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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300MH2000PLC269261)
CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(Rs. in Crores except earning per share)

Particulars	Quarter ended			Year ended
	Jun 20 (Unaudited)	Mar 20 (Unaudited)	June 19 (Unaudited)	Mar 20 (Audited)
Revenue from operations	876.20	1,160.06	1,431.99	5,154.40
Other income	9.53	10.40	8.74	34.30
Total Income	885.73	1,170.46	1,440.73	5,188.70
Total Expenditure	878.76	1,080.17	1,223.23	4,596.39
Cost of materials consumed	396.51	515.99	666.31	2,367.74
Purchase of stock-in-trade	0.31	0.41	0.12	2.12
(Inc) / Dec in finished goods, stock-in-trade & WIP	21.51	22.65	40.59	97.63
Employee benefits expense	147.06	152.04	146.25	629.80
Finance Costs	50.05	59.31	46.28	221.04
Depreciation and amortisation expense	74.19	76.82	68.34	290.28
Other expenses	189.13	252.95	255.34	987.78
Profit before tax & share of net profits of investments accounted using equity method	6.97	90.29	217.50	592.31
Share of Profit / (Loss) of Joint Venture and Associate Company	-	-	-	-
Profit before exceptional item and tax	6.97	90.29	217.50	592.31
Exceptional Item (Refer note 5)	-	-	-	50.71
Profit before tax	6.97	90.29	217.50	541.60
Tax expense :	4.12	13.12	73.32	108.88
Current tax	8.16	7.19	72.37	120.00
Deferred tax	(4.04)	5.93	0.95	(11.12)
Net Profit after Tax & Share in Profit / (Loss) of Joint Venture and Associate Company	2.85	77.17	144.18	432.72
Loss from discontinued operations (Refer Note 7)	(0.59)	(3.36)	(1.31)	(8.28)
Net Profit for the period	2.26	73.81	142.87	424.44
Other Comprehensive income				
A. i) Items that will be reclassified to Profit or Loss	6.21	3.65	(46.14)	(58.47)
ii) Income tax relating to these items	0.23	0.73	9.45	20.20
B. i) Items that will not be reclassified to Profit or Loss	-	0.35	1.35	1.70
ii) Income tax relating to these items	-	(0.09)	-	(0.09)
Other comprehensive income	6.44	4.64	(35.34)	(36.66)
Total comprehensive income for the period	8.70	78.45	107.53	387.78
Net Profit attributable to				
a) Owners of the Company	5.96	80.33	141.38	433.90
b) Non controlling Interest	(3.70)	(6.52)	1.49	(9.46)
Other Comprehensive income attributable to				
a) Owners of the Company	5.83	1.56	(33.03)	(39.70)
b) Non controlling Interest	0.61	3.08	(2.31)	3.04
Total comprehensive income attributable to				
a) Owners of the Company	11.79	81.89	108.35	394.20
b) Non controlling Interest	(3.09)	(3.44)	(0.82)	(6.42)
Paid-up Equity Capital (Face value Rs.2 per share)	79.89	80.79	80.52	80.79
Other equity including debenture redemption reserve				1,838.99
Earning Per Share (Rs.)- Basic	0.15	1.99	3.51	10.76
Earning Per Share (Rs.)- Diluted	0.15	1.97	3.47	10.64



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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300MH2000PLC269261)
STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(Rs. in Crores except earning per share)

Particulars	Quarter ended			Year ended
	Jun 20 (Unaudited)	Mar 20 (Unaudited)	June 19 (Unaudited)	Mar 20 (Audited)
Revenue from operations	745.16	1,040.54	1,344.82	4,760.50
Other income	7.63	8.66	9.70	32.94
Total Income	752.79	1,049.20	1,354.52	4,793.44
Total Expenditure	719.70	965.80	1,145.10	4,200.52
Cost of materials consumed	326.34	481.43	665.72	2,273.96
Purchase of stock-in-trade	0.31	0.41	0.12	2.12
(Inc) / Dec in finished goods, stock-in-trade & WIP	15.97	9.12	25.17	65.43
Employee benefits expense	116.21	124.41	121.91	519.82
Finance Costs	46.32	52.23	42.94	204.46
Depreciation and amortisation expense	57.90	59.31	55.75	232.42
Other expenses	156.65	238.89	233.49	902.31
Profit before exceptional item and tax	33.09	83.40	209.42	592.92
Exceptional Item (Refer note 5)	-	-	-	50.71
Profit before tax	33.09	83.40	209.42	542.21
Tax expense :	9.23	12.28	71.79	108.69
Current tax	7.07	6.07	68.01	111.53
Deferred tax	2.16	6.21	3.78	(2.84)
Net profit for the period	23.86	71.12	137.63	433.52
Other Comprehensive income				
A. i) Items that will be reclassified to Profit or Loss	(0.92)	(1.54)	(27.04)	(51.81)
ii) Income tax relating to these items	0.23	0.73	9.45	20.20
B. i) Items that will not be reclassified to Profit or Loss	-	0.35	1.35	1.70
ii) Income tax relating to these items	-	(0.09)	-	(0.09)
Other comprehensive income	(0.69)	(0.55)	(16.24)	(30.00)
Total comprehensive income for the period	23.17	70.57	121.39	403.52
Paid-up Equity Capital (Face value Rs.2 per share)	79.89	80.79	80.52	80.79
Earning Per Share (Rs.)- Basic	0.59	1.76	3.42	10.75
Earning Per Share (Rs.)- Diluted	0.59	1.74	3.38	10.63
Debenture Redemption Reserve	56.25			56.25
Other equity including debenture redemption reserve	1,705.24			1,728.78
Debt equity ratio (Refer note 8)	1.24			1.03
Debt service coverage ratio (Refer note 8)	0.64			1.55
Interest Service coverage ratio (Refer note 8)	1.82			3.86

Notes:

1. The above results have been reviewed by the Audit Committee. The Board of Directors at its meeting held on July 23, 2020 have approved the above results.

2. The above statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. The Company has only one operating segment which is Connectivity and Network Solutions (earlier known as "Telecom Products and Solutions"). Accordingly, separate segment information is not required to be disclosed.

4. Coronavirus (COVID-19) has been declared a pandemic. In this unprecedented situation, the Governments across the world are leading the response in their respective countries and we are also working in-line with regulatory directions. Management has formed a cross functional Business Continuity Planning team to tackle this pandemic. We are very closely monitoring the situation with our BCP team.

From the business perspective, while there is some negative short term financial impact due to decrease in global fiber demand and slower execution of service business, in the mid-term, Management expects there to be benefit from the pandemic as the world will move towards digitization. While Management has evaluated and considered the possible impact of COVID 19 pandemic on the financial results, given the uncertainties, the impact on business is dependent on the circumstances as they evolve and Management will continue to monitor the developments.

5. During the year ended March 31, 2020, the Company made an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS), for settlement of the disputed excise matter of Rs. 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at Supreme Court, and also some other litigations under Central Excise Act, 1944 and Chapter V of Finance Act, 1994 which were pending as of June 30, 2019. Based on the provisions of SVLDRS, Management determined the duty payable in respect of all matters offered for settlement under the scheme and accordingly recognised expense of Rs. 50.71 crores in the previous year. The Company is awaiting acceptance of the application by the department as of date.

6. During the year 2015-16, the Company had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product company. ETPL has been merged with the Company with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Hon'ble Bombay High Court and Gujarat High Court (the "Scheme").

Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to Rs. 7.39 crores for the quarter ended June 30, 2020, respectively. Consequently, the auditors have included an emphasis of matter paragraph in regards to this matter.

7. Loss from discontinued operations pertains to Maharashtra Transmission Communication Infrastructure Limited, a subsidiary of the Company. Management had filed a fresh application with Department of Telecommunication for transfer of the entity after its earlier application had been rejected. The Department of Telecommunication has currently closed the application citing lack of clarity with respect to certain aspects in the application. Management is working towards resolving the concerns and is committed to the sale of MTCIL post resolving the concerns and obtaining requisite regulatory approvals.

8. Formulae for computation of ratios are based on standalone financial results and balance sheet which are as follows:

Debt Service Coverage Ratio = Earnings before interest and tax/ (interest expense + principal term loan repayment)

Interest Service Coverage Ratio = Earnings before Interest and Tax /Interest Expense

For Debt Service Coverage Ratio and Interest Service Coverage Ratio computation:

- Earnings before interest and tax includes Profit Before Tax after exceptional item + Interest expense

- Interest expenses include finance costs as per standalone Ind AS financial statements excluding interest cost of Ind AS 116

For paid up debt capital and debt equity ratio computation:

- Debt includes long-term borrowings + short term borrowings + current maturities of long-term borrowings.

- Equity includes equity share capital and other equity as per standalone Ind AS financial statements

9. Credit rating for the existing Non- Convertible Redeemable Debentures (NCD) is ICRA AA Stable. Credit rating for the outstanding commercial papers ICRA A1+ and CRISIL A1+.

10. The Company has maintained minimum required assets cover ratio of 1.1 times as per debenture issue terms of non convertible debenture carrying interest @ 8.45% p.a. and @ 8.70% p.a. which signifies adequate security. Debentures are 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.

11. The Company has paid the interest on NCD on due dates. Details of previous and next due date of payment of interest and principal of NCDs are as follow:-

S.No.	Security Description	ISIN	Previous due date for		Next due date for	
			Principal	Interest	Principal	Interest
1	8.45% NCDs					
	a. Series 1	INE089C07075	20-Mar-20	20-Mar-20	N.A.	N.A.
	b. Series 2	INE089C07083	N.A.	20-Mar-20	22-Sep-20	22-Sep-20
2	8.70% NCDs	INE089C07091	N.A.	27-Mar-20	27-Apr-21	27-Mar-21

12. Details of previous and next due date of principal of CPs are as follow:-

S.No.	Security Description	ISIN	Previous due date		Next due date for	
			Principal	Interest	Principal	Interest
1	CP-5.25%	INE089C14AD8	N.A.	29-May-20	27-Aug-20	N.A.
2	CP-5.30%	INE089C14AE6	N.A.	29-May-20	25-Sep-20	N.A.
3	CP-5.45%	INE089C14AF3	N.A.	10-Jun-20	08-Sep-20	N.A.
4	CP-5.55%	INE089C14AG1	N.A.	18-Jun-20	16-Oct-20	N.A.
5	CP-5.50%	INE089C14AH9	N.A.	30-Jun-20	28-Sep-20	N.A.

13. Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the parent company, basis their current assessment, is expected to opt for a lower corporate tax rate as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2019-20 onwards. The parent company has accordingly recognised Provision for Income Tax and Deferred Tax Liability for the quarter ended June 30, 2020 basis the revised lower tax rate.

14. The Group, on 24th September 2019 (the "Acquisition date") has entered into definitive agreements to acquire 100% stake in Impact Data Solutions Group (IDS, UK) comprising its wholly owned subsidiary, Impact Data Solutions B.V. and a group company Vulcan Data Centre Solutions Limited. The Group has acquired 80% of the shares of IDS for a purchase consideration of GBP 10.2 million subject to subsequent adjustment based on actual enterprise value calculated in accordance with the agreement.

Group has an obligation to acquire the balance 20% over the next 2 to 5 years for a consideration based on an earn out model. Accordingly, the Company has recognised the liability with respect to the redemption amount.

The purchase price has been allocated to assets and liabilities on a provisional basis as per Ind AS 103 – Business Combinations resulting in provisional goodwill of GBP 5.02 million pending completion of purchase price allocation. Management does not expect any significant changes till the end of the measurement period to the Goodwill recognised. Due to acquisition the numbers of the current period are not comparable to the previous periods disclosed.

15. On March 24, 2020, the Board of Directors have approved the proposed buyback of Equity Shares for a total amount not exceeding Rs. 145 Crore, being 9.95% and 9.32% of the aggregate of the total paid-up equity capital and free reserves (including securities premium) of the Company based on the audited standalone and consolidated financial statements, respectively, of the Company for the financial year ended March 31, 2019. The Company has bought back 6,948,911 shares for Rs. 74.22 crores (excluding taxes) upto the reporting date.

16. Previous period figures have been regrouped / rearranged wherever considered necessary.

Place: Pune
Date: July 23, 2020

For and on behalf of the Board of Directors of
Sterlite Technologies Limited

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

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