	-
8	Trade advances									0.84	-
9	Interest charged on loans	-	-	-	-	-	-	-	-	2.07	-
10	Management fees paid	-	-	-	-	-	-	-	-	0.21	0.40
11	Management fees charge	-	-	-	-	-	-	-	-	8.27	28.62
12	Purchase of fixed asset									11.47	39.85
13	Purchase of goods	-	-	-	-	-	-	-	-	77.88	19.63
14	Purchase of power	-	-	-	-	-	-	-	-	-	36.50
15	Sale of goods (net of excise duty)	7.62	17.72	-	-	-	-	-	-	20.23	9.68
16	Expenses incurred	-	-	-	-	-	-	-	-	1.19	-
17	Contributions made	-	-	-	-	-	-	-	-	2.71	0.57
18	Rental income	-	-	-	-	-	-	-	-	0.06	0.02
19	ESOP expenses charged	-	-	-	-	-	-	-	-	0.76	3.37
20	Professional fees paid	-	-	-	-	-	-	-	-	0.47	0.64

S. No.	Particulars	Joint Ventures			Holding Company			KMP			Relative of KMP			EKMP		
		31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	Outstanding Balances															
1	Advance outstanding against supplies	-	-	-	-	-	-	-	-	-	-	-	-	0.84	-	7.45
2	Loans/advance receivables##	0.57	0.57	5.30				1.37	-	-	-	-	-	9.60	-	-
3	Loans/advance payables##	-	-		-	-	-	-	-	-	-	-	-	-	19.32	10.12
4	Trade receivables	20.07	22.01	6.92				-	-	-	-	-	-	2.38	-	81.64
5	Trade payables	-	-	-	-	-	-	-	-	-	-	-	-	15.31		7.21
6	Investment in equity shares and preference shares	0.92	5.64	5.16				-	-	-	-	-	-	-	-	-
7	Corporate and bank guarantees given and outstanding	-	-		-	-	-	-	-	-	-	-	-	114.00	114.00	114.00

(C) Disclosure in respect of material related party transaction during the year:

	Particulars	Relationship	31 March 2017	31 March 2016
1	**Remuneration #**			
	Mr. Pravin Agarwal	KMP	10.89	9.55
	Dr. Anand Agarwal	KMP	8.69	5.27
	Mr. Ankit Agarwal	Relative of KMP	1.96	0.59
2	**Sitting Fees**			
	Mr.Arun Todarwal	KMP	0.05	0.06
	Mr.A. R. Narayanaswamy	KMP	0.03	0.04
	Mr.C V Krishnan	KMP	0.02	0.03
	Ms.Avaantika Kakkar	KMP	0.01	0.03
	Mr.Pratik Agarwal	KMP	0.01	0.03
3	**Commission**			
	Mr.Arun Todarwal	KMP	0.13	0.13
	Mr.A. R. Narayanaswamy	KMP	0.13	0.13
	Ms.Avaantika Kakkar	KMP	0.13	0.13
	Mr.Pratik Agarwal	KMP	0.13	0.13
4	**Dividend received / (paid)**			
	Twin Star Overseas Limited	Holding Company	(31.41)	(12.56)
5	**Sale of Investment in Subsidiary**			
	Twin Star Overseas Limited, Mauritius	Holding Company	0.01	0.05
6	**Loans given ##**			
	Twinstar Display Technologies Limited.	EKMP	9.87	-
	Sterlite Power Transmission Limited.	EKMP	40.24	-
7	**Repayment of loans**			
	Sterlite Power Transmission Limited.	EKMP	20.69	-
	Twinstar Display Technologies Limited.	EKMP	3.49	-
8	**Trade Advances**			
	Vedanta Limited	EKMP	0.84	-
9	**Interest charged on loans**			
	Sterlte Power Transmission Limited	EKMP	1.92	-
10	**Management fees paid**			
	Vedanta Limited	EKMP	0.21	0.40
11	**Management fees charge**			
	Sterlte Power Transmission Limited	EKMP	-	28.62
	Twin Star Display Technologies Limited	EKMP	8.27	-
12	**Purchase of goods**			
	Vedanta Limited	EKMP	-	2.06
	Fujairah Gold FZE	EKMP	64.42	17.56
13	**Purchase of power**			
	Vedanta Limited	EKMP	-	36.50
14	**Purchase of fixed assets**			
	Sterlte Power Transmission Limited	EKMP	11.47	39.85
15	**Sale of goods (net of excise duty)**			
	Sterlite Conduspar Industrial Ltda	Joint Venture	7.62	17.72
	Sterlite Power Transmission Limited	EKMP	20.23	9.68
16	**Expenses incurred by STL / (on behalf of STL)**			
	Sterlite Power Transmission Limited	EKMP	1.02	-
17	**Contributions made**			
	Sterlite Tech Foundation	EKMP	2.71	0.57
18	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.02
19	**ESOP expenses charged**			
	Sterlite Power Transmission Limited	EKMP	0.76	3.37
20	**Payment of professional fees**			
	Khaitan & Co. LLP	EKMP	0.47	0.64

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2017	31 March 2016
Short term employee benefits	21.47	16.51
Post employment benefits#	0.40	0.32
Share based payment transaction	0.89	1.70
Total compensation paid to key management personnel	**22.76**	**18.53**

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Key Management Personnel are not included above.

#Includes expenses incurred and recoverable.

** The loan given to KMP is per the employment service agreement.The company has charged interest @ 9.5% which is more than the average rate of interest on borrowing.

Note 50: Excise /Customs matter pending with hon. supreme court

The Group had in an earlier year received an order of CESTAT upholding the demand of ₹ 188 crores (including penalties and excluding interest) (31 March 2016: ₹ 188 crores) in the pending excise/custom matters on various grounds. The Group's appeal with the Honourable High Court of Mumbai was rejected on the grounds of jurisdiction. The Group preferred an appeal with the Honourable Supreme Court of India against the order of CESTAT which has been admitted. The Group has re-evaluated the case on admission of appeal by the Honourable Supreme Court. Based on their appraisal of the matter, the legal advisors/consultants are of the view that under most likely event, the provision of ₹ 4.50 crores made by the Group against the above demand is adequate. The management is confident of a favourable order and hence no further provision is considered against the said demand.

Note 51: Interest In Joint Venture

The Group has a 58.05% (March 31,2016: 58.05%, March 31,2015 : 50%) interest in Sterlite Conduspar Industrial Ltda, a joint venture involved in the manufacture of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at 31 March 2017:

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Current assets, including cash and cash equivalents ₹ 0.58 crore (31 March 2016: ₹ 0.96 crore, 1 April 2015: ₹ 2.14 crore) and trade receivable ₹ 8.37 crore (31 March 2016: ₹ 4.40, 1 April 2015: ₹ 1.11)	26.32	28.97	18.42
Non-current assets	19.94	18.76	14.11
Current liabilities, including trade payable ₹ 34.44 crore (31 March 2016: ₹ 31.88 crore, 1 April 2015: 9.61 crore)	43.69	37.03	11.60
Non-current liabilities	0.98	0.98	10.60
Equity	**1.59**	**9.72**	**10.33**
Proportion of the Group's ownership	58.05%	58.05%	50.00%
Carrying amount of the investment	0.92	5.64	5.16

Summarised statement of profit and loss of the Sterlite Conduspar Industrial Ltda:

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
Revenue	31.18	38.32
Other Income	0.01	0.20
Cost of raw material and components consumed	23.57	32.75
Depreciation & amortization	1.13	1.94
Finance cost	0.90	0.47
Employee benefit	3.64	4.76
Other expense	6.82	9.71
Profit before tax	**(4.88)**	**(11.12)**
Income tax expense	-	-
Profit for the year	**(4.88)**	**(11.12)**
Total comprehensive income for the year	-	-
Group's share of loss for the year	**(2.83)**	**(5.56)**

The group had no contingent liabilities or capital commitments relating to its interest in Sterlite Conduspar Industrial Ltda as at 31 March 2017 and 31 March 2016 and 1 April 2015. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2017, 31 March 2016 and 1 April 2015, except as disclosed in Note 40. Sterlite Conduspar Industrial Ltda cannot distribute its profits until it obtains the consent from the two venture partners.

Note 52: Material partly-owned Subsidiaries

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	Effective ownership as on 31 March, 2017	Effective ownership as on 31 March, 2016	Effective ownership as on 1 April, 2015	Country of incorporation
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	67.55%	67.55%	67.55%	India
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)	75.00%	75.00%	75.00%	China

Information regarding non-controlling interest

	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	1st April 2015 (₹ in crores)
Accumulated balances of material non-controlling interest:			
Maharashtra Transmission Communication Infrastructure Limited	4.07	4.93	6.25
Jiangsu Sterlite and Tongguang Fiber Co. Limited	41.13	26.29	19.72
Profit/(loss) allocated to material non-controlling interest:			
Maharashtra Transmission Communication Infrastructure Limited	(1.36)	(0.16)	-
Jiangsu Sterlite and Tongguang Fiber Co. Limited	17.70	6.24	-

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended 31 March 2017:

	31 March 2017		31 March 2016	
	MTCIL	JSTFCL	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Revenue	0.26	302.54	0.24	225.05
Profit for the year	(4.20)	70.79	(0.59)	24.96
Total comprehensive income	**(4.20)**	**70.79**	**(0.59)**	**24.96**
Attributable to non-controlling interests	(1.36)	17.70	(0.16)	6.24

Summarised balance sheet as at 31 March 2017 and 31 March 2016:

	31 March 2017		31 March 2016	
	MTCIL	JSTFCL	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Property, plant and Equipment; Intangible assets and Capital work-in-progress (non current)	82.80	129.78	69.14	118.30
Other assets and other financial assets (non current)	6.54	-	5.13	0.35
Inventories, other assets and other financial (current)	0.83	83.47	2.51	52.47
Financial liabilities and provisions (non current)	(22.12)	-	(22.02)	(11.34)
Short term borrowings, Trade payables, provisions and other current financial liabilities (current)	(49.17)	(48.72)	(31.55)	(54.62)
Total equity :	**18.88**	**164.53**	**23.21**	**105.15**

Summarised balance sheet as at 1 April 2015:

	1 April 2015	
	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)
Property, plant and Equipment; Intangible assets and Capital work-in-progress (non current)	29.94	123.00
Other assets and other financial assets (non current)	2.22	0.11
Inventories, other assets and other financial (current)	0.20	51.94
Financial liabilities and provisions (non current)	(6.72)	(40.81)
Short term borrowings, Trade payables, provisions and other current financial liabilities (current)	(9.14)	(55.34)
Total equity:	**16.51**	**78.90**

Summarised cash flow information as at:

	31 March 2017		31 March 2016	
	MTCIL	JSTFCL	MTCIL	JSTFCL
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Operating activities	(0.53)	74.15	(3.58)	70.48
Investing activities	(0.28)	(28.40)	(17.45)	(3.48)
Financing activities	0.90	(16.47)	21.24	(53.68)
Net increase/(decrease) in cash and cash equivalents	**0.09**	**29.28**	**0.21**	**13.32**

Note 53: Financial Risk Management Objectives and Policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group reviews and agrees policies for managing each of these risks, which are summarised below

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 reviewed regularly 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. In performing its operating, investing and financing activities, the Group is exposed to the Credit Risk, Liquidity Risk and Market risk

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

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

The sensitivity analysis have been prepared on the basis that the amount of net 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 2016.

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

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

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

Interest rate risk

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

The Group is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and 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 2017, after taking into account the effect of interest rate swaps, approximately 80% of the Group's borrowings are at a fixed rate of interest (31 March 2016: 52%, 1 April 2015: 50%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on that portion of loans and borrowings affected. With all the other variables held constant, the 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 2017		
Base Rate	+50	1.26
Base Rate	-50	(1.26)
31 March 2016		
Base Rate	+50	2.55
Base Rate	-50	(2.55)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group has a policy to keep Nil forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged 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 the exposure of 99.50% as at 31 March 2017 and 99% as at 31 March 2016.

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. 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-

(Amount 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 2017	+5%	0.05/(2.99)	+5%	0.08/(1.30)	+5%	(0.00*)/0.38
	-5%	(0.05)/2.99	-5%	(0.08)/1.30	-5%	0.00*/(0.38)
31 March 2016	+5%	(0.37)/(2.79)	+5%	0.22/(0.03)	+5%	0.10/(2.38)
	-5%	0.37/2.79	-5%	(0.22)/0.03	-5%	(0.10)/2.38

* Amount below ₹ 0.01 crores

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. Due to the volatility of the price of the copper, the Group also entered into various purchase contracts for copper on London Metal Exchnage. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1-month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Equity price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 13.20 crores. Sensitivity analyses of these investments have been provided in Note 47."

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this 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 insurance. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The 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."

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 Company's Board of Directors on an annual basis, and may be updated throughout the year . The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 40 and the liquidity table below:`

(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 31 March 2017						
Borrowings	50.38	333.61	280.86	419.52	8.10	1,092.47
Other financial liabilities	116.88	-	14.25	0.38	-	131.51
Trade payables	343.07	94.41	10.87	0.29	-	448.64
Payables for purchase of Property, plant and equipments	-	2.77	41.40	112.38	-	156.55
Derivatives	10.33	7.60	6.93	11.72	-	36.58
	520.66	**438.39**	**354.31**	**544.29**	**8.10**	**1,865.75**
As at 31 March 2016						
Borrowings	12.08	386.92	234.56	410.14	41.46	1,085.16
Other financial liabilities	91.86	-	10.00	0.38	-	102.25
Trade payables	249.72	102.30	20.18	-	-	372.21
Payables for purchase of Property, plant and equipments	-	-	27.89	125.66	-	153.56
Derivatives	-	3.70	1.43	2.42	-	7.55
	353.66	**492.92**	**294.06**	**538.60**	**41.46**	**1,720.74**
As at April 1,2015						
Borrowings	1.35	104.36	219.96	669.06	-	994.74
Other financial liabilities	54.31	-	9.00	-	-	63.32
Trade payables	210.93	83.59	32.24	0.17	-	326.94
Payables for purchase of Property, plant and equipments	-	-	14.20	37.32	-	51.53
Derivatives	-	3.46	1.34	2.26	-	7.06
As at April 1,2015	**266.59**	**191.41**	**276.74**	**708.81**	**-**	**1,443.59**

Note 54: Capital Management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and 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 The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

Particulars	As at 31 March 2017 (₹ in crores)	As at 31 March 2016 (₹ in crores)	As at April 1, 2015 (₹ in crores)
Interest Bearing Loans and borrowings	1,018.07	822.04	918.74
Trade Payables	448.64	372.21	326.94
Other Financial Liabilities	399.04	526.49	197.91
Less: Cash and Bank balances, Current investments	(173.32)	(80.30)	(328.93)
Net debt	**1,692.43**	**1,640.46**	**1,114.66**
Equity share capital	79.66	79.04	78.81
Other equity	800.41	675.60	533.21
Total capital	**880.07**	**754.64**	**612.01**
Capital and net debt	**2,572.50**	**2,395.10**	**1,726.67**
Gearing ratio	65.79%	68.49%	64.56%

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 period.

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

Note 55: Other Notes

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

B. The Group has spent an amount of ₹ 3.05 crores (31 March 2016: 2.23 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of skill development, education and health in the cities of Pune, Aurangabad, Silvassa and Mumbai. Out of ₹ 3.05 crores (31 March 2016: ₹ 2.23 crores), an amount of ₹ 2.71 crore (31 March 2016: ₹ 0.57 crore) was spent by way of contribution to Sterlite Tech Foundation, in which directors/senior executives of the Company and their relatives are trustees.

Details of CSR expenditure:

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
A. Gross amount required to be spent by the Group	2.79	1.61
B. Amount spent during the year	3.05	2.23
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	3.05	2.23

C. Acquisition and Amalgmation of Elitecore Technologies Private Limited

The Group acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product company, on September 29, 2015, pursuant to share purchase agreement dated September 22, 2015 for a total purchase consideration of ₹ 187.37 crores which was discharged through bank payments. Post the acquisition, ETPL has been merged with the Group with appointed date of September 29, 2015 under the Scheme of Amalgamation ('the Scheme') approved by Hon'ble Gujarat High Court vide Order dated March 21, 2016 and effective date May 20, 2016 (being the date of filing with Registrar of Companies).

The Group has accounted for the merger in accrodance with the provisions of the Scheme as approved by the High Court whereby the assets and liabilities of ETPL have been recognised at their book values. The excess of amount of investments in ETPL cancelled pursuant to the merger over the net asset value of ETPL on the Appointed Date has been treated as Goodwill. Such Goodwill shall be amortized over a period of 5 years from the Appointed date as per the Court order. Under Ind AS, the merger would have been accounted for under Ind AS – 103 “Business Combinations” with the assets and liabilities of the transferor being recorded in transferee books at fair values from the effective date of the merger and the resultant goodwill would not have been amortised but tested for impairment annually.

As a result of the acquistion, the consolidated financial statements of the Group for the year ended 31 March 2016 incorporate the operations of ETPL (and its two subsidiaries) with effect from the Appointed date i.e. September 29, 2015.

Details of book values of assets and liabilities of ETPL amalgamated into the Group as on the appointed date i.e. September 29, 2015 are as follows:

Particulars	(₹ in crores)
Assets	
Non-current assets	
Property, plant & equipment	4.91
Other intangible assets	1.52
Financial assets	
Deferred Tax Assets	2.29
Other non-current financial assets	1.73
Other non-current assets	4.36
	14.81
Current assets	
Inventories	1.01
Financial assets	
Trade receivables	44.45
Cash and cash equivalents	27.44
Other current financial assets	0.63
Other current assets	6.63
	80.17
Total assets (A)	**94.97**
Liabilities	
Non-current liabilities	
Financial Liabilities	
Borrowings	2.65
Employee benefit obligations	3.46
Provisions	0.44
	6.55
Current liabilities	
Financial liablities	
Borrowings	9.42
Trade payables	30.81
Other financial liabilities	1.51
Other liabilities	5.34
Employee benefit obligations	0.15
Provision	2.11
	49.34
Total liabilities (B)	**55.89**
Net assets (share capital and reserves) (A-B)	**39.08**
Purchase consideration	187.37
Goodwill	**148.29**

D. Disclosure related to Specified Bank Notes

Following is the disclosure relating to details of Specified Bank Notes (SBN) held and transacted by the holding company and subsidiaries incorporated in India during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs :

Particulars	Specified Bank Notes (Amount in ₹)	Other Denomination Notes (Amount in ₹)	Total (Amount in ₹)
Closing cash in hand on 08.11.2016	98,500	42,355	1,40,855
Add: Permited receipts	6,500	4,85,628	4,92,128
Less: Permited payments	-	4,77,409	4,77,409
Less: Amount deposited in banks	1,04,500	-	1,04,500
Closing cash in hand on 30.12.2016	**500**	**50,574**	**51,074**

E. Merger of business of Speedon Network Limited ('SNL')

The Board of Directors has approved the merger of passive infrastructure business of Speedon Network Limited ('SNL') (a wholly owned subsidiary of the Company) with the Company with the appointed date of 1 October 2016, subject to requisite regulatory approvals. The Scheme of amalgamation in this regard has been filed with National Company Law Tribunal (NCLT) - Mumbai and Ahmedabad bench and is pending their approval.

F. Change in accounting policy of telecom software solutions

From April 1, 2016, the Group has changed the accounting policy for revenue recognition on telecom software solutions (software license sale and related services) to percentage of completion method from the earlier method of recognizing products sale based on delivery and sale of services based on milestones achieved as per terms and conditions of the specific customer contracts. The above change has been applied retrospectively as required by Ind AS - 8. Revenue and Profit before tax is higher/(lower) as follows:

₹ in crores

Particulars	Year ended Mar-17	Year ended Mar-16
Revenue	(4.79)	(8.07)
Profit before tax	(4.79)	(2.63)

G. Demerger of Power Business

The Board of directors of the Company on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting company') and their respective shareholders and creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into SPTL with the appointed date of April 1, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated April 22, 2016 and it became effective from May 23, 2016 (being the date of filing with Registrar of Companies).

As a result of the demerger, the opening balance sheet as at 1 April 2015 and the financial statements of the Group as at and for the year ended 31 March 2016, do not include the operations of the demerged undertaking.

As per the Scheme, STL has reduced the book values of assets and liabilities pertaining to the demerged undertaking (i.e. Power product and solutions business and power transmission grid business) as on the appointed date from its books of account. Accordingly, the following assets and liabilites pertaining to demerged entity have been reduced from the books of account of the group as on April 1, 2015:

Particulars	(₹ in crores)
Assets	
Non-current assets	
Property, plant & equipment	3,132.91
Capital work-in-progress	2,129.18
Other intangible assets	0.41
Deferred tax asset	11.89
Financial assets	
Loans	5.96
Other non-current financial assets	1.47
Other non-current assets	71.42
	5,353.24
Current assets	
Inventories	236.65
Financial assets	
Investments	3.67
Trade receivables	364.00
Cash and cash equivalents	101.57
Other current financial assets	77.20
Other current assets	60.16
	843.25
Total (A)	**6,196.49**

Particulars	(₹ in crores)
Liablities	
Non-current liabilities	
Financial Liabilities	
Borrowings	3,839.30
Other financial liability	94.04
Net employee defined benefit liabilities	3.24
Deferred tax liabilities (net)	5.75
	3,942.33
Current liabilities	
Financial liablities	
Borrowings	262.77
Trade payables	594.66
Other financial liabilities	345.72
Other liability	141.40
Net employee defined benefit liabilities	2.34
	1,346.89
Total (B)	**5,289.22**
Optionally Convertible prefernce shares(issued by subsidiary company)	**409.10**
Minority interest	**-**
Excess of book value of assets over the book value of liabilities (A - B)	**498.17**

Further, as per the Scheme, the excess of book value of assets over the book value of liabilities of the demerged undertaking shall be adjusted against the securities premium account and balance, if any, shall be first adjusted against the general reserve account and thereafter against profit and loss account of the demerged company. Also the investment of STL in SPTL of ₹ 0.05 crore has been cancelled and adjusted against surplus in the statement of profit and loss as per the Scheme. Accordingly, the following adjustments have been made in the opening reserves as at April 1, 2015:

Particulars	₹ in crores
Excess of book value of assets over the book value of liabilities	498.17
Adjusted against:	
Securities premium	197.26
General reserve	141.56
Surplus in the statement of profit and loss	159.34
Total	**498.17**

The resulting company shall reimburse the demerged company for all liabilities incurred by the demerged company in so far as such liabilities relate to period prior to the appointed date i.e. April 01, 2015 in respect of the demerged undertaking as per the Scheme.

NOTE 56: Statutory Group Information

	Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
	Parent								
	Sterlite Technologies Limited								
	Balance as at 31 March 2017	61.72%	571.02	71.78%	144.56	100%	(1.08)	71.63%	143.48
	Balance as at 31 March 2016	74.76%	587.49	118.03%	181.42	100%	(0.89)	118.14%	180.53
	Balance as at 1 April 2015	78.43%	500.37	-	-	-	-	-	-
	Subsidiaries								
	Indian								
1.	**Speedon Network limited**								
	Balance as at 31 March 2017	14.52%	134.32	4.37%	8.81	-	-	4.40%	8.81
	Balance as at 31 March 2016	1.69%	13.27	(25.06%)	(38.52)	-	-	(25.21%)	(38.52)
	Balance as at 1 April 2015	(0.11%)	(0.67)	-	-	-	-	-	-
	2. Maharashtra Transmission Communication Infrastructure Limited								
	Balance as at 31 March 2017	2.23%	20.63	(2.09%)	(4.20)	-	-	(2.10%)	(4.20)
	Balance as at 31 March 2016	2.95%	23.21	(0.37%)	(0.58)	-	-	(0.38%)	(0.58)
	Balance as at 1 April 2015	3.98%	25.40	-	-	-	-	-	-
3.	**Sterlite Telesystems Limited**								
	Balance as at 31 March 2017	0.00%	0.03	(0.01%)	(0.02)	-	-	(0.01%)	(0.02)
	Balance as at 31 March 2016	0.00%	-	(0.02%)	(0.03)	-	-	(0.02%)	(0.03)
	Balance as at 1 April 2015	-	-	-	-	-	-	-	-
	3. Sterlite Power Technologies Private limited								
	Balance as at 31 March 2017	-	-	-	-	-	-	0.00%	-
	Balance as at 31 March 2016	0.00%	0.01	(0.01%)	(0.01)	-	-	(0.01%)	(0.01)
	Balance as at 1 April 2015	0.00%	0.01	-	-	-	-	-	-
	Foreign								
1.	**Sterlite Global Ventures (Mauritius) Limited**								
	Balance as at 31 March 2017	0.00%	(0.01)	(0.04%)	(0.08)	-	-	(0.04%)	(0.08)
	Balance as at 31 March 2016	0.01%	0.08	(0.05%)	(0.07)	-	-	(0.05%)	(0.07)
	Balance as at 1 April 2015	0.00%	(0.01)	-	-	-	-	-	-
2.	**Jiangsu Sterlite and Tongguang Fibre Co. Ltd.**								
	Balance as at 31 March 2017	19.30%	178.60	35.15%	70.79	-	-	35.34%	70.79
	Balance as at 31 March 2016	17.04%	133.92	16.24%	24.96	-	-	16.33%	24.96
	Balance as at 1 April 2015	15.00%	95.69	-	-	-	-	-	-
3.	**Sterlite (Shanghai) Trading Company Limited**								

Name of the Entity in the group		Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
	Balance as at 31 March 2017	0.12%	1.07	0.20%	0.39	-	-	0.20%	0.39
	Balance as at 31 March 2016	0.10%	0.78	(0.49%)	(0.75)	-	-	(0.49%)	(0.75)
	Balance as at 1 April 2015	-	-	-	-	-	-	-	-
4.	**Sterlite Technologies Europe Ventures Limited**								
	Balance as at 31 March 2017	0.01%	0.08	0.00%	0.00	-	-	0.00%	(0.00)
	Balance as at 31 March 2016	0.01%	0.08	0.00%	0.01	-	-	0.01%	0.01
	Balance as at 1 April 2015	0.01%	0.08	-	-	-	-	-	-
5.	**Sterlite Technologies UK Ventures Limited**								
	Balance as at 31 March 2017	1.80%	16.62	0.00%	0.00	-	-	0.00%	-
	Balance as at 31 March 2016	2.43%	19.11	(1.37%)	(2.11)	-	-	(1.38%)	(2.11)
	Balance as at 1 April 2015	2.68%	17.13	-	-	-	-	-	-
6.	**Elitecore Techologies (Mauritius) Limited**								
	Balance as at 31 March 2017	0.07%	0.63	0.02%	0.05	-	-	0.03%	0.05
	Balance as at 31 March 2016	0.09%	0.71	0.05%	0.07	-	-	0.05%	0.07
	Balance as at 1 April 2015	-	-	-	-	-	-	-	-
	* Amount below 0.01 crore.								
7.	**Elitecore Techologies SDN. BHD**								
	Balance as at 31 March 2017	0.25%	2.27	0.12%	0.25	-	-	0.13%	0.25
	Balance as at 31 March 2016	0.91%	7.18	0.62%	0.96	-	-	0.63%	0.96
	Balance as at 1 April 2015	-	-	-	-	-	-	-	-
8.	**Share of Profit/(Loss) of Joint Venture**								
	Balance as at 31 March 2017	-	-	(1.40%)	(2.83)	-	-	(1.41%)	(2.83)
	Balance as at 31 March 2016	-	-	(3.61%)	(5.56)	-	-	(3.64%)	(5.56)
	Balance as at 1 April 2015	-	-	-	-	-	-	-	-
	Total								
	Balance as at 31 March 2017	100.00%	925.25	100.0%	201.39	100.00%	(1.08)	100.0%	200.31
	Balance as at 31 March 2016	100.00%	785.84	100.0%	153.71	100.00%	(0.89)	100.0%	152.82
	Balance as at 1 April 2015	100.00%	637.99	-	-	-	-	-	-
	Non controlling interest in all subsidiaries								
	Balance as at 31 March 2017		45.20	8.11%	16.33	-	-	8.15%	16.33
	Balance as at 31 March 2016		31.21	3.96%	6.08	-	-	3.98%	6.08
	Balance as at 1 April 2015		25.97	-	-	-	-	-	-

Note 57: Segment Reporting

The Group's operations predominantly relate to Telecom product and solutions and accordingly this is the only primary reportable segment as per Ind AS 108 "Operating Segments"

Geographical Information

Particulars	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)
(1) Revenue from external customers		
- Within India	1,702.07	1,441.50
- Outside India	891.49	833.36
Total revenue per statement of profit and loss	**2,593.56**	**2,274.86**
The revenue information above is based on the locations of the customers		
Revenue from one customer in India amounted to ₹ 340.71 crores (31 March 2016: ₹ 363.48 crores)		
(2) Non-current operating assets		
- Within India	1,248.81	1,200.15
- Outside India	129.80	118.33
Total	**1,378.61**	**1,318.48**

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

Note 58: Previous year Figures

The consolidated financial statements for the year ended March 31,2016 and March 31,2017 incorporate the impact of the merger as mentioned in Note 55C from the appointed date September 29, 2015. Hence, to that extent, financial statements for the year ended 31 March 2016 are not comparable with the financial statements for the year ended March 31,2017.

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the board of directors of **Sterlite Technologies Limited**

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

per **Paul Alvares**
Partner
Membership Number : 105754

Place : Pune
Date : 26 April 2017

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

Anupam Jindal
Chief Financial Officer

Place : Pune
Date : 26 April 2017

Anand Agarwal
CEO & Whole-time Director
DIN Number : 00057364

Amit Deshpande
Company Secretary

Form AOC-1 - Part A

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures as per Companies Act, 2013

₹ in crores

S. No.	Name of Subsidiary	Country of Incorporation	Reporting currency	Exchange rate (INR)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	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	(79.42)	109.29	187.14	0.02	18.61	(22.95)	(31.76)	8.81	-	100.00
2	Maharashtra Transmission Communication Infrastructure Limited	India	INR	NA	18.72	0.28	88.43	69.44	-	0.26	(4.20)	-	(4.20)	-	72.10
3	Sterlite Telesystems Limited	India	INR	NA	0.02	(0.05)	0.04	0.07	-	-	(0.02)	-	(0.02)	-	100.00
4	Elitecore Technologies (Mauritius) Limited	Mauritius	MUR	1.83	0.14	0.39	0.90	0.38	-	1.90	0.06	0.01	0.05	-	100.00
5	Elitecore Technologies Sdn Bhd. (Malaysia)	Malaysia	MYR	14.64	-	1.42	5.29	3.88	-	7.20	0.33	0.08	0.25	-	100.00
6	Sterlite Global Ventures (Mauritius) Limited	Mauritius	USD	64.84	67.02	(0.31)	67.00	0.28	66.97	-	(0.08)	-	(0.08)	-	100.00
7	Jiangsu Sterlite Tongguang Fiber Co. Limited	China	RMB	9.41	89.49	75.04	213.25	48.72	-	302.54	82.85	12.06	70.79	-	75.00
8	Sterlite Technologies Europe Ventures Limited	Cyprus	Euro	69.25	0.10	(0.02)	0.07	-	-	-	(0.00)	-	(0.00)	-	100.00
9	Sterlite Technologies UK Ventures Limited	UK	GBP	80.88	0.04	0.29	19.09	18.76	19.14	-	-	-	-	-	100.00
10	Sterlite Conduspar Industrial Ltda	Brazil	Real	20.76	19.14	(19.79)	25.28	25.93	-	18.10	(2.83)	-	(2.83)	-	58.05
11	Sterlite (Shanghai) Trading Co. Limited	China	RMB	9.41	1.53	(0.46)	1.43	0.36	-	10.30	0.39	-	0.39	-	100.00

Names of Subsidiaries which are yet to commence operations

S. No.	Name of Subsidiary
1	Sterlite Telesystems Limited

Names of Subsidiaries which have been liquidated or sold during the year

S. No.	Name of Subsidiary
1	Sterlite Technologies Americas LLC
2	Sterlite Power Technologies Private Limited*

* Transferred to Sterlite Power Transmission Limited

Form AOC-1 - Part B

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in crores)

S. No.	Name of Associate / Joint Ventures	Sterlite Conduspar Industrial Ltda
1	Latest audited Balance Sheet date	31-03-2017
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 ownership
4	Reason why the associate / joint venture is not consolidated	Not Applicable
5	Networth attributable to shareholding as per latest audited Balance sheet	(0.65)
6	Profit/Loss for the year considered in consolidation	(2.83)
a	Considered in consolidation	(2.83)
b	Not considered in consolidation	-

Note:- Only Direct Joint Venture /Associate Companies are considered.
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
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place : Pune
Date : April 26, 2017

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Annual Report 2016-17
Vol:17

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