STL

Networks that **make us human**

www.stl.tech

Sterlite Technologies Limited
Annual Report 2020-21

Forward-looking and Cautionary Statement

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

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

In this Report

STL | beyond tomorrow

FY21- Remarkable progress in a remarkable year

Enabling the upcoming decade of network creation driven by 5G, FTTx and Rural connectivity

Building a new architecture for new-age networks on four technology confluences - **Convergence** of wired and wireless, combination of connectivity and **Compute, Disaggregation** of hardware and software, and closer to the **Edge**

Partnering with global network creators like Openreach, Airtel, Vocus and many more, to build networks of the future

Focusing on 3 growth levers of Growing optical business, Globalising System Integration and Building disruptive, open-source access solutions

Delivering solid financial performance

₹4,825 Cr
Annual Revenue for FY21

105%
Growth in patent portfolio

$40 B
Total addressable market (TAM)

₹10,700 Cr+
Order book with diversified global wins

CHAIRMAN'S MESSAGE

Connecting humanity with Networks of Progress

In a challenging year, STL took giant strides towards connecting humanity with networks of progress. We invested in technology and prepared for these confluences which are shaping digital networks; and we made solid efforts to take the power of the internet to billions in rural and underserved communities

Anil Agarwal
Non-Executive Chairman

Dear Stakeholders,

It is with great pleasure that I bring to you, the annual report of STL - Sterlite Technologies Limited, for the financial year 2020-21 (FY21). 2020 established the power of digital beyond doubt. To the extent that it significantly accelerated digital transformation that was underway. However, it also accentuated the gaps that remain in our society. Whether it is the migrant crisis or the digital divide that hindered equitable education, 2020 told us that there is still a lot to be done. As the world responds and prepares to be stronger, we are fervently working towards delivering future-ready digital networks that are resilient enough to bridge the digital divide.

The world is now fundamentally different than last year

Today, human lives are intertwined with technology in previously unimaginable ways. During the time of uncertainty, what has increased the most is our willingness to adopt technology for responsiveness and greater good. We have seen how digital technologies like data analytics, AI/ML, robotics, digital commerce, and IoT have been used for enhancing resilience and business continuity. Had it not been for 2020 and this crisis, it would have possibly taken years to make the power of digital so accessible and palpable for billions.

Come 2021, the real potential of 'digital' is waiting to be unlocked

2000s and 2010s were all about uninterrupted connectivity and speed and the rise of data. In these years, we witnessed the transition from 2G to 3G to 4G connectivity. Come 2021, we will transition from possibility to reality. This is the time to think beyond connectivity. Digital technologies would now become the means to solve the toughest world problems. Digital networks will now act as an enabler, an equaliser and as a springboard for future leaps. Technologies like precision medicine, autonomous driving, or conversational AI, demonstrate the need for digital networks that are fundamentally more evolved than the ones that brought us till here. In fact, technologists, academicians, industry and governments are all working closely to get the next half of the world online, by 2030.

STL will have a pivotal role to play, and we are ready to deliver

At STL, we have been preparing for this moment for a long time. New-age digital networks will be highly scalable, very agile and bring the best of optical, wireless and satellite technologies together. They will be more virtualised and also operate very close to the customers. These confluences are now a reality and require sophisticated design and integration. Over the years, we have been at the centre of technological evolution and have built the ability to integrate these networks. We have been pioneers in optical connectivity for over 25 years, delivered some of the toughest system integration projects for over the past 10 years and are making disruptive efforts on the wireless and programmability front. With a purpose that is closely aligned to our business and a heart that beats for people, we are ready for this upcoming decade of network creation.

We will transform billions of lives through digital networks

While continuing to connect, collaborate and innovate across the globe, STL is leading this front by taking the power of digital networks to billions. On one hand, we are building a new-age technology ecosystem and on the other hand, we are enabling access and adoption for the underserved, bottom of the pyramid communities. We are a part of the world's largest digital inclusion drive and play a vital role in the nation-building process, not only in India, but all across the globe. This is reflected in some of our global partnerships for optical, FTTH, radio units and fibre rollout with reputed global players.

I am extremely excited that STL will play a role in building this future! I would like to thank you for your ongoing support and look forward to our continued partnership in this journey – to become the world's leading integrator of digital networks.

Taking wonders of technology to billions

Pravin Agarwal
Vice Chairman and
Whole-time Director

Dr. Anand Agarwal
Group CEO and
Whole-time Director

Dear Stakeholders,

We hope that you and your dear ones are safe in these challenging times. The past 12 months have been extremely dynamic and eventful for a variety of reasons. With our agility to respond and sincerity to develop new solutions, we came out stronger and better prepared for the upcoming decade of network creation. While we faced challenges due to the pandemic in the first half of the financial year, STL recorded strong, sustained growth in the second half and strengthened its global position with long-term orders. We have an order book of over ₹ 10,700 crores with diversified global wins. All of this was enabled by an unprecedented year that solidified humanity's belief in the technology of digital networks.

2020 – A year of technological leaps for the world

The world is in a technology warp. Things that we previously thought impossible are happening now. GPT 3, world's largest AI language with 175 billion neurons, is set to revolutionise human-like content and machine learning. Satellite mega constellations are ready to beam the internet to the world and with recently demonstrated quantum supremacy, the possibilities of computing are set to expand to unexplored levels. Aren't these all the wonders of technology? In years to come, there are sure to be more revolutionary products that will continue to change our lives. But before they become a reality, we would have to be ready with robust digital networks that would carry these wonders of technology to billions.

FY21 – A year of turning adversity into a springboard for us

Although 2020 was tough, it brought about one major transformation – an inflection point for digital networks. And the rest, they say, is history. We all know that these networks proved to be the backbone of society during the pandemic as an unprecedented number of users joined the internet on a daily basis. This internet gold rush was accompanied with strategic investments in digital networks across the world. Some of the notable investments included FCC's allocation of $20 billion in the Rural Digital Opportunity Fund (RDOF) in the US, Telefónica and Allianz Private Equity investment of ~$5 billion for FTTH build-outs in Germany and ~$4.5 billion for National Broadband Network (NBN) in Australia.

The technology warp was true for the digital networks too. In 2021, technologies like 5G, FTTH and Open RAN went mainstream. These led to sustained growth in optical fibre demand. Already ahead in the technology curve, with capabilities around converged networks, disaggregation, compute and edge, STL, opened up the path for non linear growth for this upcoming decade of network creation. Here are some notable developments:

- **Big strides towards transforming billions of lives through digital networks:**
  This is not just a statement, this is the purpose that we live by. FY21 was a big step forward in this direction. We engaged with industry leaders, customers, governments and the R&D community to push the envelope for digital inclusion. We worked very closely with operators across the world to make large-scale rural broadband programmes a reality through deep fiberisation and access densification. We also took the baton for 5G readiness and built a technology ecosystem and an alternative supply chain for secure and open 5G networks.
- **Deep and long-term engagements with customers:**
  Our larger vision backed by technology and R&D led to some multi-million dollar engagements with top customers across the globe. We deepened our 14-year-old relationship with the British telecom leader, Openreach to help build a connected UK, partnered with one of the leading telcos in the US for open source radios, and tested programmable FTTx with a large Asian telco. These

partnerships will shape the network build outs for the next decade and open up new growth possibilities for us.

- **Robust 5G solutions:**
  This year marked our entry into the wireless and 5G space with three significant product launches. We developed commercially viable open source indoor small cells offering, called Garuda, 5G multi-band radios, and vRAN solutions to kickstart our 5G journey. This was marked by the formation of our Access Solutions business unit, which will be dedicated to developing programmable, software defined and open source solutions for the 5G world.
- **Relentless, IP-backed innovation:**
  This exciting journey was shaped by our fundamental R&D efforts to solve industry problems. During FY21, we exhibited 105% growth in patent portfolio, with our patent count touching 569.

In this tough year, a big part of our focus was on people's safety and our commitment to customers. Despite the pandemic, we built mega-scale digital networks and demonstrated project delivery excellence. Project Varun (Navy Communication Network) reached 92% and Mahanet (Rural broadband) reached 98% completion. Not only this, we fast tracked our capacity enhancement to 33 mn fkm (by June 2021) and also strengthened our leadership team by hiring industry stalwarts globally. And this is just the beginning, we have greater plans for the future.

STL has its eyes on the future

We expect the growth momentum to continue in FY22. With commercially launched new products for optical and wireless networks, we have set up the stage for disruptive growth in the 5G era. In the preceding years, we prepared for technology confluences that are shaping the future of digital networks. Now, we are making foundational efforts in all the areas that matter to us as a business and as a part of humanity. Connectivity for us implies connecting every human at the bottom of the pyramid and that's why we have a major focus on digital inclusion and are pioneering rural connectivity at large. Sustainable manufacturing is at the core of our operations as we believe in a 'greener' future. We are committed to the UN Sustainable Development Goals and our business decisions are guided by what is good for the planet. Some of the STL's sustainable manufacturing initiatives include Life Cycle Assessments (LCA) of products, opting for a zero waste to landfill strategy, leveraging water resources wisely and reducing carbon emissions.

~$20 billion

Invested in the Rural Digital Opportunity Fund (RDOF) in the US

569

Patents in FY21

In this tough year, a big part of our focus was on people's safety and our commitment to customers. Despite the pandemic, we built mega-scale digital networks and demonstrated project delivery excellence.

The future hinges on solving core networking problems

The future of digital networks will be defined by 5G readiness, deep fiberisation and a shift to open and disaggregated networks. At STL, we have a deep understanding of the nuances of networks and with our end-to-end solutions spanning optical, system integration and wireless access, we are ready to solve networking challenges for telcos, enterprises, citizen networks and cloud companies. In future, our three strategic levers will drive growth for us:

- Grow optical business
- Globalise system integration, while scaling in India
- Build disruptive, open source Access Solutions

As we enter this exciting decade of network creation, we take with us our successes and aspirations, and look forward to delivering the wonders of technology to billions.
We would like to thank our employees, all STLers, for their commitment to our purpose. It is their alignment behind our strategy and dedication that enabled us to deliver on our promises. We also want to thank you, our shareholders, for your trust in us. We look forward to your continued support in this journey. We assure you we will continue to strive to transform billions of lives by delivering digital networks.

CUSTOMER AND SOLUTION STORIES

At the forefront of the 'Techscape'

opticonn

Driving global optical connectivity

We all know how 2020 marked the beginning of an upcoming decade of digital network creation. These high-speed, low-latency networks will only be possible due to deep fiberisation that enables higher data capacities than ever before.

We need optical solutions that can carry the ever-increasing data traffic load, can be deployed easily and reach every possible end point. With 25 years of leadership in optical engineering, precision manufacturing and material science, STL has cracked the code for fiberisation. The Company calls it Opticonn - the end-to-end solution portfolio for optical products. STL's Opticonn solution portfolio comprises Optical Fibre, OF Cables, and Optical interconnect kits. It includes cutting-edge products like Celesta - a super-engineered, high-capacity cable with up to 6,912 fibres, Stellar - an industry-best optical fibre known for its bend insensitivity, TruRibbon - an intelligently bonded cable for data centres and 5G.

During FY21, STL further strengthened Opticonn with the acquisition of Optotec, an Europe-based leader in Optical Interconnect Products. The recent collaboration with Openreach is enabling gigabit broadband in the UK. With the Company's Italy manufacturing unit, it is supporting the build-outs for the FiberCop programme and in India, STL is supporting the BharatNet initiative, to take broadband connectivity to 600,000 villages.

Celesta

A super-engineered, high-capacity cable with up to 6,912 fibres

Stellar

An industry-best optical fibre known for its bend insensitivity

TruRibbon

An intelligently bonded cable for data centres and 5G

Empowering digital transformation in the MEA region

The world is stepping into an era, which marks a revolution in intelligent connectivity underpinned by ubiquitous and robust networks. This will have a significant and profound impact on individuals, industries, society and the economy, transforming how we live and work. This has also driven digital adoption in the vibrant region of Middle East and Africa (MEA). Investments are underway to pave the way for a thriving digital economy. STL, as a leading integrator of digital networks, has always been at the forefront of nations' digital-led socio-economic transformation. In MEA too, STL is building oases of transformation. It is engaging with leading telcos in the region to build robust future-ready digital networks.

Recently, the Company has partnered with a leading telecom service provider in the UAE for providing Opticonn, optical communication solutions and software services with deep customer engagement. STL will be offering customised and innovative optical fibre solutions with high fibre count cables and 5G-ready software solutions. These solutions will ensure that the telco significantly improves its fixed-line penetration in the UAE and advances its 4G, 5G and FTTx infrastructure. In addition, STL's path-breaking industry-leading solutions will have applications in Smart Dubai City project and Smart Infrastructure for greenfield projects, ensuring a complete transition from existing copper to fibre infrastructure.

STL will be offering customised and innovative optical fibre solutions with high fibre count cables and 5G-ready software solutions.

Digital, with a difference – the new story of rural India

The ongoing pandemic brought forth the power of digital networks, but it also made us realise that digital access is not a given for millions. This realisation has become the central thought for connecting rural communities, world over. At STL, we have been closely working with the government to get high-speed broadband and meaningful rural use cases, to bridge the digital divide. With Mahanet, a rural broadband project under BharatNet, we have connected 17 million citizens across 4,000 gram panchayats in Maharashtra, but we are not stopping at just connectivity. STL believes that digital programmes must be able to increase opportunities and income avenues, improve the standard of living, and eventually bring villages at par with cities.

We are doing this through STL Garv, a digital platform for rural India, which will enhance the usability and impact of these broadband highways. Garv is taking meaningful services like telemedicine, e-tutoring, assisted e-commerce and e-governance to rural citizens and is creating a change, one life at a time. STL Garv has touched 53,000 rural lives and we are still counting!

17 million

Citizens connected through Mahanet across 4,000 gram panchayats

53,000

Rural lives benefitted through STL Garv

Building data centres that are timeless!

In 2020, humans and machines created 64 ZB of data, which is 3,100% greater than data created in the last decade. To put it into perspective, in 2020, there was 40 times more data in the datasphere than observable stars in the universe, and this is not the endgame. This figure will nearly double by 2024. So it is not surprising that end user data centre spends are pegged at $200 billion in 2021. Super-engineered data centres need to be built really fast and they need to get smarter, greener and more secure.

While the world is busy creating data, STL is busy designing, building future-ready solutions, across the data centre ecosystem. With its fast and cost-optimised build outs and well-structured in and out networking, integrated ICT and containment solutions, STL has enabled some of the biggest hyperscalers across the UK, the Nordics and Europe, the Middle East and Africa (EMEA) regions. It recently completed the construction of its first two data centres in South Africa and three more are planned in 2021.

STL's top-notch services and engineering teams have paved the way for customers' cloud deployment services to be future-ready.

Taking the magic of Anything-as-a-Service (XaaS) to the world of telcos

Communication Service Providers (CSPs) are witnessing a fundamental shift to a flexible consumption model, better known as Everything-as-a-Service (XaaS). XaaS presents an opportunity for CSPs to scale their infrastructure and adopt agile business models. But data security, integration, and costs are some of the challenges service providers face while scaling up their efforts towards XaaS. They also require a seamless integration with various stakeholders to offer a great customer experience.

To solve these challenges, STL re-calibrated its software portfolio, which provides everything that is required by CSPs to thrive and capitalise on the XaaS economy. This new digital+, microservices-based, and web scale-enabled, Network Software 2.0 portfolio makes the renaissance to a digital and post-digital future easier, faster and profitable. It harnesses cloud-native and open architectures, Artificial Intelligence (AI) and edge computing to offer CSPs a technology stack to capitalise on all yet-to-be seen opportunities. With this next-gen portfolio now in place, CSPs can gain the ability to scale with reduced CapEx and faster time-to-market!

STL recalibrated its software portfolio, which provides everything that is required by CSPs to thrive and capitalise on the XaaS economy.

STL Enterprise Marketplace – enabling Telcos' big leap to Over the Top (OTT)

In this age of networks the whole world is collaborating across industry lines. Communication Service Providers (CSPs) also need to take an ecosystem approach, unlock new revenue streams and offer new services on the go. However, constraints like inflexible business models, complex integrations, and legacy systems make it tough for them to out-innovate their industry counterparts.

In this rapidly changing competitive landscape, software offerings for telcos need to go beyond digitising customer and partner journeys. They need to open up new business and revenue models. STL Enterprise Marketplace is a new-age, platform-based model that simplifies collaboration and has the potential to open up multi-sided marketplace opportunities. With STL Enterprise Marketplace, CSPs can go beyond traditional connectivity and offer relevant OTT services to increase monetisation. The DevOps-based solution ensures seamless product development and automated deployment at the customer's end. It is built with open architecture concepts bringing agility and easy integration with the wider ecosystem of partners and vendors. STL provides the Marketplace framework, with modularity so that customers can pick and choose elements that work alongside their existing stack.

Traveling the distance in pFTTx - from concept to the field

When we talk about gigabit speeds, we have to go to the very last mile. These mammoth, statewide and countrywide networks need to be smartly built and simply managed. In an industry weighed by legacy, monolithic systems and infrastructure, this shift towards open networking can prove to be challenging. As leaders in optical networks, taking fibre-to-anywhere (FTTx) with in-built disaggregation and programmability was definitely the next frontier for STL. FY21 was a landmark year for its Programmable FTTx (pFTTx) offering. The Company built and tested its marquee solution on a live broadband access network of one of the largest telcos in South East Asia.

This new take on fixed broadband networks will help the industry break the traditional boundaries of legacy equipment and vendor lock-ins. With this feat on the wireline side, STL is paving the way for enabling critical 5G use cases for millions, while presenting a more agile and cost-effective networking model for telecom service providers, enterprises and citizen networks. During FY21, we took our technology closer to 5G and come FY22, we will take the industry and the consumers closer to 5G!

Going wireless, in style

5G is here. Across the globe, we see service providers, governments, policymakers and academia coming together to build an open-source 5G ecosystem. Five years back, STL started building capabilities in Access technologies in the wireless domain. This year, we launched our first set of commercially viable 5G wireless offerings, while building a global ecosystem spanning hardware, virtualisation, radio and software. Staying ahead of the industry, STL launched Garuda - an Open RAN compliant 5G indoor small cell for short-range connectivity and a Wi-Fi6 Access point for seamless public connectivity. More disruption is underway. STL is now one of the very few in the world to offer 5G Open-RAN solutions for multiband radio. With a unique collaboration with Saankhya Labs, VVDN and the associated Open RAN communities, STL's new approach to 5G Radio Units will enable global telecom operators to speed up large-scale deployments of 5G.

These milestones were topped by its first-ever 5G patent on 'open and programmable framework'. This innovation will provide a programmable and vendor-agnostic way to deploy and control photonic devices in a highly scalable manner. It will also pave the way for high-bandwidth and latency-sensitive applications needed for 5G. This is a great start, and the Company is sure that FY22 beholds greater feats.

A stellar workplace for the STLers!

STL, a great place to work

What makes a company a Great Place to Work? **Trust** leaders establish in their employees; **Pride** employees have in what they do; and **Development** they undergo at their workplace. It is all these factors that got STL Great Place to Work® (GPTW) certified for the second consecutive year. The Company made significant progress in all the key parameters. In a difficult year, its Trust Index went up by 6 points. STL performed higher than India and Global Top 100 companies on multiple parameters. This consistent recognition from GPTW is a testament to its commitment in building a culture of care, inclusion, transparency, and trust that enables and empowers employees to excel at their work. Isn't this truly STLer!

In it, stronger, together

If the past year has taught us anything, it is to value people. As the pandemic spread its tentacles, STL came together to ensure the safest workspaces for people working from plants, projects and homes and fostered a culture of care and empathy. It launched STLCare, a cohesive programme to provide resources for STLers and their families to help them safely navigate the pandemic. STLCare enables employees with credible resources for telemedicine, at-home care and COVID-19 testing. The Company also rolled out a set of benefits like enhanced insurance, advance salary payouts, and mental health support through one-on-one counselling. Through this programme, and through STL's genuine comradeship, it was able to emerge stronger, together in this unprecedented year.

STLCare

A cohesive programme to provide resources for STLers and families to help them safely navigate the pandemic

Inside-out approach to become *Techwise*

As STL works closely with network creators, it realises the need to solve their most complex challenges comprehensively. Hence, it set out to become a solution-based organisation, with the aim of providing technology-led end-to-end outcomes. STL knew that to do this, the Company will have to foster a tech-led culture first. So, STL worked relentlessly towards strengthening its core pillars: Technology and People. A 105% growth in its patents tells how STL's technology story is accelerating. Its tech culture and people are behind every great breakthrough. Hence, the Company decided to get this change INSIDE OUT and conceptualised Techwise – a learning journey to strengthen its tech culture by building a strong technical foundation with snackable e-learning courses. They are designed to evoke curiosity for beginners and wizards alike. Till now 1,000+ STLers have undertaken courses across five modules and STL is just getting started!

Skilling it for the next decade of network creation

Highly sophisticated networks need a pool of highly skilled network professionals. The year 2020 saw STL Academy taking huge strides towards creating a talent base to drive the new age of digital networks. The Academy entered the most coveted Guinness Book of World Record by attracting 2,123 professionals for F-Tech 2.0, an online workshop on fibre optics. It also launched 5G Empower, an initiative to train over 1,00,000 women on 5G technology. Over the next few months, STL Academy will train 5,00,000 people from rural India on different aspects of digital technology including fibre optics, trenching and ducting, Fibre-to-the-Home, among others.

1 Lac women

Empowered with Next-gen skills

Celebrating 25 years of optical fibre with STL veterans

The year was 1995. The Internet was the 'new thing'. No one had thought it would define our lives the way it does. STL took upon a unique journey of designing, manufacturing and providing optical fibre solutions. It began with a small team in Aurangabad. As it completed 25 successful years of being in the business of optical fibre, STL's OF solutions have transformed digital networks in over 100 countries. This achievement is a testament to the efforts of over 3,000 STLers, including 40 veterans who have been associated with the Company for over 25 years and have taken STL to amazing heights. With fibre set to define the 5G era, STL is more excited than ever to write the next successful chapter together.

As it completed 25 successful years of being in the business of optical fibre, STL's OF solutions have transformed digital networks in over 100 countries.


STL beyond tomorrow
IMAGINE WHAT OUR DIGITAL NETWORK CAN DO FOR US
Connecting the world
When a pandemic distances us, networks bring us together.
Every time you make a video call to your family or colleagues, it's our optical and wireless solutions that carry your message across the world.
STL, a digital networks integrator is connecting people with high-speed networks across the globe.
Sterlite Technologies Limited
stl.tech

BOARD OF DIRECTORS

Creating sustainable value for the business

Anil Agarwal
Non-executive Chairman

Pravin Agarwal
Vice Chairman and Whole-time Director

Dr. Anand Agarwal
Group CEO and Whole-time Director

Sandip Das
Non-executive and Independent Director

Anil Agarwal

Non-executive Chairman

Anil Agarwal founded the Group in 1976. In over three decades, the Group, under his leadership and with his strategic guidance, has grown into a pioneering global conglomerate with a world-class portfolio of large, diversified, structurally low-cost assets. His entrepreneurial style of identifying and turning around companies has led the Group to achieve a profitable growth. He is also known for his commitment to leverage the growth and profitability of the Group towards eradication of poverty through development initiatives within the communities in which it operates.

Pravin Agarwal

Vice Chairman and Whole-time Director

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

Dr. Anand Agarwal

Group CEO and Whole-time Director

A strong believer in the transformational power of technology, Dr. Anand Agarwal is the Group CEO and Whole-time Director at STL. Recognising the shifts in the global technology landscape, Anand has navigated STL from an optical connectivity company to a global leader in end-to-end network solutions. With his disruptive efforts, Anand has scaled the organisation to over 100 geographies, while shaping the digital infrastructure landscape globally. Under his leadership, STL has developed core capabilities in optical connectivity, virtualised radio, network software, and system integration. Anand has recently been appointed as Chairman, National Telecom & Broadband Committee, CII. Anand was awarded as the 'Most Promising Business Leaders of Asia' by Economic Times at Asian Business Leaders Conclave 2020 and 'CEO of the Year' at the Economic Times Digital Telco Summit in 2020 for his significant contribution to the Indian Telecom ecosystem. He was also awarded with "Pathbreaker of the Year' ' award in 2019 for transforming India's digital infrastructure at the Telecom Leadership Forum and "Broadband Infrastructure Leader Award' in 2016.

As a flagbearer of culture and diversity, he has built a passionate and inclusive organisation that is strongly connected to its larger purpose of transforming billions of lives through digital networks. A Ph.D. in Materials Engineering from Rensselaer Polytechnic Institute and B.Tech from IIT Kanpur, Anand is a hands-on technologist in advanced photonics and programmable networks. He is a firm believer in empowering and transforming lives through innovations in technology.

Sandip Das

Non-executive and Independent Director

Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive. He was listed among the top 100 Globally Most Powerful Leaders in Telecom by Global Telecom magazine for four years. He is currently an independent Board Director for Greenlam Industries, Senior Advisor to Analysys Mason, Advisor to a UK-based investment company and reputation management firm Astrum. He also holds respectable positions like Mentor to C-Suite executives, Member National Board Council (Russell Reynolds), besides consulting for investment companies. He was formerly the MD & CEO of Reliance Jio, Group CEO and Executive Director of Maxis Communications Berhad, Malaysia and CEO & Board Director of Hutchison Essar Telecom, India (Orange, Hutch).

He holds a BE degree in Mechanical Engineering from NIT Rourkela, an MBA in Marketing from Faculty of Management Studies (FMS), University of Delhi and is an Advanced Management Program alumni from Harvard Business School.

Kumud Srinivasan
Non-executive and Independent Director

S Madhavan
Non-executive and Independent Director

B J Arun
Non-executive and Independent Director

Ankit Agarwal
CEO, Connectivity Solutions Business and Whole-time Director

Kumud Srinivasan

Non-executive and Independent Director

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

S Madhavan

Non-executive and Independent Director

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

B J Arun

Non-executive and Independent Director

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

Ankit Agarwal

CEO, Connectivity Solutions Business and Whole-time Director

As a deep believer in innovation and customer first approach, Ankit leads the Connectivity Solutions Business and guides the strategic roadmap of the company as the Whole-time Director. He is focused on developing next-gen solutions to address the evolving network and communication opportunities in the telecommunications landscape. He has played a crucial role in STL's global expansion and helped establish STL's presence in over 100 countries and executed joint ventures, mergers & acquisitions and Greenfield projects across Brazil, China and Italy. Ankit is committed to environmental sustainability. Under his stewardship, STL became the first optical fibre and cable producer globally, to be Zero Waste to Landfill certified. Prior to STL, Ankit led the Corporate Strategy of Vedanta Resources and played a key role in Vedanta's strategic transactions including its $8.6 billion acquisition of Cairn India, and $2.6 billion bid for ASARCO. As an Analyst at the Investment Banking division of Deutsche Bank (London) prior to his stint at Vedanta, he played a significant role in cross-border transactions such as Tata Steel's acquisition of Corus for $12 billion & Eurasian Natural Resources' $2.7 billion IPO.

Ankit is a champion of inclusion and diversity, and regularly advocates for healthy living and fitness. He holds a Bachelor's degree from University of Southern California and an MBA degree from London Business School.

EXECUTIVE LEADERSHIP

Leading with experience and foresight

Dr. Anand Agarwal
Group CEO and
Whole-time Director

A strong believer in the transformational power of technology, Dr. Anand Agarwal is the Group CEO and Whole-time Director at STL. Recognising the shifts in the global technology landscape, Anand has navigated STL from an optical connectivity company to a global leader in end-to-end network solutions. With his disruptive efforts, Anand has scaled the organisation to over 100 geographies, while shaping the digital infrastructure landscape globally. Under his leadership, STL has developed core capabilities in optical connectivity, virtualised radio, network software, and system integration. Anand has been recently appointed as Chairman, National Telecom & Broadband Committee, CII. Anand was awarded as the 'Most Promising Business Leaders of Asia' by Economic Times at Asian Business Leaders Conclave 2020 and 'CEO of the Year' at the Economic Times Digital Telco Summit in 2020 for his significant contribution to the Indian Telecom ecosystem. He was also awarded with "Pathbreaker of the Year' award in 2019 for transforming India's digital infrastructure at the Telecom Leadership Forum and "Broadband Infrastructure Leader Award' in 2016.

As a flagbearer of culture and diversity, he has built a passionate and inclusive organisation that is strongly connected to its larger purpose of transforming billions of lives through digital networks. A Ph.D. in Materials Engineering from Rensselaer Polytechnic Institute and B.Tech from IIT Kanpur, Anand is a hands-on technologist in advanced photonics and programmable networks. He is a firm believer in empowering and transforming lives through innovations in technology.

Mihir Modi
Chief Financial Officer

Mihir is a seasoned professional with more than 20 years of experience in Finance, M&A, Strategy, and General Management. As the Chief Financial Officer of STL, Mihir has been instrumental in delivering consistent shareholder value through strong financial performance, deep industry alliances and high internal efficiencies.

Prior to joining STL, Mihir co-founded a contemporary digital media content company based in Mumbai. He has also worked as Chief Strategy Officer & CFO at Zee Entertainment, where he helped the company transform from a television broadcaster to a 360-degree entertainment conglomerate, and to increase the market cap 3X to $9 billion. He has also held key leadership positions at Godrej Consumer Products, Novartis Pharma and Ernst & Young. Mihir is a qualified Chartered Accountant and an MBA from the Indian School of Business.

Ankit Agarwal

CEO, Connectivity Solutions Business and Whole-time Director

As a deep believer in innovation and customer-first approach, Ankit leads the Connectivity Solutions Business and guides the strategic roadmap of the Company as a Whole-time Director. He is focused on developing next-gen solutions to address the evolving network and communication opportunities in the telecom landscape. He has played a crucial role in STL's global expansion and helped establish STL's presence in over 100 countries and executed Joint Ventures, Mergers & Acquisitions and Greenfield projects across Brazil, China and Italy. He is committed to environmental sustainability. Under his stewardship, STL became the first Optical Fibre and Cable producer globally to be Zero Waste to Landfill certified. Prior to STL, he led the Corporate Strategy of Vedanta Resources and played a key role in Vedanta's strategic transactions including its $8.6 billion acquisition of Cairn India, and $2.6 billion bid for ASARCO. As an Analyst at the Investment Banking division of Deutsche Bank (London), prior to his stint at Vedanta, he played a significant role in cross-border transactions such as Tata Steel's acquisition of Corus for US$12 billion & Eurasian Natural Resources' $2.7 billion IPO.

He is a champion of inclusion and diversity, and regularly advocates for healthy living and fitness. He holds a Bachelor's degree from University of Southern California and an MBA degree from London Business School.

KS Rao

CEO - Network Services and Software Business

KS Rao joined STL in 1993 to set up India's first optical-fibre cable plant in Aurangabad, and after having worked at most functions within the Company, he now leads the Company's Network Services and Software Business, as its CEO. He has been instrumental in STL's growth in fibre, cables, services and business operations in six locations, including China and Brazil. Under his leadership, STL has emerged as a global leader in the optical fibre and cables business.

Closely connected to the company's purpose of transforming billions of lives through digital networks, he is greatly contributing towards the country's economic development by delivering broadband networks for critical areas within Defence, BharatNet, Smart Cities and Public and Private telcos. He is actively involved in expanding Network Services business into international geographies towards delivering STL growth.

Under his leadership, STL has taken up several initiatives such as adopting villages for holistic development of rural India, water conservation through check-dams, women empowerment and creation of green zones. Outside of work, KS is a sports fan and supports budding sportspersons by providing them with platforms to sharpen their skills.

EXECUTIVE LEADERSHIP

Chris Rice
CEO - Access Solutions Business

Chris Rice brings over 25 years of experience in the telecom industry. He is a recognised leader and pioneer in software-defined networks and systems. In addition, he is known for driving engagement of the broader Telco ecosystem in open source networking efforts. Prior to STL, he was a Senior Vice President at AT&T, where he led a multi-year technology strategy and vision for both the network and the underlying system's evolution. He also led AT&T's pivot to Software-Defined Networking (SDN), leading the team that built the fundamental automation and platform capabilities to drive this shift. Over a four-year period, he and his team converted over 75% of the network to a software-defined architecture. He holds an MBA from the University of Central Florida, a Bachelor's and Master's degree in Electrical Engineering from Virginia Tech, and is a graduate from Rutgers' Wireless Information Networks Laboratory (WINLAB) programme.

Dr. Badri Gomatam
Group Chief Technology Officer

A photonics expert, Dr. Badri Gomatam leads core research in optical communications products and network solutions. With his wide experience across multiple networking technologies, he guides the Company's technology vision. He joined STL in 2011, and has since led STL's transition to an end-to-end solutions company. His deep expertise in photonics, enterprise and access networks has helped shape this evolution. Under his leadership, the Company today has over 569 patents to its credit. He is an MS and Ph.D. from the University of Massachusetts, Amherst, and a Bachelor of Science from the Birla Institute of Technology.

Anjali Byce
Chief Human Resources Officer

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

Manish Sinha
Chief Marketing Officer

From being an innovation catalyst to a customer champion and a storyteller, Manish has donned many hats. Starting his career as a consultant with McKinsey, he has also led business planning at WNS and Capital One. He has also been a 'start-up guy' at Quikr Homes and Common Floor. He is an engineering graduate from IIT Delhi and an MBA from IIM Calcutta. Since joining STL in 2017, Manish has been the driving force behind STL's rebranding efforts and has built a vibrant digital presence for the Company. Leading customer engagement for STL, Manish has developed robust marketing capabilities for the organisation to grow exponentially and be future-ready. An enthusiastic culture champion, analyst and visionary, Manish has become the face of change for STL.

Manuj Desai

Chief Information Officer

Manuj Desai comes with over 20 years of experience in the IT and Technology space, having extensively worked in Architecture, Product Development, Process re-engineering, Analytics, Visualisation, Automation, Digitisation and Data Science domains. In his earlier roles, he has been associated with companies like Paypal, AIG, USDA, Amedisys, Sprint spread across the US, Canada, and India. He is a Computer Engineer from Mumbai University and has a master's certificate in Project Management from George Washington University.

Sandeep Girotra

Global Sales Head

Sandeep Girotra is a seasoned business leader with over three decades of experience in B2B infrastructure business across ICT, IT, Telecom Infrastructure and Telecom Services. Prior to joining STL, he was associated with Nokia for 24 years where he held multiple executive roles such as Head of India, Head of Asia Pacific and Japan, and Head of Global Sales Transformation. He sees massive opportunities in the connectivity infrastructure, application and services space. He believes the four greatest value creators in the coming years will be deep connectivity, industrial IoT, cloud, disaggregation and security, underpinned by elastic business models, low latencies, and definitive shift towards the edge.

He is a collaborative leader who takes pride in his team delivering forecasted outcomes and driving customer intimacy across markets. He is an expert in Business Development, P&L, Key-account Management, Enterprise Business and Stakeholder Management, among others. He holds a B.E. in Electrical and Electronics from Birla Institute of Technology and Science, Pilani.

Akanksha Sharma

Global Head ESG-CSR and Sustainability

Passionate about 'transforming lives', Akanksha Sharma leads the Company's ESG portfolio for exponential impact through CSR and Sustainability. She brings eclectic global experience on International Development spread across four continents and has worked with organisations such as UNICEF, Vedanta and Jubilant FoodWorks. Post her MBA, she has done an advanced programme in Social Impact and Policy from Harvard Business School. At STL, she drives the development narrative through multi-sectoral partnerships, policy discourse and effective execution, contributing to the UN Sustainable Development Goals. She comes with many feathers on her cap and has won accolades like 'Most Impactful CSR Leaders Globally, Asia's Top Sustainability Leaders, Young CSR Leader, and Influential Sustainability Leaders, among others.

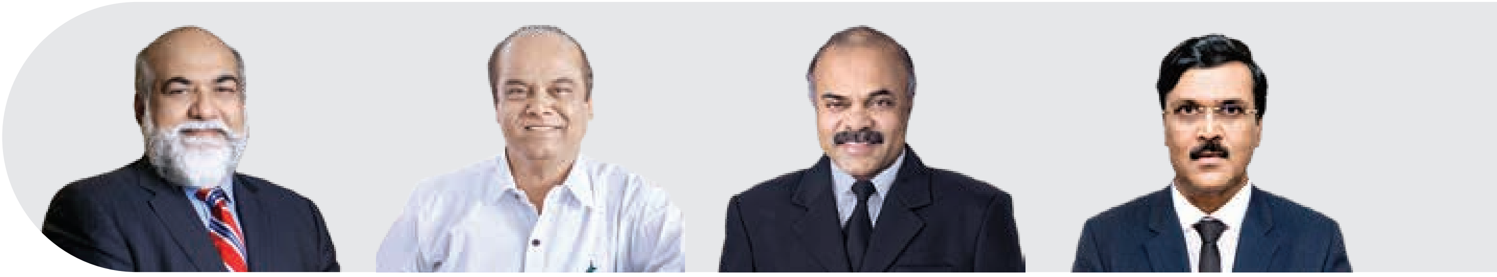
Gaurav Basra

Chief Strategy Officer

Gaurav Basra was the Chief Strategy Officer at STL. It is with a profound sense of loss, that we share the news of his sad demise in June 2021. His contribution to STL's journey is invaluable and will always be held in the highest regard by the management and all the employees. With significant international consulting experience, Gaurav worked closely with the leadership team to develop long-term strategies for growth at STL. During his tenure, Gaurav led the company's strategy to build a robust business model and agile operations which enabled the company to transform itself from an optical fibre manufacturer to an end to end solutions company. He had 20 years of experience in corporate strategy development and transformation, innovation management and investment portfolio management. Last year, Gaurav played an important role in defining customer engagement models that resulted in key customer wins for STL including a multiyear deal with BT-Openreach. His vision, zeal and energy will be thoroughly missed by each one at STL.

ADVISORY COUNCIL

Leveraging trusted insights



Sandip Das **BS Shantharaju** **Krish Prabhu** **JS Deepak**

Sandip Das

Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive. He was listed among the top 100 Globally Most Powerful Leaders in Telecom by Global Telecom magazine for four years. He is currently an independent Board Director for Greenlam Industries, Senior Advisor to Analysys Mason, Advisor to a UK-based investment company, reputation management firm Astrum, Mentor to C-Suite executives,Member National Board Council (Russell Reynolds), besides consulting for investment companies.

He was formerly the MD & CEO of Reliance Jio, Group CEO and Executive Director of Maxis Communications Berhad, Malaysia and CEO & Board Director of Hutchison Essar Telecom, India (Orange, Hutch).

He holds a BE degree in Mechanical Engineering from NIT Rourkela, an MBA in Marketing from Faculty of Management Studies (FMS), University of Delhi and an Advanced Management Program alumnus from Harvard Business School.

BS Shantharaju

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

Currently, Mr. Shantharaju is the Chairman of Ramky Environ Engineers Limited, India's largest Waste to Energy Management company with majority holding by KKR Private Equity and Director on the Board of CLP India Pvt Limited.

Krish Prabhu

Krish was CTO at AT&T where he was responsible for AT&T's global technology direction which included network innovation, product development and research. Before joining AT&T in 2011, Prabhu was Chief Executive Officer of Tellabs, an Optical Network Technologies company. He was with Alcatel from 1991 to 2001 in various executive positions and served as the Chief Operating Officer from 1999 to 2001. His career includes corporate leadership positions with Rockwell Telecom and Bell Laboratories. Krish is an alumnus of IIT, Bombay and a PhD in Electrical Engineering from the University of Pittsburgh.

JS Deepak

A driver of technological adoption, JS Deepak has previously worked as Secretary Telecom and Secretary Electronics & Information Technology, Government of India. The first ever harmonisation, sharing and trading of spectrum in India happened on his watch in 2016-17. As Joint Secretary, Telecom from 2008-10, JS led the design and conduct of the first ever 3G/4G spectrum auctions in India. He was also India's Ambassador & Permanent Representative to the World Trade Organisation (WTO) at Geneva for 3 years and Additional Secretary, Commerce. He has an MBA degree from the Indian Institute of Management (IIM), Ahmedabad and pursued an advanced course in Health Communication from Johns Hopkins University, Baltimore, USA.

John Medamana

Hank Kafka

Guy Lupo

John Medamana

John B. Medamana, instrumental in creating networking products and services, accounting for multi-billions of dollars of revenue, was an early pioneer in architecting and fielding Telco data networks. He has deep expertise in optical systems, routing, switching, and PON (Passive Optical Networks). John now serves as a senior-level technology and product strategy consultant for the networking industry. Prior to this , he served as Vice President, Network and Services Development, AT&T. John holds a Master's degree from IIT Madras, India.

Hank Kafka

Hank Kafka, instrumental in launching the ORAN / Open RAN ecosystem, is a wireless networking leader and innovator. He has been a key figure in the industry since the early days of wireless. Hank has been Vice President of Wireless Systems - AT&T and currently serves as an O-RAN ALLIANCE Executive Committee member and an alternate board member. He holds an MSEE degree from the University of Illinois.

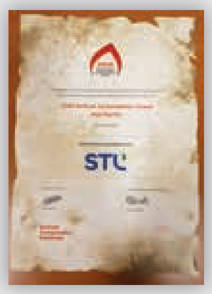
Guy Lupo

Guy Lupo has been instrumental in creating the Network as a Service (NaaS) software concept and getting it adopted by the TMForum for use by the industry. He is an innovator and disruptor who comes with over 30 years of experience. Guy has led multiple successful ventures across Australia and Israel, including stints at Telstra Bluereef and more. He holds a PhD degree from Swinburne University in Australia. His expertise in software systems to build scalable and cost-effective, software-defined networking products will contribute greatly to STL's efforts in this area.

AWARDS AND ACCOLADES

A year of recognitions

Recognitions make STL doubly energetic and motivated to drive a greater purpose of transforming billions of lives through digital networks. In 2020, we won recognitions from the best in the business.



1. **BCG Top 100 Tech Challengers**
   STL recently featured in the most coveted 2020 BCG Tech Challengers list. Prepared by the Boston Consulting Group, the list of 100 emerging-market tech challengers consists of prestigious companies that have ambition and potential to reinvent and reshape the industries. The 'Challengers' are chosen for their adoption of technology, industry position, business models and proven market traction.

2. **CII-ITC Sustainability Award**
   For the third time in the last four years, STL won the CII-ITC Sustainability Awards for Excellence in the Corporate Social Responsibility category. The award recognises trailblazers who have CSR and Sustainability as an integral part of their business strategy.

3. **DuPont Safety & Sustainability Award**
   STL was declared the APAC winner of the globally renowned DuPont Safety & Sustainability Awards for its Zero Waste to Landfill (ZWL) initiative. This award felicitates organisations dedicated towards improving safety, reducing their carbon footprint and driving efficiency within industrial processes.

4. **GLOTEL Award for OSS/BSS**
   STL won the OSS/BSS Transformation Excellence award at the 8th Global Telecoms (GLOTEL) Awards for its dTelco solution. dTelco is a next-gen BSS/OSS solution that is built to help communication service providers move from a traditional siloed model to a customer-centric, agile, data-driven model.

5. **ET Telecom Award for dWiFi**
   STL was recognised at Economic Times Digital Telco Virtual Summit for its dWiFi solution. A dWiFi is a comprehensive and converged WiFi platform helps telcos unlock new business models, implement innovative use cases and differentiate themselves in the market. With zero touch deployment and zero downtime, dWiFi increases WiFi adoption by 30%.

6. **Women Achievers Summit and Award 2020**
   STL was named the best organisation for women empowerment at the Women Achievers Summit and Awards. Women Achievers Summit and Awards 2020 salutes the formidable spirit of the women in the communications industry and is a celebration of womanhood and commitment to the industry's continuous pursuit of excellence.

7. **STL Partners' Top 60 Edge companies**
   STL was recently named as one of the 'Edge companies to watch in 2021'. The competition by STL Partners throws a spotlight on 60 companies who are making waves in edge computing. STL was recognised for its developed programmable software stack on a micro-services architecture which is disaggregated and cloud native.

Great people make great workplaces

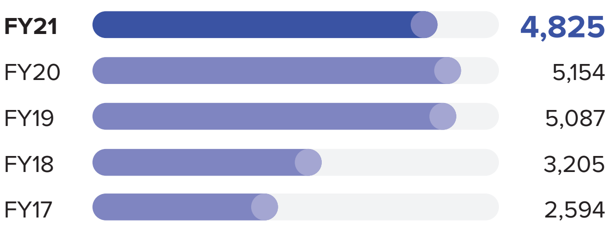
Our purpose at STL has always been to "Transform billions of lives through digital networks" and this is driven by our four strong values Hunger to learn, Keep it simple, Promises Delivered, Respect and Empathise. Recognising our commitment towards building a culture of care, transparency and trust that empowers all, we're yet again certified as a Great Place to Work by Great Place to Work® Institute (India).

FINANCIAL HIGHLIGHTS

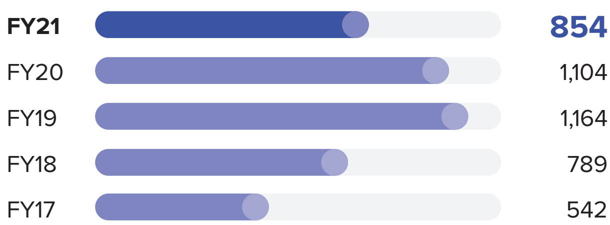
Exhibiting resilient performance

In this singular year, where businesses across the world were impacted, STL showed resilience during first half of FY21 and recorded 18% y-o-y revenue growth in H2 FY21. Taking the learnings and successes from this year to the next, we are building on our strong fundamentals to deliver sustained and shared progress for all stakeholders. We are accelerating our value proposition across optical connectivity, large-scale digital network integration, and virtualised access to enable this extensive network build.

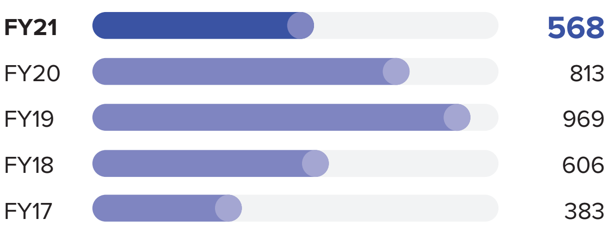
Revenue ₹ crores



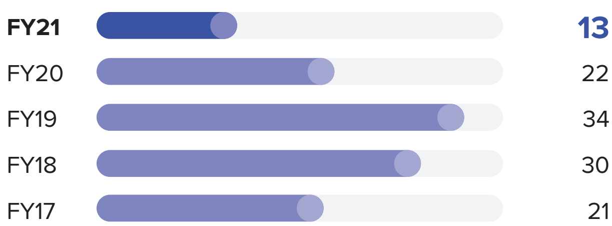
EBITDA ₹ crores



EBIT ₹ crores



ROCE ₹ crores



	Unit	FY17	FY18	FY19	FY20	FY21
Consolidated Numbers						
Revenue	₹ crores	2,594	3,205	5,087	5,154	4,825
Growth	%	14	24	59	1	-6
EBITDA	₹ crores	542	789	1,164	1,104	854
EBIT	₹ crores	383	606	969	813	568
PBDT	₹ crores	419	685	1,058	883	651
PAT (After minority interest)	₹ crores	201	334	563	472	275
Capital Employed	₹ crores	1,844	1,993	2,845	3,770	4,244
Diluted EPS	₹	4.98	8.25	13.83	10.64	6.84
Revenue	$ million	350.5	433.1	687.4	696.5	652.0
EBITDA	$ million	73.2	106.6	157.3	149.2	115.3
EBIT	$ million	51.8	81.9	130.9	109.9	76.8
PBDT	$ million	56.6	92.6	143.0	119.3	87.9
PAT (After minority interest)	$ million	27.2	45.1	76.1	63.8	37.2
Ratios						
Return on capital employed	%	20.8	30.4	34.1	21.6	13.4
EBITDA Margin	%	20.9	24.6	22.9	21.4	17.7
EBIT Margin	%	14.8	18.9	19.0	15.8	11.8
PBDT Margin	%	16.2	21.4	20.8	17.1	13.5
PAT Margin	%	7.8	10.4	11.1	9.2	5.7
Effective Tax Rate	%	15.4	26.5	32.2	20.5	30.5

Conversion rate 1 USD = ₹ 74

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

Positioned for stable growth

FY21 was an unprecedented year, where the COVID-19 induced lockdowns impacted revenue growth. But STL emerged stronger with a robust 18% y-o-y revenue growth in the second half of FY21. The initial slowdown notwithstanding, 2020 clearly came out as a year of inflection for digital networks. We saw a disproportionate number of investments done in creating these networks. In 2021, we can clearly foresee that this investment momentum will continue, powering the next decade of digital network creation.

New technologies such as 5G, FTTH and Open RAN are entering mainstream and creating quality digital networks with scale and reach. If we look at 5G, this year saw 163 commercial deployments globally. With this, 5G has become the fastest technology to reach 400 million subscribers (2G took 30 quarters, 3G took 25 quarters, 4G took 17 quarters, 5G took 5 quarters!). In terms of FTTH roll out, we see that Europe continues to witness large-scale FTTH buildouts with multiple operators doing over 1 million + home passes every year. In the next 5 years, Germany, Italy and the UK are expected to see the most frantic FTTH build outs. Back home in India, RJIO and Airtel are planning to reach 75 million and 40 million home passes, respectively. If we look at Open RAN, as expected, it is making inroads with major communication service providers, either piloting or deploying it in their network.

In 2020, the following four technology confluences were established and are now further strengthened. First is that the networks are getting built closer to the edge. Second, the new-age networks are converged networks. Third, the networks are a combination of connectivity, compute and storage. Fourth is that hardware and software are getting disaggregated and open sourced.

STL had long foreseen these technology confluences and has been building its capabilities systematically. The Company has been leading the industry for the last 25 years in providing end-to-end solutions in the optical connectivity space. The Company has built its capabilities in wireless, software and cloud with investments in Elitecore, ASOCS and IDS, combined with ecosystem alliances stitched in the last five years. Lastly, based on STL's experience in execution of large-scale projects for the last 10 years, it has also strengthened its capability in system integration. All of this puts the Company in a unique position to be the leading network integrator in the decade of network creation.

Going forward, STL will be focusing on the following three growth levers to drive its future growth:

Grow optical business

Globalise system integration, while scaling in India

Build disruptive, open source Access solutions

Financials at a glance

- Y-o-Y revenue dipped due to the extended impact of COVID-19 in H1
- Regained momentum in H2, with 18% y-o-y revenue growth

Particulars	FY21	FY20	y-o-y
Revenue (₹ crores)	4,825	5,154	-6%
EBITDA (before exception)	854	1,104	-23%
PAT (after minority interest before exception)	275	472	-42%
PAT (after minority interest)	275	434	-37%
EBITDA Margin (%)	18	21	
EPS (Diluted) (₹)	6.84	10.64	-36%
Net profit margin (%)	6	9	
ROCE (%)	13	22	

Revenue

STL recorded revenues of ₹ 4,825 crores during the year under review. The performance for H1 FY21 got negatively impacted due to COVID-19. The execution on the project sites was significantly impacted because of the lockdown. Production and delivery were affected as a result of logistical challenges and safety concerns. However, in H2 FY21, the revenue was higher by 18% vis-à-vis H2 FY20. In this year, the Company generated 42% revenue from outside India. Export revenue for the year was ₹ 2,033 crores, which is higher by 14% vis-à-vis FY20. This performance is a result of our balanced and consistent focus on our customer segments and geographical expansion. Looking ahead, in terms of customer segments, we are working towards increasing our share in the telco and cloud segments. In terms of geographies, we are expanding in Europe, the Middle East and America.

Profitability

The Company's earnings before interest, tax, depreciation and amortisation (EBITDA) is ₹ 854 crores in FY21 translating into an EBITDA margin of 18%.
The Company's interest cost has decreased from ₹ 221 crores in FY20 to ₹ 203 crores in FY21. The decrease is mainly due to lower cost of borrowings as compared to the previous year.

The depreciation for the year was ₹ 285 crores compared to ₹ 290 crores in the previous year.

Tax expenses for the year were ₹ 111 crores, implying a tax rate of 31% compared to ₹ 109 crores in FY20 with a tax rate of 21%. The difference in the tax rate was attributed to the change in tax rate by the government. Accordingly, the Company recomputed the Deferred Tax Liability basis the revised lower tax rate and impact of the same was recognised in FY20.

The benchmark tax rate is 26%. The difference in tax rate for the current year vis-à-vis the benchmark tax rate is broadly due to the following reasons:

1. Change in tax laws as per which tax benefit on goodwill amortisation is not available starting current financial year. Subsequent years will not be impacted as entire goodwill is already amortised in the books
2. Tax losses incurred by the parent Company's subsidiaries on which the Group has not recognised deferred tax assets

The net profit after tax, after minority interest before exception item, for the year thus is ₹ 275 crores, compared to ₹ 472 crores for last year, showing a decrease of 42% y-o-y.

Dividend

In continuation to the progressive dividend policy, the Board of Directors recommended a final dividend of 100%, ₹ 2/- per equity share subject to the approval of shareholders.

Balance sheet

Particulars	FY21	FY20
Net debt (₹ in crores)	2,410	1,970
Debt equity ratio	1.16	0.97
Debtors turnover ratio	3.32	3.30
Inventory turnover ratio	7.70	11.40
Interest coverage ratio	4.20	4.99
Current ratio	1.00	0.95
Return on net worth	13%	21%

Gross block and capital work in progress

The Company is in the process capacity expansion to 33 million fkm for OFC, to meet the increase in demand, from across the globe. The Company acquired Optotec S.p.A. As a result of this, the gross block increased from ₹ 4,659 crores as on March 31, 2020 to ₹ 5,043 crores as on March 31, 2021.

The capital work-in-progress stood at ₹ 227 crores at the end of FY21 as against ₹ 133 crores at the end of FY20. The Company is in the process of setting up a new facility of Optical Fibre Cable and backward integration of Optical Fibre.

Borrowings, cash and bank balance

The gross debt of the Company increased from ₹ 2,201 crores as on March 31, 2020 to ₹ 2,490 crores as on March 31, 2021. The total cash and bank balance, coupled with current investments at the end of FY21, was ₹ 429 crores as against ₹ 478 crores at the end of FY20.

The net debt increased from ₹ 1,970 crores as on March 31, 2020 to ₹ 2,410 crores as on March 31, 2021, mainly due to capacity expansion projects and acquisition of Optotec S.p.A. The net debt equity ratio of the Company stood at 1.16 at end of FY21 as compared to 0.97 a year ago.

Working capital

(₹ crores)

Particulars	March 21	March 20
Inventories	626	452
Trade receivables	1,451	1,563
Current investment	181	233
Cash & bank balances	248	245
Others including loans & advances	1,978	1,312
(A) Total current assets	4,485	3,805
(B) Total current liabilities	3,210	2,714
Working capital (A-B)	1,275	1,091

Current ratio of the Company stood at 1.00 times in FY21 against 0.95 as at the end of FY20.

Return on Capital Employed (ROCE) and capital structure

The ROCE in the current financial year declined to 13% as against 22% a year ago. ₹ 4,495 crores employed in business as on March 31, 2021 against ₹ 3,993 crores as on March 31, 2020.

Total equity of the Company as on March 31, 2021 stood at ₹ 2,085 crores as against ₹ 2,023 crores as on March 31, 2020.

In the driving seat for the upcoming decade of network creation

Last year was truly unprecedented. COVID-19 impacted individuals, economies and businesses alike. STL also witnessed its impact in terms of lukewarm growth in the first 2 quarters. But, with continued technology innovation and deep customer engagement, STL regained momentum and recorded 18% y-o-y revenue growth in the second half of FY21.

FY21 has propelled digital adoption to a whole new level, which is expected to continue unabated well after the pandemic ends. This has resulted in the accelerated acceptance of emerging digital technologies among ordinary people and has opened up a decade-long network creation cycle. Although many aspects of human interaction have shifted online, the digital divide continues to exist between citizens as a result of different levels of access to technologies.

Resilient data networks are the new normal

The pandemic clearly gave way to a new mantra for the industry – Pivot or Perish. Digital transformation became a necessity for businesses rather than a choice. Since then, new records of data usage are being set and broken almost every quarter, making 2020 as a year of inflection for digital networks. Here are some numbers that substantiate this:

- ~2 million internet users were added in 2020, a 17% growth over 2019, beating the last ten years[1] (2009-19) average of 7%. Digital transformation deals saw a 30% jump[2]; an 80% jump in cloud spending, and a 15% increase in customer experience since the pandemic
- India's digital landscape is buoyant. There is a massive surge in data with ~60x traffic growth in the last 5 years which was further catapulted by COVID-19. In December 2020, the average monthly data usage per user touched 13.5 GB[3], growing by more than 20% annually

Digital acceleration, leading to a multi-year network build cycle

Owing to the shift in the ways of working and modern living, digital connectivity has become the backbone for all kinds of services – be it delivering healthcare, education, banking or governance. This is resulting in an ever-increasing demand for reliable and high-speed networks, triggering off a multi-year network creation cycle across the globe.

It is being led by a multitude of industry participants, including telecom operators, cloud companies, large enterprises and citizen networks.

Telecom operators

As work from home became the new normal due to COVID-19, it propelled telecom providers into the sphere of essential services for most consumers. The importance of ultra-reliable connectivity got heightened for at-home, work, school and social interaction, necessitating telecom providers to upgrade their existing networks as well as create new infrastructure to provide a secure, reliable and high throughput network. The operators are taking big steps in this direction. In 2021, telecom industry will see $1,791 billion[4] in revenues and $292 billion in CapEx, for an average capital intensity of 16.3%. This next wave of CapEx infusion is driven by aggressive 5G and FTTH rollout plans.

5G networks

5G networks are the next generation of mobile internet connectivity, offering connections that are significantly faster, highly agile and reliable.

As per GSMA, by 2025, 5G will account for 20% of global connections, with take-up particularly strongly across developed Asia, North America and Europe. To support this generational shift, operators are expected to invest ~$1.1 trillion worldwide between 2020 and 2025 in mobile CapEx, roughly 80% of which will be in 5G networks.

More than 144 operators in 61 countries/territories have launched commercial 3GPP-compatible 5G services. This number was just 56 operators in 31 countries/territories at the end of 2019. Currently, 413 operators in 131 countries/territories are actively investing in 5G networks. Among those, 65 operators are investing in standalone 5G networks[5].

[1] Statista
[2] NASSCOM Report
[3] Nokia Mobile Broadband Index 2021
[4] Communications Today Report
[5] GSMA February 2021 Update

China: Anywhere between 600,000 to 1 million new 5G base stations, expected to be deployed in 2021

South Korea: In July of 2020, Korean mobile operators SK Telecom, KT and LG Uplus agreed to invest a total of $22 billion through 2022 to boost 5G infrastructure across the country

USA: Top three telecom operators in the US namely Verizon, AT&T, and T-Mobile bid $78 billion on 5G airwaves licensing. Verizon is planning to spend $17.5 billion to $18.5 billion in network expansions in 2021. Dish invested more than $50 million for 5G in Q4 FY20 and expects the 5G network deployment to cost about $10 billion, in its SEC filing

France: Orange activated 5G in 160 cities; Bouygues Telecom initially launched 5G in 20 cities; Iliad launched 5G services in December 2020 and SFR in November 2020

India: India's mobile operators spent a combined $11 billion on spectrum in the country's latest auction

FTTH networks

The need for higher speeds and low latency requires operators to build dense fibre networks. This year saw a greater push by governments and large private equity firms to disproportionately invest in broadband networks.

- The US government allocated $170 billion to increase broadband access, especially in rural and suburban areas. While the Coronavirus Aid, Relief & Economic Security (CARES) Act and American Rescue Plan Act (ARPA) are funding for broadband access in the next 2-3 years, the Rural Digital Opportunity Fund (RDOF) aims to provide more than $20.4 billion over the next 10 years to connect unserved rural areas
- France has allocated €570 billion ($690 million) to roll out fibre to the country's rural areas, with the aim of achieving full coverage by 2025
- Europe and the UK are to go big on FTTH with 202 million homes to be passed for FTTH/B in 2026 in EU27+UK compared to 26.2 billion in 2019. Germany (+730%), UK (+548%) and Italy (+218%) are expected to experience strong growth in the number of homes passed in 2026 compared to 2019[6]
- Strong investment growth expected at Telefonica, TIM, Oi, Net/Claro, alongside ambitious FTTH connectivity plans. Notable connectivity projects such as Programa Norte Conectado, which aims to connect 9.2 million people in the Amazon region through a 10,000 route-km of optical cable, planned over the coming years
- Deutsche Telekom is joining forces with the US financial investor KKR to accelerate fibre rollout by creation of JV Open Dutch Fibre, with an initial investment volume of € 700 million. KKR has made investments in FiberCop in Italy, Hyperoptic in the UK, Deutsche Glasfaser in Germany, Telxius in Europe and Latin America, Hivory in France, Global Technical Realty in Europe, Bharti Infratel in India, and Pinnacle Towers in the Philippines

Cloud companies

Cloud companies continue to invest heavily on network creation in the form of hyperscale data centres and sub-sea cable networks to power data intensive applications. By the end of 2020, there were ~600 hyperscale data centres - twice as many as there were 5 years ago. Notable investments in hyperscale data centres include:

Amazon and Google opened most of their new data centres in the past 12 months, accounting for 50% of the total amount of new hyperscale data centres opened in 2020

Google opened its second data centre in the Netherlands in December 2020, taking its total data centre investment in the region to $3.06 billion. In 2021, Google plans to spend $7 billion+ on US data centres and offices.

Microsoft announced investments to establish a new data centre region in Denmark and to open its sustainable data centre region in Sweden in 2021. It also announced its first Azure data centre region in Taiwan in October 2020.

Amazon announced investments of $2.8 billion to build its second data centre region in India. This will allow Amazon to launch an AWS cloud region in Hyderabad by mid-2022.

Large enterprises

Large enterprises, particularly the global defence forces, are getting ahead of the 'digital curve' and putting in place the infrastructure for net-centric operations. Many defence forces are aiming for digital supremacy while deploying digital technologies across intelligence, surveillance, navigation and communication. This is leading to an unprecedented focus on digital readiness for defence strategies, next-gen warfare, and modernisation of their defence operations.

In October 2020, the US Department of Defense said it would spend $600 million for 5G experiments and testing at a few military sites, after increased efforts by China to make 5G a reality in many defence applications, following investments in artificial intelligence (AI), quantum computing and under-sea cables.

India has built expansive and secure defence networks across tri-forces like Naval Communication Network (NCN), Army Radio Engineered Network (AREN), Air Force Cellular Network (AFCEL), and Air Force Network (AFNET). The three wings of the armed forces are keen to harness 5G to augment AI and the use of unmanned vehicles in their battle to measure up with the best in business, worldwide. In October 2020, the Cabinet Committee on Security (CCS) cleared a project worth ₹ 7,796 crores to establish a secure communication network for the Indian Army that will include modern optical fibre cable links to forward areas.

Citizen networks

Access to broadband is a critical lever for the growth of our knowledge economy and accelerated development across economic, business and social indicators. It has the ability to meaningfully impact the life of every citizen by enhancing convenience and improving accessibility to quality services (banking, healthcare, education), along with providing employment avenues. As such, governments across the globe are investing in subsidising network build-out to provide access to high-speed broadband, especially in rural and unserved areas. Here are a few data points:

- In early-December the Federal Communications Commission (FCC) announced winners of Phase 1 bidding of the giant $20.4 billion Rural Development Opportunity Fund (RDOF). Total $9.2 billion in funding is awarded through the auction and the aim is to connect 5.2 million unserved homes and businesses around the country
- In the UK, telecom regulator Ofcom unveiled a host of financial incentives to help achieve the government's goal of creating a 'gigabit' Britain. After the announcement, BT has committed to investing £12 billion in getting faster broadband connections to 20 million UK homes, including in remote rural areas
- India is working on connecting at least 2.5 lakh gram panchayats (GPs) with optical fibre under the BharatNet programme, which is under implementation. The government has also taken various steps to provide online education amidst the pandemic. These include PRAGYATA Guidelines on digital education, internet access under BharatNet scheme, etc. Internet access under the BharatNet scheme has been made available to the government institutions. The CSC e-Governance Services of Ministry of Electronics & Information Technology (MEITY) has been assigned the task of providing FTTH connectivity to the government institutions, including schools
- These data points adequately substantiate the investments and implementation trajectory of digital networks. We are indeed at the cusp of a multi-year network creation cycle. The question is whether we will see 'more of the same' or something fundamentally different in the world of digital networks? We are of the opinion that future networks will be architected very differently, following these four technological confluences that are now working together seamlessly.

Four technology confluences are shaping the future of networks

The exploding data traffic, along with the performance needs of low latency, high bandwidth, quality of service and mobility are driving structural changes to the networks we see today. While the technology advancements (for example, SDN/NFV, MEC) have been the buzzwords in the industry for long, the recent developments suggest that most of these are now becoming mainstream and shaping the future of networks.

This upcoming decade of next-generation networks will be architected mainly on four technology confluences.

The convergence of wired and wireless networks

Till now wired and wireless networks have been built, relatively independent of each other. Going forward, sharing infrastructure between FTTH and 5G will become the dominant way to maximise value from CapEx. Automated planning solutions are able to assist in creating these optimised networks. Converging fibre and mobile networks is productive for reasons such as increased economic value, improved user experience, and greater application possibilities.

As per FTTH Council, 65-96% of fibre costs for 5G xHaul can be eliminated by rolling out an optimised and future-proof converged fibre network. The extra investment needed to immediately make an FTTH network ready for 5G (even for high density of cells) is only 1% to 7%. Significantly, the FTTH Council study findings show that such huge cost savings in future could be achieved by incremental investments of less than 6% in fibre today.

Computing to enhance network capabilities

There is a growing demand for micro-modular solutions which requires enhanced mobility and portability of the IT environment. These facilities allow enterprises to easily shift or relocate their IT infrastructure to new business locations. As per estimates, the Micro Data Centre Market is expected to surpass $15 billion by 2025. The North America Micro Data Centre Market will witness at a CAGR of 23% over the forecasted time span owing to the rapid digitalisation, urbanisation, and technological adoption in the region.

Disaggregation of hardware and software

The new network architecture is embracing a software-centric approach and promoting more virtualisation and versatility. It supports an unprecedented level of vendor neutrality, allowing telcos to combine superior functions from multiple vendors. Open Radio Access Network is driving this disaggregation in the 5G networks. Pushing past lab experiments and field trials towards commercial deployments, Open RAN technology is set to ramp up significantly this year.

2020 saw the first public commitments to Open RAN by the world's MNO community. In the UK, Vodafone announced a 2,600-site Open RAN deployment with a commitment to have 1,150 of these sites live by 2023. At the same time, Telefonica unveiled plans to begin Open RAN trials in its core markets of Germany, Spain, the UK, and Brazil. The US government announced a recent bill proposing to inject $750 million over the next 10 years to promote the accelerated development and deployment of Open RAN technologies. Dish completed a successful field validation of its virtualised, standalone 5G core using an Open-RAN compliant radio in December 2020 and has a commitment to cover 70% of the US population by June 2023. Verizon is also expected to start deploying Open RAN gear this year.

Bringing the network to the EDGE, closer to the customer

Proliferation of intelligent and cheap end-point devices in the operational world, enabled by the growth of IoT and 5G is making it economically viable for edge computing to take hold, and it's likely to increase further in the coming years. With the concept of business digitalisation, edge computing models are going to become a key component for many IoT initiatives. As per studies, the edge computing market is likely to grow at a CAGR of about 35% from 2019 to reach $28 billion by 2027. Gartner predicts that while currently ~10% of enterprise-generated data is created and processed outside a traditional centralised data centre or cloud, by 2025, this figure will reach 75%. Drawing from these trends, we saw some bold moves in this space.

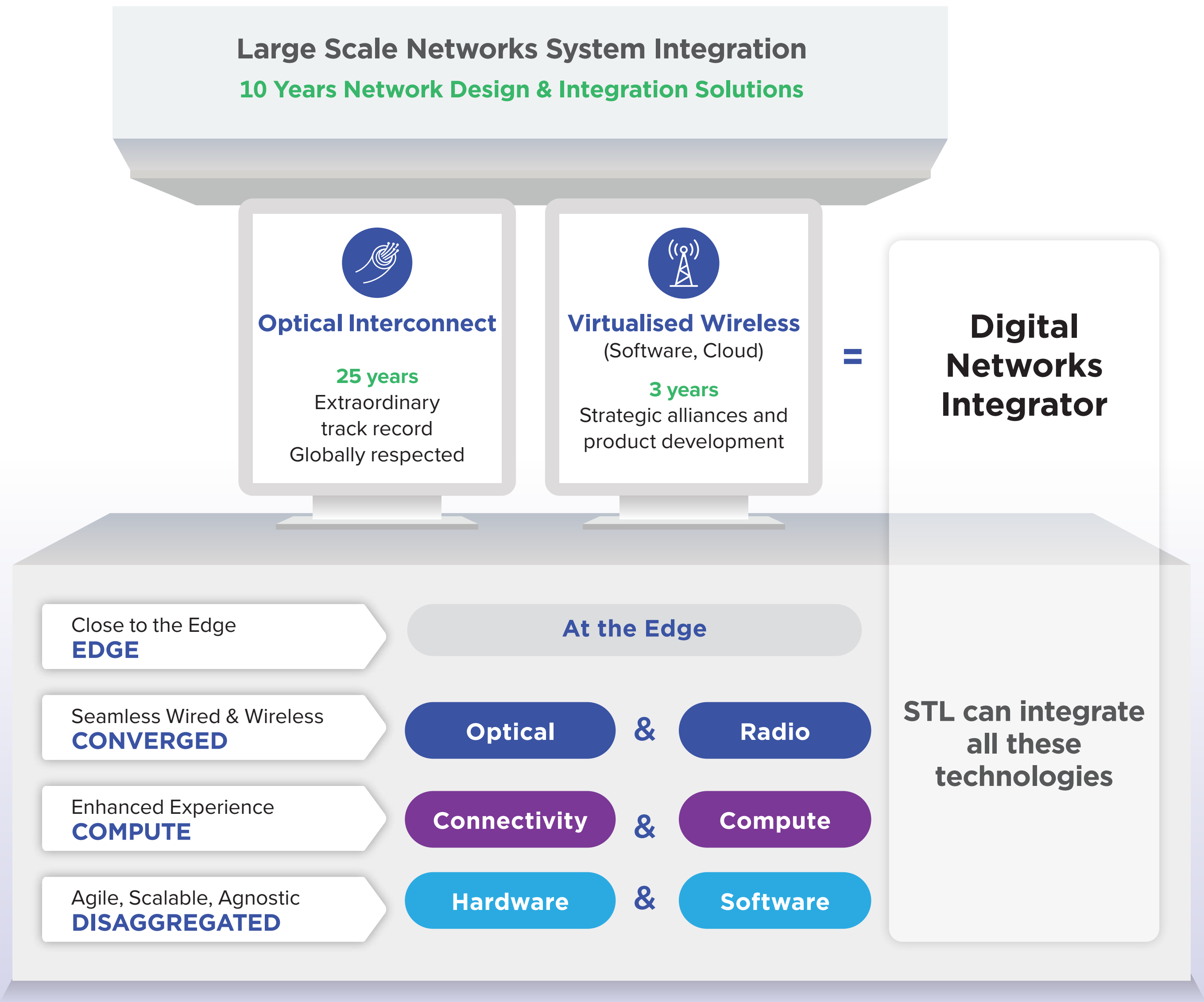
Recently, Microsoft launched 'Azure for Operators' to partner with service providers for a carrier-grade platform for edge and cloud computing. In addition to AT&T, inaugural partners for Azure for Operators include system integrators such as Accenture and Tech Mahindra, and tech bigwigs such as ASOCS, Etisalat, Hewlett Packard Enterprise, Intel, Mavenir and more. Microsoft also plans to spend $5 billion in IoT by 2022 involving its edge computing initiatives. In late 2020, Google also made some important announcements. It joined forces with 200 application partners, including Equinix, Palo Alto Networks, and Siemens Advanta, to develop new 5G-enabled edge computing technologies. Companies like Dell and Intel invested in Foghorn, an edge intelligence provider for industrial and commercial IoT applications. Both companies participated in Foghorn's latest $25 million Series C round in February 2020.

This year saw significant investments across the board and also brought a set of new technology confluences to the fore. Mainstream system integrators and operators are increasingly moving to converged networks, bringing the power of compute to network applications, disaggregating hardware and software and coming closer to the edge. These confluences or architecture shifts are here to stay. STL has been anticipating these shifts and has been building capabilities to leverage the opportunities presented by the upcoming decade of network creation.

STL anticipated and prepared for these four technology confluences

New-age networks require new-age characteristics. This new generation of digital networks will be built on these four technology confluences. To bring all these confluences together, the role of a digital network integrator becomes very important. This requires an integrator who possesses a varied set of capabilities in optical and wireless, legacy and open source, and core and edge. STL had long foreseen these technology trends and has been building its capabilities systematically to lead this technology evolution.

In optical connectivity, it has been leading the industry for the last 25 years and with the Optotec acquisition, STL has strengthened its capability in providing end-to-end solutions. The Company has built its capabilities in wireless, software and cloud with investments in Elite core, ASOCS and IDS, combined with ecosystem alliances stitched in the last five years. And lastly, based on its experience in execution of large-scale projects, STL has also strengthened its capability in system integration.



STL's roadmap is built on five strategic pillars

STL has been continuously working to bring together its capabilities across optical connectivity, network integration and next-generation wireless to create a solution-based approach. Fundamentally, it has been working on these five strategic pillars to take its capabilities to world-class levels:

Pillar 1 Technology-led end-to-end solutions

STL believes that value to customers can be delivered if it solves problems comprehensively. This happens when the Company provides advanced technological approaches, delivered across the value chain to provide sustainable benefits to its customers. With this in mind, STL has been developing holistic solutions in the area of optical, system integration and next-gen wireless.

opticonn

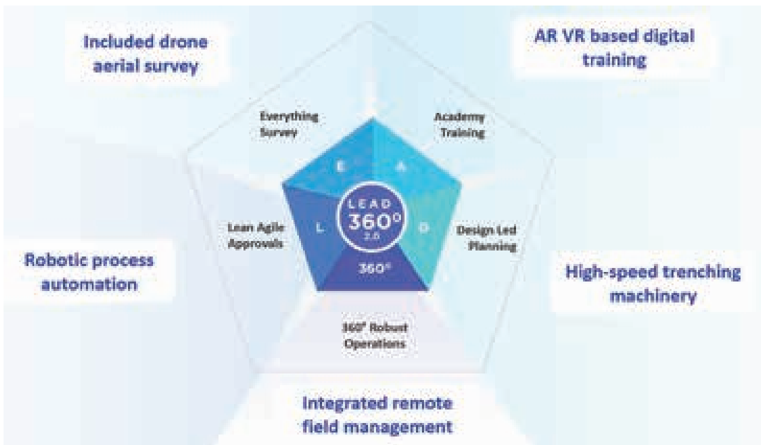
In optical connectivity, STL has made significant technology advancements in optical fibre, optical fibre cable and optical interconnectivity kits. One of its marquee optical fibres, Stellar™ offers bend insensitivity and negligible data loss with industry-best performance. In cables, STL's Celesta, with 6912 fibres, offers ultra-high density. In optical interconnect, with Optotec on board, it can now offer customised underground and aerial kits.

Together optical fibre plus cable and optical interconnect combined with logistics and partner services make Opticonn a truly comprehensive solution. Opticonn enables STL's customers to save cost by eliminating the need of skilled manpower in the field, save time with field-ready plug-and-play solutions and achieve a higher quality of network infrastructure.

LEAD 360° 2.0

Increasingly, telecom service providers and governments feel the need for fast and efficient network deployment and fibre rollouts. Implementation plans need to be expedited to take the best of the networks to every customer and citizen. For this, one of the key success factors is to have a comprehensive, technology-led process that spans all crucial stages from survey to field operations. STL's LEAD 360° – an industry first, deployment approach has been a pioneer in this space.

Over the last year, faced with unique execution challenges during the pandemic, STL strengthened its integration and delivery solutions using various technology enhancements. It launched LEAD 360° 2.0, the next generation of its fibre roll-out solution. This new version of LEAD 360° uses robotic process automation (RPA), drone survey, augmented reality/virtual reality (AR/VR) based digital training, design-led planning and integrated remote field management to ensure fast and efficient roll outs.



Virtualised access solutions

As STL noticed the move towards the edge, it focused attention on the access network, creating virtualised and programmable solutions which would enhance the capabilities of these networks. Last year STL launched a bouquet of commercially viable solutions – two of which were in the wireless space and one in the FTTx space.

The first among those is Garuda, a smart 5G indoor small cell. As we all know that 5G signals will require closer proximity to mobile devices, creating a need for short range networks. STL Garuda will seamlessly complement the network capacity, density and coverage of macro networks, and will serve as a single board optical-to-radio interface solution for 5G low-power pico-cell applications. This O-RAN 7.2x split small cell can handle more than 30 concurrent user devices and can be backhauled across several kilometres. Moreover, it can be installed within 30 minutes and deployment can be as seamless as that of a simple Wi-Fi.

Another important solution that STL unveiled is an end-to-end multi-band radio solution for next-generation 5G networks. It is a comprehensive Open RAN solution spanning across Radio Unit (RU), Centralised Unit (CU) and Distributed Unit (DU). STL is now one of the very few in the world to offer a 5G O-RAN solution.

The Company has also launched high-capacity outdoor Wi-Fi 6 Access Point (AP) for high-density deployments. STL's Wi-Fi 6 AP is an intelligent device which does level 1 processing at the edge and enables seamless Wi-Fi experience and management. The solution complements 5G to bring the same level of performance in terms of speed and latency in unlicensed spectrum, which will drastically improve the quality of public connectivity.

5G Multi-Band Radio

Comprehensive Open RAN (Radio Access Network) solution spanning across Radio Unit (RU), Centralised Unit (CU) and Distributed Unit (DU)

Garuda

An O-RAN compliant, indoor small cell solution

Wi-Fi 6 Access Solution

An integrated solution that leverages Wi-Fi 6 technology to provide carrier-class connectivity in dense environment

Solid intellectual property

All of the new product development was made possible only due to investment in R&D and new IP was developed by STL's technologists and engineers. The Company's R&D spend stands at 3.1% of its revenues in FY21. It filed 191 patents in FY21 and that takes STL's total patent count to 569 at the end of FY21. The Company is also very happy to announce that it got its first 5G patent granted in the US titled 'System and method for configuring photonic components using a photonic abstraction interface'.

Pillar 2

Pillar 2 Ecosystem alliances and investments

As the new confluences of technologies get established and adopted by industry players, the industry requires working with specialists in each technology and domain, which makes taking an ecosystem approach absolutely essential. STL, with its solid integration and development capability, is working with global players across the value chain to aggregate the thought layer in this space.

Ecosystem for 5G Access: Global industry alliances

The Company has created an ecosystem to deliver 5G Access solutions with alliances and investments. The ecosystem alliance partners bring together complementary capabilities with STL integrating the complete solution. On the hardware front, it is working closely with Edgecore, Zyxel and Alpha networks. On the virtualisation front, STL has invested in ASOCS and is also working closely with VMware.

On the radio side, it is working closely with VVDN and Xilinx, NxP and Saankhya, and on the software side, STL is building in-house capabilities. The Company has formed various academic alliances to develop new technologies. It is also a part of various forums to develop open networking standards.

Backed by STL's global ecosystem

Optotec acquisition

STL completed the Optotec acquisition in Q4 FY21. This strategic acquisition added the interconnect capability to its Opticonn portfolio. The Company is optimistic that with the combined capability of STL and Optotec, it will make quick inroads in the global optical interconnect market of $10 to $12 billion.

Capacity expansion in OFC to 33 million fkm

On the back of a strong portfolio, STL invested to expand its capacity. Its OFC expansion project to increase capacity to 33 million fkm is on track vis-à-vis planned timelines and budgeted cost.

Pillar 3 **Large-scale complex integration**

With constant focus on improving STL's delivery engine through the use of sophisticated technology and best-in-class deployment methodology, the Company kept up the execution rigour in FY21. It prioritised people and safety and deployed technology to increase the speed, predictability and efficiency of on-ground execution. As a result, its project delivery went on smoothly, despite the pandemic. The Company brought the critical Navy Communication Network project to 92% closure and Mahanet project to 98% closure.

Network modernisation

Project Varun
(Indian Navy Project):

92% completed

Futuristic SDN ready state-wide network

Projects

T-Fiber (A)

26% completed

T-Fiber (B)

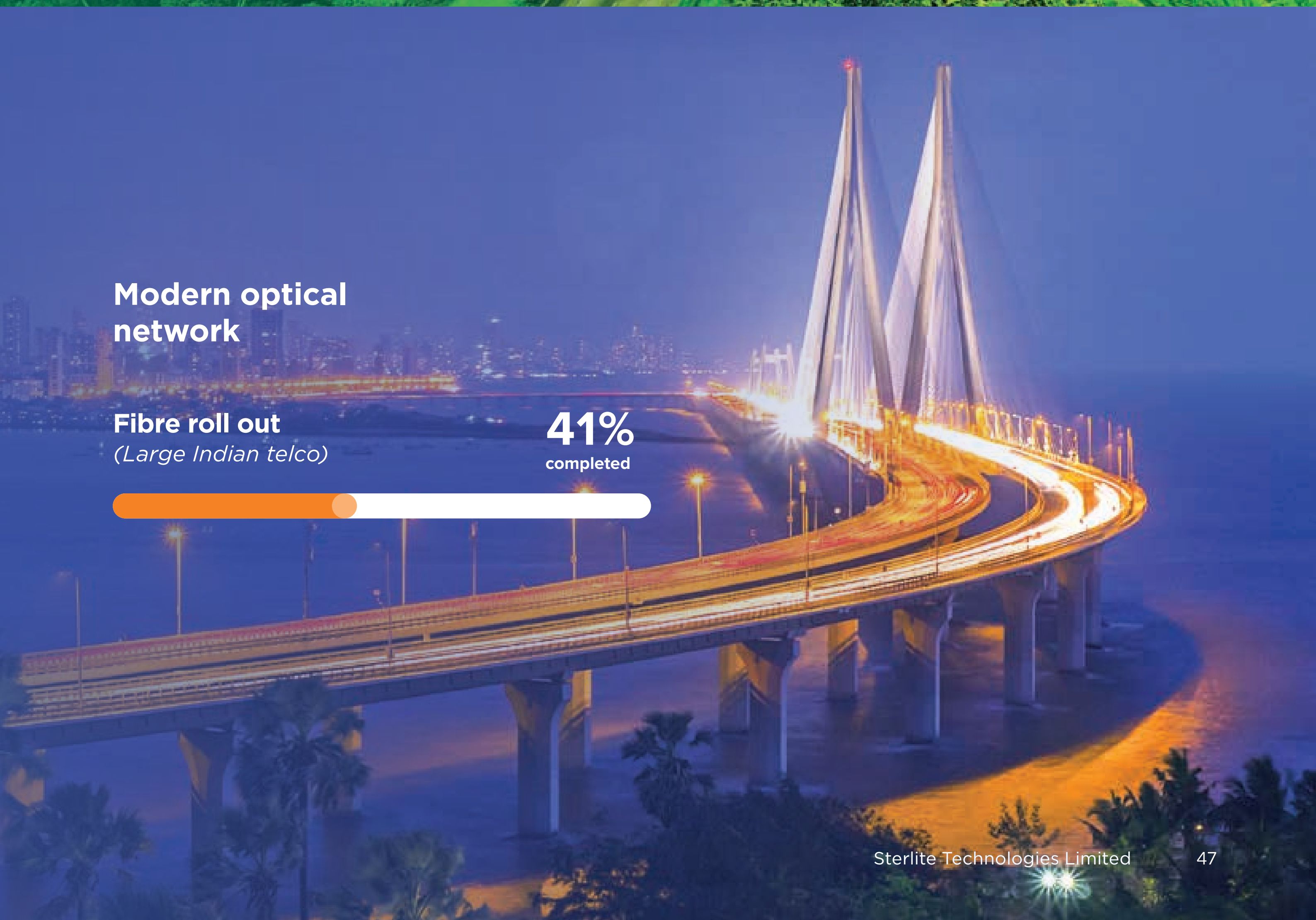
18% completed

Transformative digital inclusion

BharatNet Projects

Mahanet (A) — **98%** completed

Mahanet (B) — **61%** completed

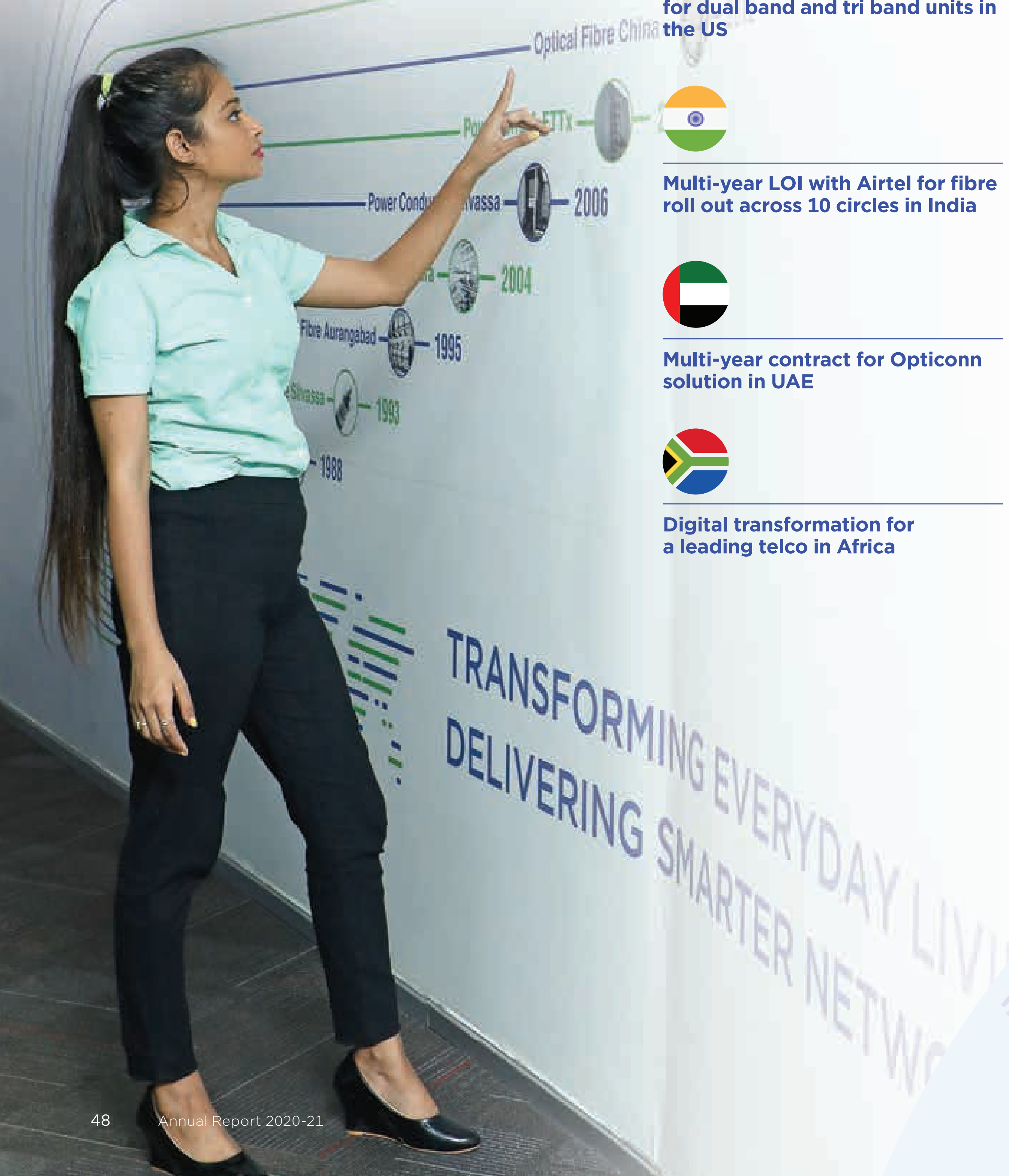


Modern optical network

Fibre roll out
(Large Indian telco) — **41%** completed

Pillar 4 Key account management

A year back STL took to a solutions-based approach and carved out a vision for its key accounts management. Converting that vision into execution, on the key account management side, we have built an account-based organisation with global experts in customer engagement. In addition to that, STL is investing in processes and capability. The Company is also focusing on co-creation and co-innovation with its customers to create maximum problems and solve industry challenges. Put together, it is resulting in deep engagement with STL's key customers. This KAM rigour, coupled with its solutions approach has culminated in some large global wins.



Multi-year strategic partnership with Openreach to help build new full-fibre network in the UK

Five years, multi million contract for dual band and tri band units in the US

Multi-year LOI with Airtel for fibre roll out across 10 circles in India

Multi-year contract for Opticonn solution in UAE

Digital transformation for a leading telco in Africa

Pillar 5 Top talent and culture

If STL is able to deliver on all of its commitments, then it's only because of the exceptional talent it houses. With the Company's full focus on this critical pillar, throughout the year, STL onboarded some phenomenal global talent to all its business functions, including optical, wireless, integration and corporate. Going forward, this global talent pool will take STL to the newer horizons of growth.

Virtualised Access

Chris Rice
Chief Executive Officer, Access Solutions Business

25 years of experience in the communication industry driving multiyear technology strategy at **AT&T**

US Market

Stephan Szymanski
General Manager, Americas

25+ years of experience in the communications Industry driving business dev and product management at **Prysmian**, N.Am

UK Services

Keith Rowley
Chief Operating Officer, Services, UK

20+ years of experience in the communications Industry driving transformation programmes as CDO at **Flomatic** Network Svcs

Governance

Mihir Modi
Chief Financial Officer

20 years of career spanning finance, strategy across large companies and startups. Cofounded digital startup led **Zee Ent** CBO+CFO

Key Accounts

Sandeep Girotra
Global Sales Head

25 years of experience in the communications industry building Key Accounts and driving 10x growth at **Nokia**

As a result of these strategic efforts, the Company has increased its addressable market to $40 billion and moved its revenue mix in desired segments.

In optical connectivity, the market opportunity is $18-20 billion, split between optical fibre cables and optical interconnect kits. The virtualised access products and network software products market opportunity stands at $15 billion. If we look at the sub-segments, Open RAN and small cell market size is $5-6 billion and the network software market is $10-11 billion. STL's addressable market for system integration Services is $7 billion. This includes all four customer segments in India and Cloud segment in Europe, which it addresses through its data centre interconnect offerings in Europe.

Enhanced our addressable market to $40 billion

Optical Interconnect Products

~$18 B

Network Software

~$3 B

Virtualised Access Products

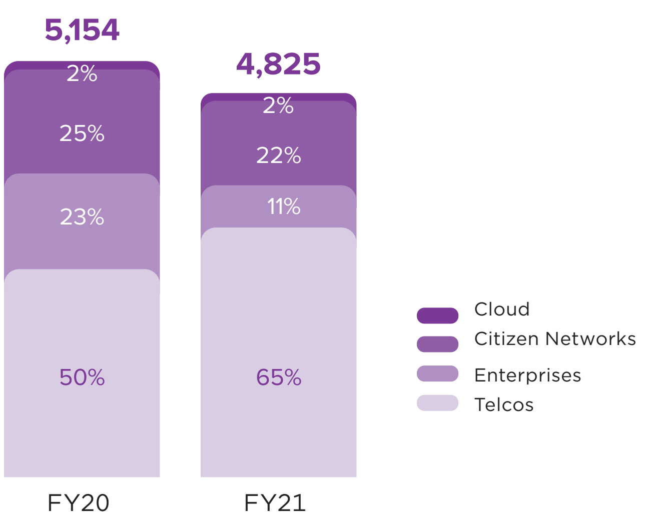
~$5 B

System Integration Services

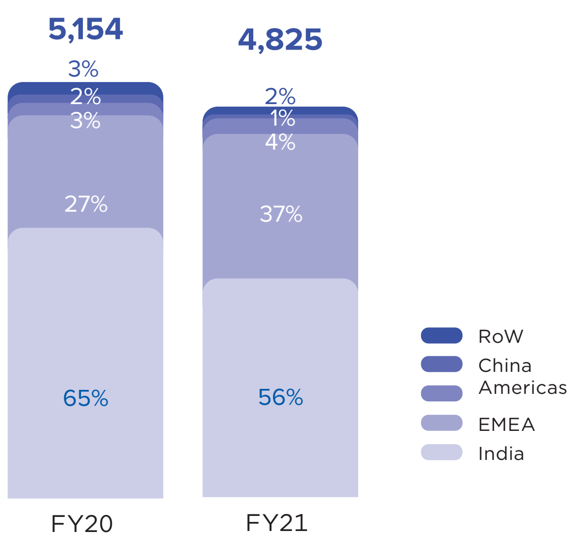
~$14 B

The Company has been able to move the revenue mix in its segments of choice. In terms of customer segments, it is increasing its share in the telco and cloud segment. In terms of geography, STL is increasing its share in Europe, the Middle East and America.

Customer Segments Revenues (₹ crores)



Geographical Distribution Revenues (₹ crores)



As STL moves forward, the Company shall pull the following growth levers to reach its target

Lever 1

Grow optical business

The first is to grow OFC volume and Optical Interconnect business. If you look at STL's global market share in optical fibre cable, the Company has steadily increased it from 1.3% to 5.1% over the last 20 quarters. Specifically, in FY21, its volume grew by more than 35% in a flat industry. This has been made possible by gaining a higher share of business in STL's key accounts. Going forward, the Company shall continue to increase its market share and also penetrate new markets to increase overall OFC volume.

In terms of optical interconnect business, in the initial phase, STL will leverage its existing customer relationships in Europe and the Middle East to expand the business. Going forward, it will continue to offer Optical Interconnect products through the Opticonn solution, which is a compelling value proposition for STL customers.

Lever 2

Globalise system integration, while scaling in India

The second lever is to take system integration global while scaling in India. If you look at how the Company has developed this business over the years, you will notice that STL started with deploying long haul networks for Indian Defence and Indian citizen networks. Post that, it modernised complex pan-India networks for Indian Defence. In the next phase, STL designed and deployed fibre networks in the large Indian metropolitan cities and also provided data centre solutions to cloud companies.

Now going forward, the Company is planning to undertake international projects. As a first step, it is entering the UK market. STL has started building its team and is in advanced discussions with its customers for orders. After the UK, it will further enter select European markets.

Lever 3

Build disruptive, open source Access solutions

The last but the most exciting lever is to scale STL's virtualised access solutions business. The Company is building a world-class business by leveraging a team of exceptional professionals and ecosystem partnerships. Currently, it has a team strength of 200. STL is relentlessly working towards becoming a partner of choice for large-scale O-RAN deployments and 5G networks. The Company has already shared that it has partnered with a leading telco in the US market to build a greenfield 5G network based on Open RAN technology and currently the product trials are being conducted at customer premises.

Buoyant demand outlook, investment traction, technology evolution and STL's fully aligned strategy and growth levers, put it in a unique position, through which the Company can drive accelerated business growth, and meaningfully contribute to this multi-year network creation cycle.

FY21, has been a year like no other. This year challenged humanity at many levels and like many other things, digital networks had to stretch to deliver the best. Realising the impact of digital networks across all fields of human endeavour, governments, operators, enterprises and private equity players collectively came out to announce significant investments. Technology advancements that were considered future possibilities, became mainstream. Keeping its eyes on the future, STL worked hard to build its prowess across wireless, optical and system integration. The Company has been able to convert many of these possibilities into fundamental capabilities and solutions that, in this upcoming decade of network creation, will place STL in a strong stead to deliver to its customers and create value for its shareholders.

Fortifying the business against uncertainties

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

ERM governance framework

Risk management activities

Governance framework

Risk-management organisational structure

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

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

- Board of Directors: Ensuring that the risk-management framework is contributing to achieving business objectives, safeguarding assets and enhancing shareholder value
- Risk Management Committee: Overseeing risks and their management and reporting to the Board on the status of the risk-management initiatives and their effectiveness
- Chief Risk Officer: Developing and ensuring implementation of the ERM policy
- Risk Champions: Ensuring that risks are considered in all decision-making processes and to adhere to mitigation plans developed for each risk

ERM risk management activities

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

Risk identification

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

Strategic Risks

- Geo-political and economic
- Industry
- Customer and competition
- Product portfolio and innovation

Operational Risks

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

Financial and Reporting Risks

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

Compliance Risks

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

The risk assessment also includes Business Interruption Risk caused by COVID-19 pandemic.

Business interruption risk caused by the pandemic

The ongoing outbreak of COVID-19, has and may continue to, negatively impact the global economy, impacting supply chains, restricting the movement of goods and people, and halting manufacturing and economic activities. The measures implemented to curtail the spread of the virus have already impacted and will continue to impact STL's ability to successfully operate and deliver on its financial performance and goals. Besides, health concerns of STL's people may lead to a complete or partial closure of operations. There may be other operational issues that might impact its manufacturing facilities or those of its suppliers. Moreover, reduced economic activity may severely impact STL's customers' financial condition and liquidity and may lead to decreased demand for the Company's products and services or impact the timing of on-going or planned projects.

The Company has proactively put in place a Business Continuity Plan with clear focus on :

Employee and ecosystem safety

Customer commitment and fulfillment

Cash flow planning/managing liquidity

Preparedness for quick restart

Strategic risk

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

Geo-political and economic risk

STL operates in a global environment, and can be affected by the general economic environment, political uncertainties, local business risks, as well as laws, rules and regulations in individual countries, thereby affecting demand for its offerings. The Company closely monitors the development of world events and undertakes proactive actions to minimise the potential negative impact.

Industry risk

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

Customer and competition risks

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

Product portfolio and innovation risks

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

Operations risks

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

Talent management risk

STL's ability to successfully implement its strategy and deliver value and growth is highly dependent on its organisation structure, ability to attract, develop, engage and retain best professional talent with a focus on diversity. The Company has taken significant steps in building future readiness. STL onboarded best-in-class talent globally, including a vibrant group of graduate engineers and management trainees. The Company focused on building future capabilities and talent pipeline through a robust succession planning programme, extensive job rotation and development programmes to identify and develop young leaders. It invested in developing capabilities to reskill and upskill its employees for future roles. During the year, STL implemented several initiatives to help its employees, their families and communities who are impacted by COVID-19. It rolled out programmes focused on employee well-being and mental health. STL has been certified as 'Great Place to Work' for the second year in row.

Service delivery risk

The Company is undertaking various large-scale, end-to-end projects. The Company has implemented strong Project Management Frameworks, which are supported by digital tools and applications. Despite this, there is a risk that STL may not be able to complete its projects within the contractually agreed timelines, which can result in penalties and in remote scenarios, contract termination. Such outcomes may result in lower revenues, margins and adverse brand image.

Supply chain risk

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

To mitigate the impact of COVID-19 on availability of key input materials and logistic disruptions, STL has proactively implemented a multi-model shipping network for outbound logistics. This will help to minimise the impact of uncertainties in ocean shipping and strategic inventory build-up for key input materials and identification of alternate suppliers, to further strengthen the resiliency in securing the key materials in the event of any disruption.

Cyber security risk

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

Financial and reporting risks

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

Financial reporting risk

Ineffective internal control over financial reporting may not provide the desired true and fair view of the financial position and business performance. The Company maintains robust Internal Financial Control (IFC) in order to ensure that reporting is complete, transparent and free from material weaknesses. The system for internal control is based on internal control and integrated framework issued by The Committee of Sponsoring Organisations of the Treadway Commission (COSO) which outlines the components, principles, and factors necessary for an organisation to effectively manage its risks through the implementation of internal control framework.

Control environment

Code of business Conduct, Defined role of BoD and management

Risk assessment

Strategic, Operations, Financial and Compliance Risks

Control activities

Process controls, IT general controls, MIS reviews

Information & communication

Policies and Procedure, SOPs, IT tools

Monitoring

Exco review, Internal audits

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

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

Liquidity risks

The Company requires funds both for short-term operational needs, as well as for long-term investment projects, mainly for growth projects. The aim is to minimise the risk by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity both in the short term and long term. The Company works with a healthy mix of long-term and short-term debt. Further, in response to COVID-19 pandemic, STL has performed scenario-based testing to ensure that it has enough liquidity to navigate the current crisis.

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. STL is vertically integrated globally, and any movement in a single raw material does not impact its cost structure significantly.

Interest risks

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

Foreign currency risks

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

Counterparty risks

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

Compliance risks

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

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

Risk assessment

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

Risk response

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

Risk monitoring and reporting

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

RESPONSIBLE CORPORATE CITIZENSHIP

Redesigning the narrative for a better world

As the pandemic raged on, STL's CSR efforts ensured holistic development through impact-focused initiatives driven by best-in-class technology and data. The Company collaborated with front-runners across its value chain for numerous ESG priorities, creating shared value for all.

Building it on an all-inclusive ESG framework

STL made some significant achievements in FY20 on eco-friendly operations. It created shared value, leveraging tech and data among several other aspects. However, with the pandemic raging beyond what anyone had fathomed, it became necessary to push the boundaries even further to build in resilience for the Company's operations, value chain and communities. STL innovated on the go and adopted more technology tools than before to implement programmes that ensured social development and environmental conservation are not stalled.

And collaborations made what STL achieved in FY21 possible. Not just through its social impact programmes, but also its sustainability initiatives and governance mechanisms. Thereby, STL has ensured its Environmental, Social, Governance (ESG) agenda occupies centre stage and governs each of its actions.

Being driven by leadership across the spectrum, not only is this agenda an integral part of the Company's overall business strategy, but also being imbibed across its value chain. The Company is looking to eventually lead the ESG space by collaborating with front-runners on several environmental, social and governance priorities. This, of course, covers its employees (STLers) and will help the Company nurture a culture of innovation to achieve optimum use of resources, enhance its community impact, address critical issues plaguing the planet and, in turn, deliver meaningful and sustainable transformation.

Reporting boundaries for the FY21 report

The reporting boundaries for the following ESG data cover three of its manufacturing facilities in Aurangabad and two manufacturing facilities in Silvassa. It does not cover operations outside India and non-manufacturing facilities such as offices in India. STL has aligned this report with the core option based on GRI Standards.

Aligning with global goals

STL considers the UN Sustainable Development Goals (SDGs) as interrelated. They have the impeccable ability to create change that spans across multiple areas. The domino effect they create, be it in business operations, across the supply chain or even community programmes, is unique and often understated. Therefore, STL has been able to integrate its operations and CSR programmes with not just one or two or three UN SDGs, but 15 of them.

However, STL has not stopped here. To achieve sustainable growth, especially in a frenzied world afflicted with the pandemic, along with climate change, gender inequality, poverty and several other issues, the Company abides by the UN Global Compact 10 principles on Human Rights, Fair Labour and Anti-corruption in addition to Environment Conservation. Ethics, transparency in reporting, adequate redressal systems, best-in-class health and safety policies for employees also form a pivotal part of STL's overall business strategy and culture.

To reinforce the Company's commitment to this universal agenda that encompasses the UN SDGs and UNGC 10 principles, STL even publishes its Communication on Progress annually.

Creating a 'shared value' proposition

Stakeholder engagement

STL believes in collective action and collaboration. And that's why, ongoing and effective stakeholder engagement is pivotal for the Company. Regular interactions and joint efforts have helped it use insights from several stakeholders to create better and innovative strategies and programmes. To STL, stakeholder engagement is all about realising the point of agreement or common motivation that allows different stakeholders to work in unison for the greater good. And using well-established mechanisms – direct and indirect – to source continuous and unbiased feedback have been central to helping the Company sort the innumerable insights and integrate them into its ways of working and culture.

But this belief is not limited to stakeholders involved with STL's operations. It is embedded across the Company's value chain comprising partners up and down stream, and communities where we operate in as well as elsewhere in the country. STL's stakeholders, thus, include organisations and individuals impacted by or who can influence its operations, as well as its customers, suppliers, waste buyers and other partners.

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

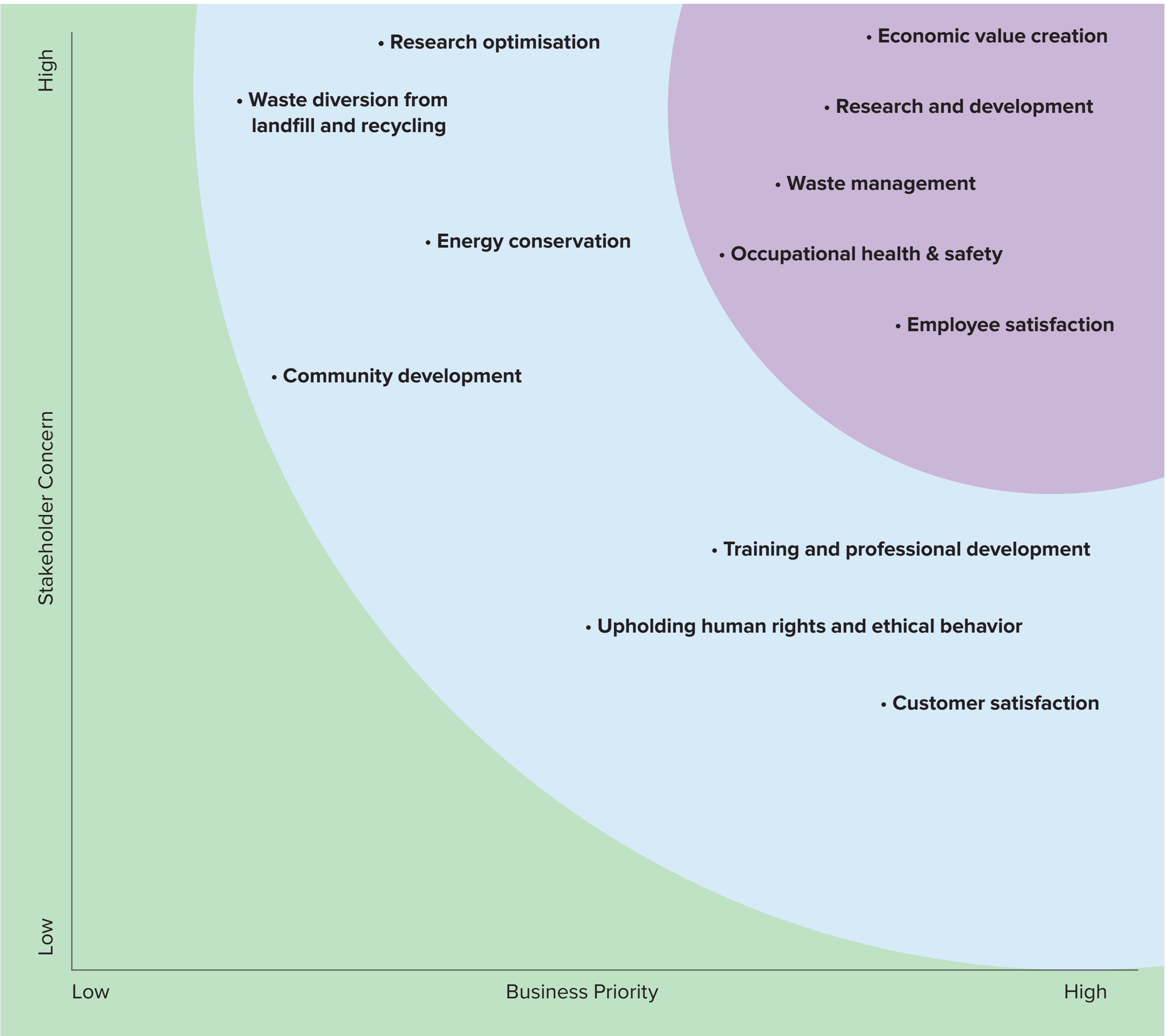
Materiality assessment

STL prioritises ESG areas that are fundamental for creating sustainable growth for regions and communities it operates in, its employees, stakeholders and, of course, the Company. Each one of these areas are based on the feedback from several stakeholder engagement forums. And most importantly, the Company ensures it aligns these with its vision and values as well as business priorities.

Every theme is assessed in consultation with respective process owners and management to gauge their significance, legitimacy and impact. This process gives STL the materiality matrix, which allows it to identify areas the Company needs to focus on. It also helps ensure clear responsibility, precise targets, governance, and formulate a well-defined and time-bound achievement strategy.

Each material topic is also aligned with the GRI standards and its indicators. The reporting boundaries have been defined from the materiality assessment and depicted in the GRI index that forms a part of this section.

Materiality matrix

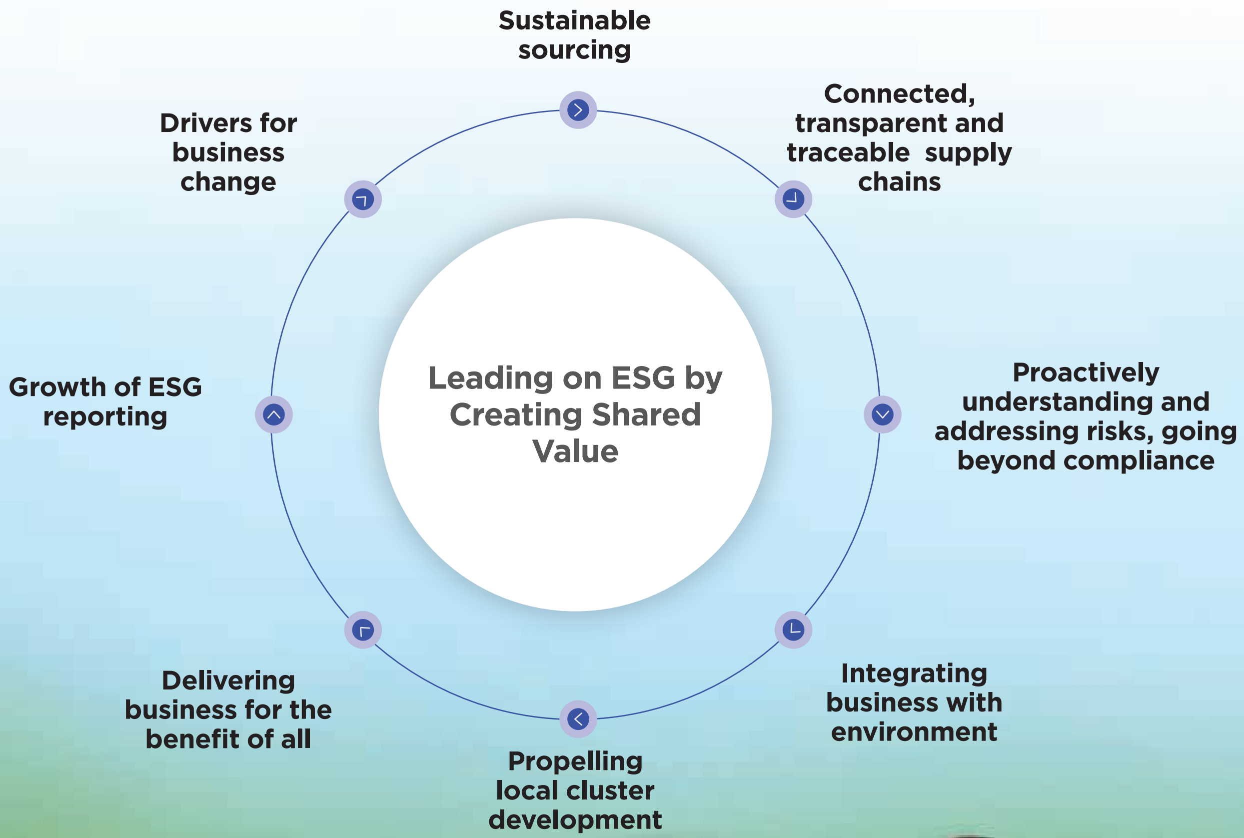


Embracing ESG for sustainable growth

STL's mission is to be a 'responsible leader in ensuring a connected and inclusive world'. This pertains not only to STL's business, but also how it designs and implements its ESG agenda. Therefore, STL's responsibility does not stop with its operations. It extends across the Company's entire value chain. It incorporates how STL sources its raw materials, how it designs its products using eco-friendly material, ensuring its partners adhere to ESG practices STL abides by, waste management, minimising emissions from manufacturing, storage, transportation and ultimately ensuring customers and end users are able to use green products and services that help create a more connected world.

However, the world is still beleaguered by innumerable concerns including increasing climate change, widening inequality gaps, poverty, hunger and so on. STL hence believes that it is not just its moral duty, but essential for generations beyond tomorrow, to also encourage behavioural change in communities on circularity of resources, gender equality, ethics, human rights and facilitate a more inclusive future through access to quality education and healthcare. STL therefore does not just look to reduce energy, other resource usage and waste within its boundaries but also takes every opportunity to replenish what the company uses. This is done through comprehensive community programmes that look to leverage innovation, technology and data for sustained and meaningful impact.

Our strategy



STL's leadership has been instrumental in driving its ESG agenda across the value chain. Not only do they oversee implementation, but also monitor progress and aid mitigating challenges through a Sustainability & CSR Council. Along with leadership, a cross-functional taskforce covers each of the four major areas the Company has framed its 2030 Sustainability Targets on. This allows STL to work with stakeholders across the value chain to innovate collectively, ensure compliance, and imbibe the Company's values and beliefs on human rights practices, sustainable sourcing of raw material, fair labour practices, transparency in operations and reporting. This adherence also certifies that they conduct their operations in an eco-friendly manner.

ESG

Environmental

- Climate change strategy
- Biodiversity
- Water efficiency
- Energy efficiency
- Carbon intensity
- Environmental management system

Social

- Equal opportunities
- Freedom of association
- Health and safety
- Human rights
- Customer & products responsibility

Governance

- Business ethics
- Compliance
- Board independence
- Executive compensation
- Shareholder democracy

STL's processes are governed by a Quality, Environment, Health and Safety policy, and each of the areas are also monitored through an ISO 14001 certified Environment Management System. This helps the Company maintain high environmental and safety standards across its facilities as well as identify gaps and proactively mitigate them through appropriate action.

Environment

Environmental highlights for FY21 and till date

Aiming at 100% sustainable sourcing

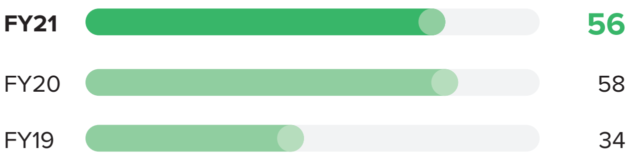
The recent pandemic amplified more than ever the need for corporates to have a robust and balanced supply chain. At the same time, it highlighted the need for better implementation of human rights, fair labour and wages practises up and down stream.

Over the last few years, STL has been working to create a healthy mix of local and global suppliers. The Company not only works with them on packaging and product innovations, but also adherence to human rights and other such aspects which are all fundamental to creating shared value and ensuring a eco-friendly and socially conscious supply chain.

Along with STL's suppliers, who it considers partners in progress, the Company aims to create products that offer an exceptional experience to customers and end users. Their durability, tactful network laying and robustness ensure this. However, to make this possible globally, the Company maintains the highest standards when it comes to sourcing its raw material, as well as adhering to stringent international requirements such as Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations for STL's products. In addition to this, the Company is now implementing supplier assessments and audits that will ensure their alignment with its values and practises not just on environmental parameters, but also on waste disposal, human rights, fair labour and anti-corruption.

To build a sustainable supply chain, STL ensures an optimal mix of national and international suppliers. Locally, it prioritises partnering with suppliers in and around its operations, which helps the Company reduce its environmental footprint while simultaneously upskilling local talent and minority communities.

Local Suppliers (%)



In addition to building in sustainability, partnerships facilitate innovation. Through various forums, the Company works with partners to develop green, reusable packaging material and source durable and disaster-proof raw material that are capable of withstanding natural calamities.

Such partnerships have led to simple, but significant innovations — the latest being the Ultra-Light Weight (ULW) Cable drums developed together with Networks Centre, UK.

Previously, weighing 130 kg each, the Ultra-light weight cable drums not only made shipping difficult and costly, but also posed a risk of damaging the cable. Even at the customer's end, they were difficult to handle, transport and re-reel.

The size of these drums made it impossible for them to be stored on a pallet rack. This meant, they needed to be stored upright, occupying significant warehousing space. Additionally, customers were unable to accept the cable in this format due to the bulky drums that were difficult to deal with and offload.

So basically, what was needed were small, light reels that could preferably be handled by one person.

STL, together with Networks Centre's technical, warehouse and cable reeling teams, devised the best possible solution using smaller reels. This meant STL could now transport three drums in the same space as one, increasing shipping capacity by over 60%. The new design also meant saving 2.28 MT of plastic and 13 tCO_2e. The smaller size of drums meant further economies in transportation as well as reduced the damage to the cable while shipping. The new dimensions easily fit on to a pallet ensuring minimal-to-no movement unlike the earlier ones which had to be stacked on account of the size. Even loading time of the drums for shipping reduced to one-fourth of what was earlier required to load fewer drums.

Before

33 drums

in 1 hour

After

54 drums

in 20 minutes

Contributions to UN SDGs

- The programme ensured regional development in Silvassa through collaborations with local suppliers for packaging material and non-critical materials
- Fibre-reinforced drums, ULW drums and S.U.R.E. packaging were developed through collaborations with partners across the value chain
- 56% of raw material by value was sourced from local suppliers promoting development in these regions
- STL ensured resource efficiency in consumption and production of packaging by decoupling economic growth from environmental degradation through innovations such as Fibre Reinforced Drums, ULW Cable Drums, S.U.R.E. packaging
- STL took measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of child labour by making adherence to these aspects mandatory for all our suppliers. These form clauses in each of our contracts which suppliers need to agree to
- The programme implemented a 10-year framework in 2020 for ensuring 100% sustainable sourcing and transitioning to a green supply chain by 2030. This focuses on sustainable consumption and production, development and capability building as well as collaboration with suppliers and other partners across the value chain
- The Company is working harmoniously with suppliers and waste buyers to develop their capabilities and adopt new technologies that reduce our environmental impact

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Designing and delivering eco-friendly products

STL's products and services are best-in-quality and eco-friendly. It ensures eco-friendliness by conducting life cycle assessments for product families, which helps the Company identify areas where either energy optimisation or material replacement is required to reduce the product's eco-footprint. Till date, the Company has conducted Life Cycle Assessments (LCA) for ten product families and aim to cover 100% by 2030.

Further, a comprehensive Quality, Environment Health and Safety policy guides its operations to minimise accidents, spillage and reduce any negative environmental impact. STL trains professionals to deploy the networks with minimal wear and tear, replacements and downtime.

The Company's smart city and software solutions have not only contributed to building better, greener and safer cities, but also played a critical role during the pandemic to help local governments monitor the situation in their respective states. Additionally, these offerings provide cities with high-speed data transfer, ensuring efficient information management, better traffic controlling, optimisation of energy consumption and fast emergency service management.

Contributions to UN SDGs

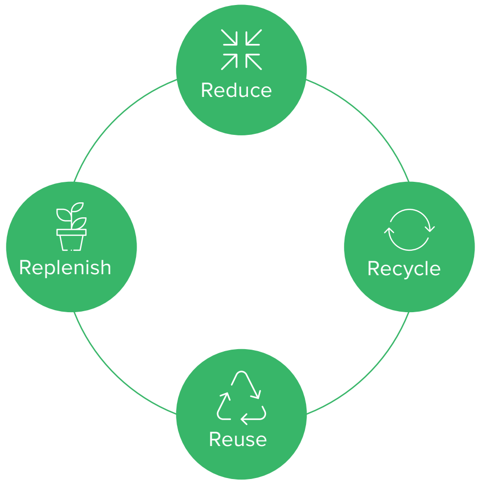
- LCA for 10 optic fibre cable families have been completed till date
- Significantly increased access to information and communications technology to provide universal and affordable access to internet through STL Garv and STL's projects with BharatNet, Mahanet and others reaching out to 3 villages across Maharashtra, Telangana and Uttar Pradesh
- Improving resource efficiency in consumption and production in an endeavour to decouple economic growth from environmental degradation by developing durable and green products such as Mobilite, Multilite, Olympus Lite cables and others

Aiming at water positivity globally

Water scarcity is now a global issue. While STL's operations are not water intensive, it still uses a significant amount. Therefore, water management features as an 'extremely high' priority area on the Company's materiality matrix.

During FY21, STL conducted a comprehensive water footprint study across all its Indian manufacturing units. This allowed the Company to identify exact areas it needs to target through optimisation and innovation to reduce its water consumption. The Company leverages technology and monitors processes that enable it to recycle the waste water from manufacturing. This has allowed it to substantially reduce its fresh water intake.

Post STL's water footprint study conducted by SGS India, it has undertaken a holistic water management approach that includes:

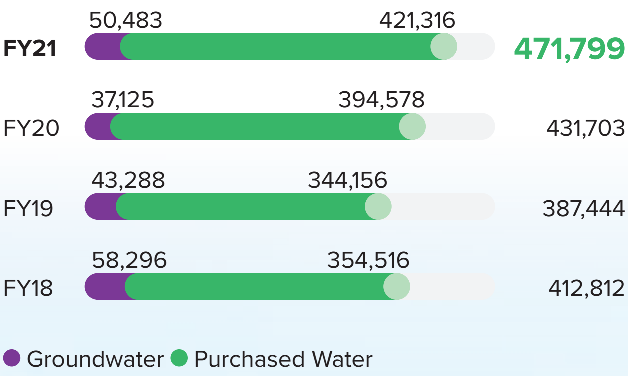


Harvesting rainwater

Harvesting rainwater during the monsoon is not just a sustainable option of saving water, but also prevents wastage due to run-off. During FY21 STL ensured each of its manufacturing units has rainwater harvesting structures, allowing it to conserve over 4,000 m3.

Rainwater harvested

Water consumption



Optimisation of water use

In FY20, the Company implemented a number of measures to optimise its water use, including water dashboards at plants, an automated dosing system in cooling towers, substitution of fresh water with recycled water for scrubbing, optimisation of cooling tower blow down and Reverse Osmosis (RO) plant. During FY21, several improvements to existing structures helped the Company achieve 20% improvement from the previous year. Some of these measures are:

- Optimisation of consumption in SiCl4 (Silicon Tetrachloride) area resulted in saving of 150 m3
- Installation of automatic taps to reduce touchpoints and save water
- Softener backwash water diverted from Multiple Effect Evaporator (MEE) feed to Blowdown stream for re-use and MEE condensate to boiler feed

Water recycled and reused

	(m^3)
FY21	**141,863**
FY20	124,791
FY19	78,620

Contributions to UN SDGs

- By 2030, STL aims to become water positive across all its manufacturing locations globally. To achieve it, the Company is ensuring sustainable management of scarce resources such as water through prevention of waste, reduction, recycling, reuse and replenishment
- The Company is reducing pollution, eliminating dumping and minimising the release of hazardous chemicals and materials at Waluj (Maharashtra), Shendra (Maharashtra), Rakholi (Dadra and Nagar Haveli) and Dadra (Dadra and Nagar Haveli) through water treatment facilities and monitoring mechanisms
- In FY21, 1,41,863 m3 of water was recycled and reused at STL's manufacturing facilities in India. 1,07,410 m3 freshwater intake was avoided in FY21
- The Company is investing in technology like effluent and sewage treatment plants, multiple effect evaporators and others. This helped STL reuse and recycle 3,45,274 m3 water till date
- Rainwater harvested structures are created at all Indian plants
- All optic fibre plants are Zero Liquid Discharge Certified and these efforts are replicated at Silvassa as well
- Effluent and sewage treatment plants are installed to treat wastewater from manufacturing plants across all three units in Aurangabad
- Wastewater that has been recycled is reused within STL's manufacturing premises for horticulture

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Working towards circularity

Waste management is a national priority. It is also an excellent way to not just improve efficiencies by reducing waste at source, but also promote a circular economy identifying alternative uses for waste or by-products in natural or industrial cycles.

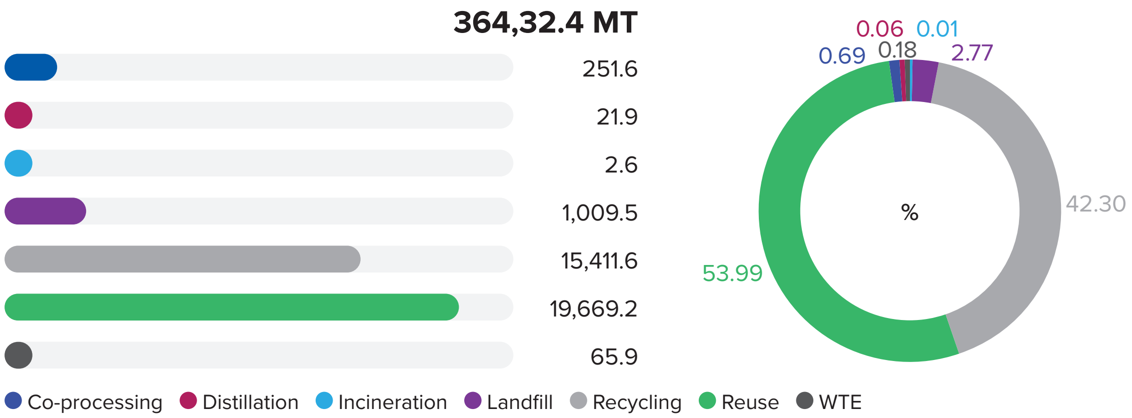
At STL, it is one of the most fundamental ways the Company drives its sustainability agenda. It has enabled STL optimise resource utilisation and operate in a more efficient and eco-friendly manner by treating waste as a resource.

Four of its five manufacturing units in India are Zero Waste to Landfill certified by Intertek, a U.S. Quality Assurance provider. The Company aims to have all its plants across the globe certified.

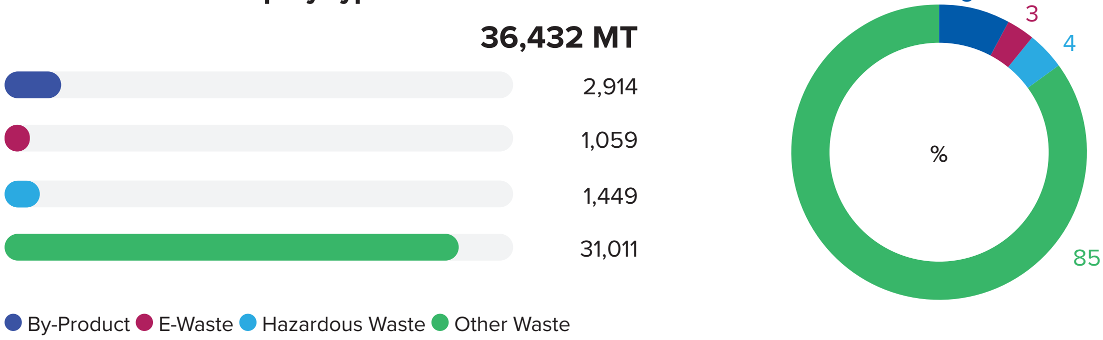
Our approach

- Waste generation reduction
- Waste segregation
- Reuse and recycle
- Legal compliance

Total waste break-up by disposal method FY21

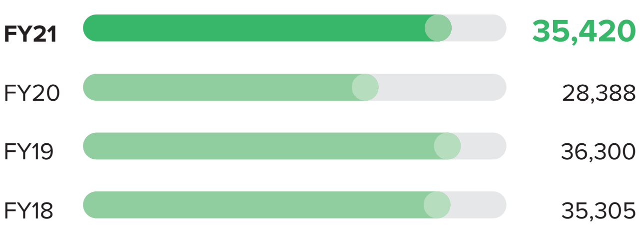


Total waste break-up by type FY21



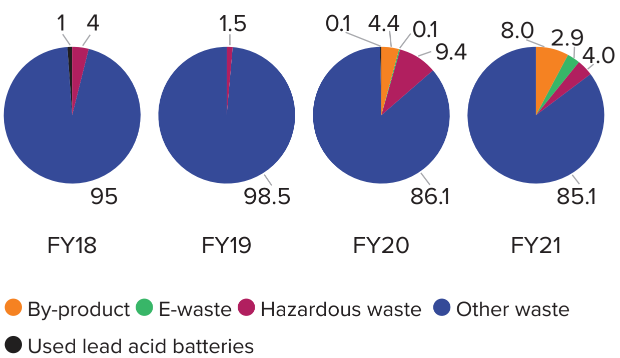
Waste diverted away from landfills

(mt)



Waste break-up by type

(%)



Committed to Net Zero Emissions

Energy consumption is a material topic for STL, as it ultimately results in carbon emissions. The Company endeavours to reduce its carbon footprint and achieve net zero emissions. To understand better the areas where efficiencies need to be created, STL has undertaken a carbon footprint study of 100% of its operations based on which a strategic plan and annual targets have been defined.

After setting an annual reduction target of 10% to achieve its 2030 goal, STL exceeded this by more than doubling its savings reducing 23.6% specific emissions in FY21 considering FY20 data as the baseline. Some of the ways STL achieved these savings include:

- Optimisation of air conditioning systems across all locations
- Installation of VFDs in pumps, chillers and compressors
- Switch to LED lights for all replacements

The total energy consumption in the reporting period was 844,695 GJ.

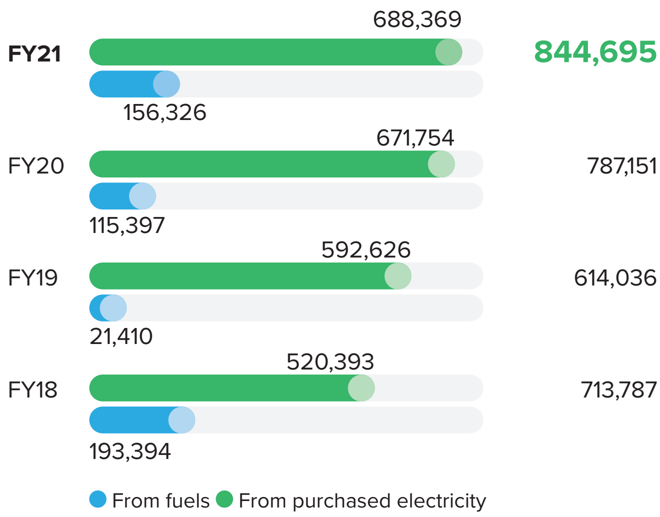
STL continues to rigorously monitor its carbon emissions and it is working towards its reduction. During FY21, Scope 1 and 2 emissions were 4,002 and 156,795 tonnes of CO2 equivalent, respectively.

7,619+

tCO_2e avoided

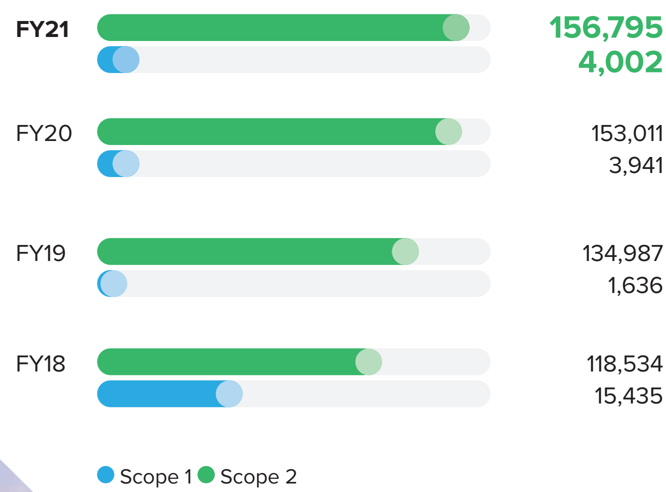
Energy mix

(gj)



Carbon emission

(tCO_2)



Contributions to UN SDGs

- Zero waste is sent to landfills at Shendra, Aurangabad, Rakholi and Dadra (Silvassa)
- 96.21% waste generated at Waluj manufacturing facility is diverted away from landfills, ensuring Zero Waste to Landfill Level 2 certification
- Programmes are implemented for sustainable consumption and production through S.U.R.E. packaging, saving 840 MT of plastic and 770 MT of wood and paper in FY21
- 2,914 MT of by-products were repurposed in FY21
- 97% of waste is recycled, reused and co-processed
- All waste buyers are assessed as per the requirements of Zero Waste to Landfill certification
- Redesigned packaging material has helped save 2,327 trees during FY21
- Value engineering in packing spool covers have helped reduce 23 MT of Polypropylene
- Sustainable practices and integrated sustainability information are adopted into STL's reporting cycle through disclosures in its Annual Report and the Communication of Progress on ESG through the UN Global Compact website
- Awareness drives on water conservation and e-waste recycling were conducted in FY21 for all employees
- 100% employees of Rakholi, Dadra and Shendra draw were covered under Zero Waste to Landfill awareness programme. This awareness module covered topics like importance of sustainability, water positive and zero waste to landfill

Social

Building a better and more inclusive world

The COVID-19 pandemic brought to the forefront innumerable glaring gaps in India's development landscape. In STL's endeavour to bridge these, it turned to its core expertise – technology and innovation. This year saw new models that have helped the Company guarantee access to quality healthcare, education and better livelihoods for rural communities. Some of these communities are from districts that are among some of the lowest ranking regions on the Human Development Index.

The agility built into these models allowed them to endure and continue even during the second wave of the COVID-19 pandemic. This has ensured that education to children from lesser privileged families does not stop even if their schools are closed, the sick have access to a doctor at all times, digital literacy continues to grow, gender equality does not get affected, communities keep benefiting from the experience of STLers and the Company's work on environment conservation goes on.

As always, while focusing on a core UN Sustainable Development Goal, STL has also incorporated aspects that allow it to contribute to mitigating other social and environmental issues, making its interventions holistic and sustainable.

Additionally, each of its focus areas has a unique ability to influence several other development areas. However, to deliver on the 2030 UN SDG Agenda, collective action is crucial to drive change that is meaningful and lasting. It is also essential to delve deeper into such social, environmental and governance issues to understand what is actually leading to their existence. Communities and governments therefore become not just important stakeholders, but partners in development, as it is only along with them that the root cause of an issue can be done away with to prevent it from recurring.

The Company has incorporated its learnings of several years into its programmes and models successfully. As it continues to work closely with communities, STL is undertaking more inclusive, tech-driven and sustainable initiatives that not only help improve their standards of living, but also create safer, healthier, more inclusive and greener communities.

During FY21, STL set the base to not just deliver on national and global priorities, but also its 5-5-5 ESG goals for 2025. These include improved healthcare, education and gender equality, water availability to counter scarcity and carbon emissions reduction while improving livelihoods.

In each of these programmes, data has been a critical element that has helped the Company in better decision-making and programme design alterations proactively be it in healthcare, education, women empowerment, employee volunteering, digital literacy or environment conservation.

Social highlights for FY21 and till date

1.43+ million

Overall impact till FY21

20,000+

Lives benefitted through Women Empowerment

8,38,000+

Lives benefitted through Education

4,45,000+

Lives benefitted through Healthcare

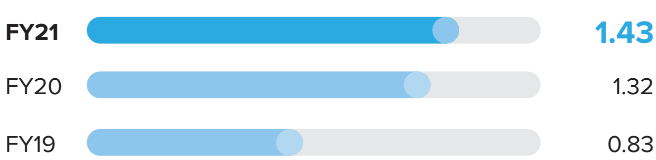
1,26,000+

Lives benefitted through Environment initiatives; 20,000+ trees planted

5,000+

Lives benefitted through Volunteering

Total lives impacted (million)



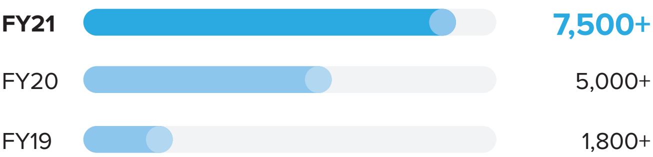
Women empowerment

Set up in Ambavane, Velhe, Maharashtra in 2014, the Jeewan Jyoti Women Empowerment Programme has, over the years, empowered women to become agents of change. The comprehensive ecosystem that the programme provides ensures that women are supported during their skilling courses through additional facilities. These women are guided on personality development and career growth that helps them emerge more confident of their abilities and potential with a clear direction on the way forward. This has created a new generation of women in rural Maharashtra who want to make their dreams a reality. There are now, not just more women employed, but an increasing number of women entrepreneurs.

At the production unit set up at Velhe in FY20 women are trained on advanced handicrafts as well as quality, supply chain management, packaging, and other processes.

To further strengthen this holistic ecosystem, STL launched the Jeewan Jyoti application in FY21. The Company further extended the programme to urban youth in Aurangabad. Here, apart from equipping them with industry relevant skills, they are also guaranteed employment on successful completion of the course.

Lives impacted



Anita Shilmkar

From helping her husband on their fields to making ends meet, Anita today runs a successful tractor rental business at her village. She was quick to learn from the self-help group trainings how accounting management and microfinance worked. She turned her family's fortunes around after purchasing a tractor with a microloan. But she did not stop there. Knowing the difficulties faced by farmers in her village in accessing such equipment, she started a tractor rental business. This has not only helped make available advanced farm equipment at nominal costs, but also reduced time and resources on farming.

Leveraging partnerships for the goals

Together with STL's partners: MAVIM, RangSutra and Lighthouse Foundation, the Company is working to transform rural women into role models for future generations. The potential these women have is immense. They simply need a guide to show them the way to achieve their aspirations. The Jeewan Jyoti Women Empowerment programme is doing precisely that and looks to expand its reach even further in the coming years.

एकजुटीतून अवतरेल समृद्धीची नवप्रभा
MAVIM
माविम

rangSutra

LIGHTHOUSE
COMMUNITIES FOUNDATION

Contributions to UN SDGs

- Till date, the Jeewan Jyoti Women Empowerment Programme has provided vocational education and livelihood opportunities to 3,855 women impacting over 19,000 villagers and over 7,500 in FY21
- This is among few programmes that provide beneficiaries with transportation facilities from their villages to the programme site. This has allowed STL to cover women from over 100 villages across Bhor, Velhe and Haveli talukas in Maharashtra.
- 1,500+ women in FY21 benefited through the programme
- The programme has addressed discrimination against all women and girls through a comprehensive support system across rural Pune and Aurangabad
- 32% of beneficiaries now earn a livelihood through jobs, small enterprises, self-help groups and their own businesses. 19% were added in FY21
- Minimum salary earned by beneficiaries is ₹ 2,500 (~$ 34) per month, thereby, eradicating extreme poverty in these rural areas.
- 50 self-help groups were initiated in FY21 to help women earn a livelihood out of the 100 formed till date
- Crèche facilities are provided to enable young mothers to avail of the vocational course and livelihood opportunities
- 904 women have benefited through healthcare services provided through the programme till date
- 500+ women have been trained on managing self-help groups and played a crucial role in turning them into profit making ventures
- 86 women and 13 self-help groups have been linked to banks for financing them to set up their own businesses. ₹ 26.7 lakhs has been disbursed to these women in FY21
- The programme has helped digitally empower 593 women through computer courses
- 198 students currently hold well-paid jobs in administration, hospitals, teaching and private companies while 457 have their own businesses
- 65 women were trained on advanced handicrafts and managing the production unit
- ₹ 10 lakhs worth orders were processed through the production house in FY21
- 6 micro-livelihood opportunities (social enterprises) were created among rural women
- 100 women accessed digital learning opportunities through the Jeewan Jyoti app
- 54 youth were equipped with industry-relevant skills in Aurangabad through the Lighthouse programme
- The programme substantially increased the number of youth and adults who have job relevant skills, including technical and vocational skills, from 1,014 in FY20 to 1,561 FY21

Education

STL has always believed that education can help build a more progressive and inclusive society. However, the onset of the COVID-19 posed many challenges for students. The Company, therefore, designed an agile programme that could mitigate this issue by not only focusing on providing quality state-board-aligned online education in vernacular languages, but also ensuring teachers and school management are adequately trained to leverage digital platforms for teaching. In Aurangabad (Maharashtra), Silvassa (Dadra and Nagar Haveli) and Nandurbar (Maharashtra), the programme augments the New Education Policy through STEM labs, digital learning, content and 2x learning improvements.

An important element in this programme has been 'bridging the digital divide'. During the COVID-19 outbreak in 2020, a huge number of children from families below the poverty line had to stop learning. This was mainly due to the lack of access to a digital device. The programme therefore, through community educators and classes seeks to address this widely prevalent issue. In Nandurbar, a hub-and-spoke model ensures migrants who are usually field-workers do not have to travel to send their children to school ensuring they are not kept out of the education system. Mobile libraries here, ensure that children learn holistically and can access the wonderful world of knowledge books offer.

Further, STL's Digital Empowerment programme in Pune ensured that digital platforms were leveraged to the fullest across four slums in Pune to not only create awareness during the pandemic, but also allow people to improve their learning and earning opportunities through e-commerce, access utility payments, use telehealth during the lockdown and so on. After transitioning to a fully online model, the programme is now pivoting digital earning opportunities for individuals where they are given advanced training to either enhance their small enterprise's reach and sales or be employed as virtual assistants and so on.

Lives impacted

FY21	**18,000+**
FY20	3,61,000+
FY19	1,86,000+

Each one of these programmes hopes to create equal access to quality learning opportunities that will help create progressive communities and uplift people from poverty.

Vaishnavi Sadare

In March 2020, as students began preparing for their final exams, regular schooling came to a standstill and schools were abruptly shut. For urban children blackboards and classrooms were quickly replaced with laptop screens and online classes. However, education for many children from poor households and villages stopped due to the digital divide.

Vaishnavi Sadare, a standard four student from Gadhejalgaon village, Aurangabad was one of them. A bright girl, she missed going to school, meeting her friends and studying. She couldn't attend classes online as her parents were unaware of digital education techniques.

STL's ed-tech programme through a community educator helped such students connect back to school. Using an EduKit with several academic topic videos, they helped parents by handholding them to teach their children to use online learning mechanisms. Now, Vaishnavi does not only regularly attend school albeit online, but also enjoys meeting her friends, encourages other children in her village to join online classes and even teaches her younger brother.

Contributions to UN SDGs

- Till date quality education is made accessible to over 838,000 beneficiaries from low-income families through STL's education initiatives. 1,700+ government schools covered
- Technology made learning amidst the pandemic possible for 12,141 children across 100+ schools in FY21. Students completed free, equitable and quality primary and secondary education, leading to relevant and effective learning outcomes
- 1,196 individuals from across age groups were digitally empowered through STL's Digital Empowerment programme in FY21
- Mentoring and self-learning was facilitated for 200+ youth
- STL's latest ed-tech programmes will cover 1,00,000 beneficiaries annually under digital learning across 300 schools in Aurangabad, Silvassa and Nandurbar with 2x learning outcomes improvement
- 185 teachers were trained through STL ed-tech programmes in FY21
- 794 youth and 614 adults, both men and women, achieved literacy, digital literacy and numeracy in FY21
- Ensuring 1,100+ children had access to quality early childhood development, care and pre-primary education so that they are ready for primary education till date and 532 in FY21

1 NO POVERTY | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

Leveraging partnerships for the goals

STL believes quality education should not be restricted to just students. In India, even faculty needs ongoing upskilling and training on how to leverage digital content and teaching techniques better. Even today, several communities still need to be educated on the importance of educating their children.

To address these issues, the Company has gone beyond its areas of operation to districts like Nandurbar where there is a huge portion of the migrant population. Through each of these interventions, it is making sure children from lower income families and migrant communities have access to quality education and individuals in urban slums can leverage the digital landscape for progress and, thus, a better and more inclusive future.

AIF AMERICAN INDIA FOUNDATION

Pune City Connect

औरंगाबाद महानगरपालिका

Healthcare

Over the last year, the COVID-19 pandemic upended social progress in several regions. The pressure it has put on the healthcare system is tremendous and needs to be augmented through CSR. Rural communities need to be strengthened through appropriate healthcare and well-being initiatives.

In addition to STL's Mobile Medical Unit in Silvassa, the Company assimilated learnings from the pandemic and initiated an AI-telehealth-onsite healthcare programme at Aurangabad, Gadchiroli (Maharashtra) and Nandurbar. STL has been able to ensure that residents of these villagers, have access to healthcare at their doorsteps and anytime access to a doctor, free medication, nutrition and door-step testing facilities.

During the second wave of the pandemic, the programme extended support through 24x7 free teleconsultation, door-step testing and sample collection, screening for COVID-19, free medication and home-care treatment for patients who tested positive. This is being done while the regular programme continues to support the over-burdened healthcare system by ensuring individuals with other morbidities than COVID-19 receive adequate care and timely treatment.

Lives impacted

FY21	**26,000+**
FY20	1,16,000+
FY19	14,000+

Leveraging partnerships for the goals

Sitting outside his home in Sinoni, a small village in Silvassa, Pritesh a 5 year-old often wondered if he would ever enjoy playing like his friends do – running around the village, playing cricket and climbing trees.

Affected by complications at the time of his birth, Pritesh was unable to use his limbs. His doctor had suggested regular physiotherapy and medication. But this required his father, a daily wager, to take him every day to a hospital 20 kms away from their village. Unable to miss work through which he supported his family and afford Pritesh's treatment which was expensive, his father abandoned hope of his son ever walking again.

A health camp held by STL's Mobile Medical Unit, helped change this whole situation. When the doctors heard of Pritesh's condition, they sought professional advice to help the boy. Thereafter, on their visits to the nearby villages they ensured seeing Pritesh and providing him with the required medication and physiotherapy exercises.

A little over a year later, Pritesh is no longer dependent on anyone to move around. He beams and says, "Now I can walk, but one day soon, I know I will be able to run around with my friends".

Contributions to UN SDGs

- 3,040 children below 5 years of age were provided with medical care in Aurangabad, Gadchiroli, Nandurbar and Silvassa during FY21. The number since 2006 is over 37,000.
- Over 1,10,000 women and 76,000 children were treated through STL's healthcare programmes till date. Of these 10,782 women and 4,261 children received quality healthcare in FY21.
- 299 villagers and tribals were treated for tropical diseases like malaria and scabies during FY21
- 14,598 villagers covered through awareness drives on hygiene, prevention of seasonal outbreaks and health camps
- Over 5,480 rural and tribal patients between the age-group of 60 and above were treated and provided free medicines to ensure their well-being in FY21
- Free testing facilities were provided to 6,615 villagers across three districts in FY21
- 67 free teleconsultations were provided in FY21 across 31 villages
- Nutrition to over 610 beneficiaries have helped ensure their well-being and good health
- 3,000+ patients were treated for COVID through STL's healthcare programmes
- Over 100,000 lives benefited through STL's COVID relief work across 20 locations in India
- The programme addressed all forms of malnutrition in 154 children under 5 years of age, as well as the nutritional needs of 192 adolescent girls, 32 pregnant and lactating women and 232 older persons in FY21

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

Today, STL's health programmes have ensured that villagers across these districts are not deprived of essential healthcare. They are adequately cared for and are made aware of the need of sanitation and preventive care. They are also taught to leverage new and better ways to ensure their well-being.

Environment

STL believes that simply operating in an eco-friendly manner is not sufficient. This needs to be reinforced with action on climate change even in communities. It should not simply be about plantations or water conservation, but holistic approaches that transform regions.

Hence, together with World Banks's Water Resources Group 2030 and Village Social Transformation Foundation, it is working in Aurangabad to build water resilient communities and is undertaking massive afforestation and smart agricultural practises that help set-off carbon emissions.

STL's comprehensive water programme is focused on not just conservation, but through community involvement, centres around sustainability, behavioural change, groundwater replenishment, rainwater harvesting and wastewater treatment. This goes towards groundwater recharge, afforestation and agriculture. It also focuses on government convergence that ensures access to drinking water for all, better housing, schools and other such rural development schemes through extensive convergence initiatives. Further, through women-led self-help groups (SHGs), the programme focuses on the gender equality. Here, livelihood opportunities are being created for SHGs who comprise women from the villages the programme is being implemented at. They will ensure maintenance of the water storage structures, plantations, and undergo trainings. 'Jaldoot's', who are youth from these villages also help the SHGs monitor and create awareness on better ways of using scarce resources, sanitation, hygiene, rainwater harvesting and so on.

Similarly, through its Mission Green programme, STL looks to counter the adverse effects of industrialisation in Aurangabad by increasing the green cover while creating livelihood opportunities for SHGs in the villages and ensuring sustainability. Biodiversity restoration forms an important part of the programme.

Apart from Aurangabad, the programme is also present in Vetale, Pune. Here, in addition to plantations, STL is also undertaking water conservation, livelihood creation and biodiversity restoration activities. The Vetale programme looks at reforestation of barren land that has suffered due to extensive burning of shrubs and grass.

Lives impacted

FY21	**50,000+**
FY20	8,000+
FY19	0

Mission green

Reforestation involves several factors, including restricting grazing and encouraging communities to participate in ensuring the sustainability of plantations.

When the 'Mission Green' programme began at Vetale to ensure community involvement, bamboo tree guards made by local craftsmen were used to protect the trees. Unfortunately, the design lacked the strength to withstand the impact of grazing animals and transportation was costly. The pandemic restricted professionals from visiting and sharing their ideas to resolve this issue.

By then the local tribal craftsmen were keen to revive their surroundings and determined to turn things around. They went back to the drawing board and what they came up with was jaw dropping! The design was not just sturdy, aesthetically pleasing, impact resistant, environment friendly, but also easy to transport and assemble on site.

Being used extensively across the programme, this ingenious innovation by the local craftsmen has created livelihood opportunities for thousands of others in the area.

Contributions to UN SDGs

- Over 20,000 plantations are done till date and 10,000+ are in FY21 across Aurangabad and Vetale
- 39,000 villagers benefited through STL's water programme across 12 villages
- The programme supports and strengthens the participation of local communities in improving water and sanitation management across 23 villages till date and 12 in FY21
- It built the resilience of over 126,000 villagers in drought-prone Aurangabad through STL's water and rural development programmes till date
- ~136,000 tCO_2e is reduced through plantations done
- 100+ livelihood opportunities are created
- 40 acres of land is reforested in Vetale, Pune
- 9,000+ m3 water conservation potential created through ponds in Vetale. The same is used to support the trees planted
- 208 flora and 143 fauna species are being monitored under biodiversity restoration activities and studies
- 127 women mobilised through 12 SHGs to build in sustainability of the programme and community involvement
- It provided access to inclusive and accessible, green public spaces through afforestation and reforestation in Aurangabad and Vetale
- It achieved sustainable management and efficient use of water in drought prone Aurangabad by replenishing over 7,85,000 m3 of water in communities till date and is undertaking construction of another 92 water conservation, groundwater storage and rainwater harvesting structures
- The programme ensured holistic rural development through government convergence funds in FY21
- Capacity building and environment management training sessions were held for 84 youth and women across 230 days in FY21
- Over 4,000 villagers were mobilised through awareness drives focused on resource management, better agricultural practises and participation for greening their communities through afforestation
- The programme led on a circular economy even through STL's Mission Green programme by converting over 250 MT of waste into 100+ MT of compost used as fertiliser and saving over ₹ 5,00,000

Leveraging partnerships for the goals

Both STL's environment programmes are hopeful to not only transform Aurangabad into a water-resilient region, but also restore biodiversity and the green cover in the city and Vetale through such holistic and community-centric model.

The power of one STL

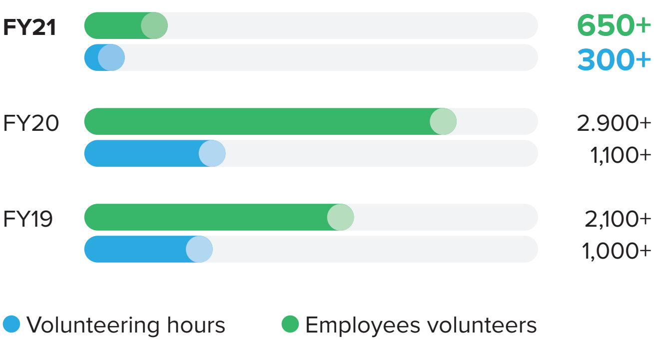
The pandemic in FY21 restricted STL's employee volunteers from undertaking community work. However, they persisted, albeit virtually. The Company's transformation enablers, its employees were able to help children learn better, mentor youth from lesser privileged families, spread the joy of giving with physically challenged children, record audio books for the visually challenged and even do their part to protect the environment.

Each of them enthusiastically participated, despite their hectic professional and household schedules in this work-from-home set-up. Their dedication and commitment to transform everyday living for communities continue to help us create a better world beyond tomorrow.

4,000+
Employee volunteers till date

11,500+
Hours volunteered

Employee volunteering over the years



Overall, in FY21, 381 employees volunteered virtually benefiting more than 2,200 lives across the country and helped STL contribute to UN SDGs 1, 3, 4, 5,10, 12 and 13.

Contributions to UN SDGs

- 2,526 children, women and men have been provided with clothes, essentials, food grains, toys and learning aids through Daan Utsav till date. The number in FY21 is 373
- Blood donations helped 6,335 underprivileged individuals till date
- 877 students have benefited through mentoring sessions over the last three years
- 25 employees volunteered their time to coordinate COVID-19 relief measures across 20 locations in FY21

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Leveraging partnerships for the goals

Goodera

give INDIA

Governance

Governance at par with global standards

Being a responsible corporate citizen is an important element of STL's ESG agenda. It focuses around ensuring transparency through adherence to industry standards, disclosures and reporting. However, to assure stakeholders that what is reported is accurate and true, the Company ensures what its reports is externally verified. Over the last two years, the Company has even gone beyond just financial and business reporting, to publish its progress on Corporate Social Responsibility (CSR) and sustainability as well as the UN Sustainable Development Goals and UN Global Compact (UNGC) 10 principles through STL Annual Report and Communication on Progress published on the UNGC website.

Governance highlights for FY21 and till date

Adherence to global standards on human rights and labour practices

STL's people are its biggest and most valuable asset. However, the Company believes its responsibility does not end with ensuring adherence to Human Rights, Fair Labour Practises and ensuring safe working conditions for only STLers. It extends to individuals working across the Company's value chain.

The Company is guided by the principles of the United Nations Universal Declaration on Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work as well as the UNGC. It ensures the highest standards on human rights, ethical and equitable labour practices are adhered to. While a code of conduct forms a mandatory part of all STL's partner contracts, it is looking to take further steps to ensure these principles are adhered to.

STL has a dedicated Human Rights policy covering aspects such as prohibition of forced and child labour, employee as well as contractors health and safety, labour standards, diversity and equal opportunity among other areas. The policy also guides adherence to labour standards on working hours, working conditions, wages and overtime pay. Further, it ensures fair compensation, opportunity to improve skills and capabilities, safe and healthy working condition, diversity and equal opportunity and non-discrimination. And through its business, social impact initiatives and collaborations, the Company ensures it uses these guidelines and policies to ensure protection and fulfilment of human and labour rights as well as the safety and well-being of its employees, labourers, and individuals across its value chain and the communities surrounding its operations.

Through regular interactions, the Company ensures employees and workers have the opportunity to ask questions and share their views directly with top management, and get to know of the Company's plans for growth, thereby increasing diversity across organisation, competency enhancement, professional growth, skill development and several other aspects.

Anti-corruption

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

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

Contributions to UN SDGs

- Provision of fair wages is made for over 3,260 temporary/contractual/casual employees according to state acts
- STL ensured women's full and effective participation with over 16% of STL's workforce comprising women
- Adherence to International Labour Organisation standards across STL locations
- The Company takes effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour through inclusion of this clause in all partner contracts
- All its manufacturing facilities are ISO 45001 certified
- QEHS policy guides our Quality, Environment, Health and safety processes
- All manufacturing facilities are ISO 14001 certified for Environment Management System
- The Company ensures environmentally sound management of chemicals and wastes throughout their use, in accordance with agreed international frameworks (Zero Liquid Discharge, Zero Waste to Landfills, etc.) to minimise impact on human health and the environment
- The Company ensures equal opportunity and reduced inequalities by promoting appropriate legislation through effective grievance mechanisms like the Whistle-blower Policy, Code of Conduct, POSH and others

Awards & Accolades

STL's ESG and COVID-19 relief work won 22 awards for the Company in FY21. The recognition included two of the country's most prestigious awards as well as some renowned international awards. The wins are:

DuPont Safety & Sustainability Awards
APAC Winner - Zero Waste to Landfill

Golden Peacock Awards
Winner (Telecom) – CSR

CII-ITC Sustainability Awards
Winner - Overall CSR

Global WasteMet Awards
Winner - Waste Management

National CSR Leadership Awards
Winner - Overall CSR

Growcare India Awards
Platinum - Waste Management

CSR Health Impact Awards
Bronze - COVID Relief Work

Growcare India Awards
Gold - Sustainability

7th CSR Times Awards
Gold - Women Empowerment

Growcare India Awards
Platinum - Women Empowerment

Greentech Environment Awards
Sustainability

8th India CSR Awards
Winner - Overall CSR

7th Greentech CSR Impact Awards
Gold – Women Empowerment

Apex India Foundation
Gold - Overall CSR

Apex India Foundation
Platinum - Sustainability

Brand India Awards
Winner - Most Socially Responsible Company

Mahatma Awards
Winner - Sustainability: Waste & Material Productivity

Mahatma Awards
Winner - CSR: Partnerships for the Goals

Rushlight Awards (UK)
Winner - Zero Waste to Landfill

ACEF Asian Leaders Award
Bronze - Excellence in CSR

The Golden Globe Tigers
Winner - Waste Management

ACEF Asian Leaders Award
Gold - Reduce, Reuse and Recycle Achievement

An inclusive future, beyond tomorrow

FY21 started off as a challenging year, with the pandemic disrupting business operations and social progress. But the learnings and lessons from this year have helped us introspect, learn and innovate to emerge stronger and even more resilient.

Despite the several barriers, STL has moved strongly toward its ESG goals and is confident that it will be able to deliver on them.

The new programmes can now continue to spread hope even while the second wave of the pandemic continues to ravage the country. And with its ESG agenda occupying centre stage, sustainability is part of how the Company operates.

STL remains committed to its vision of ‘transforming everyday living by delivering smarter networks' and its work and external recognition have further reinforced the commitment it has towards making this vision a reality not just for India, but for the world.


STL
beyond tomorrow
INTERTEK
SUSTAINABILITY
VERIFIED
ZERO WASTE
TO LANDFILL
Aspiring for a Zero-Waste Future
STL has been relentlessly working towards transforming lives through efforts in technology and sustainable manufacturing. By ensuring Zero Waste to Landfills (ZWL) across all our global manufacturing facilities, we have diverted over 135,000 MT of waste. To put things into perspective, the amount of waste diverted equals the area of 70 football fields.
Sterlite Technologies Limited
stl.tech

DQS- Independent Assurance Statement

To the Management and Stakeholders of Sterlite Technologies Limited,

DQS has been engaged by Sterlite Technologies Limited (STL) to provide independent assurance over (non-financial) based on GRI - Core reporting framework with selected KPIs. The engagement took place from 28.05.2021 to 01.06.2021 through virtual assessment considering current COVID-19 conditions.

Objectives

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of assurance

The assurance encompassed the entire report and focused on all figures, statements and claims related to sustainability during the reporting period April 2020 to March 2021. More specifically, this included:

- Statements, information and performance data contained within the sustainability report
- STL's management approach of material issues; and
- STL's reported data and information as per the requirements of the Global Reporting Initiative Standards

The assurance engagement was performed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS v3), which consists of:

- Evaluating the company's sustainability framework and processes using the inclusivity, materiality, responsiveness, and impact criteria of the AA1000 AccountAbility Principles (AA1000APS 2018), and
- Evaluating the quality of the reported sustainability performance information

The report has been self-declared to comply with the 'in accordance – core' requirements of the GRI Standards.

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

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

Level of assurance and limitations

A moderate level of assurance under AA1000AS was provided for this engagement. Information and performance data subject to assurance is limited to the content of the sustainability report. The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability or already supported by existing documents, such as third-party audits or certifications and previous STL annual reports.

Independence and competences of the assurance provider

DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialised management and reporting mechanisms. Independent verifiers have not been involved in the development of the report nor have they been associated with STL's sustainability program, data collection or strategic processes.

DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqs-cfs.com. The management of STL was responsible for the preparation of the sustainability part of the Corporate Report and all statements and figures contained within it.

Assurance methodology

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

1. Based on GRI - Core reporting framework, STL has identified selected corporate KPIs and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process
2. Carry out interviews with key functional managers and data owners at STL
3. Data quality verification included the following:
   I. Enquiring about the quantitative and qualitative aspects of the KPI disclosures, including performance information, policies, procedures and underlying management systems
   II. Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims
4. Challenging the KPI claims, where possible, confirming the presented evidence, including calculation methods, criteria, and assumptions, with multiple data owners and other documentation from internal and external sources
5. Assess the collected information and provide recommendations for immediate correction wherever required or for future improvement of the non-financial indicators verification within the scope

Key observations and recommendations

Strengths

1. Strong management commitment is noted towards water conservation. Good progress is observed in areas of water conservations through Water Positive & Zero Liquid Discharge initiatives.
2. Initiatives and structured plan for achieving carbon neutrality by 2030 are found appreciable
3. Implementation of automated tools for data gathering, capturing, monitoring real-time information of important parameters towards energy, waste, carbon, water, social impact, etc.

4. Appreciation from various external agencies in terms of awards towards CSR & Sustainability activities (Ex: CII-ITC Award, DuPont Safety & Sustainability Awards, Mahatma Awards - Winner - CSR: Partnerships for the Goals) are highly commendable

Opportunities for improvement

1. Community Grievance Redressal, Community Survey and Community complaint management system can be established
2. Social capital valuation or SROI for CSR projects may be opted, which will help in understanding the efficiency and effectiveness of the projects
3. ISO 26000 (Social Responsibility) and ISO 20400 (Sustainable Procurement guideline) standards can be implemented, which will help to strengthen the supply chain function
4. Type of fuels with related data on percentage of consumption can be mentioned in the report. Future plans on fuel substitution along with management commitment on renewables can also be shared in the report.
5. Next carbon footprint assessment may be planned to include Scope 3 emissions

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity

How the organisation engages with stakeholders and enables their participation in identifying issues and finding solutions.

The stakeholder identification and engagement process is well documented and implemented through the STL Sustainability programme, and the Report brings out key stakeholder concerns as material aspects of significant stakeholders. In our view, the level at which the Report adheres to this principle is very good. Therefore, it is recommended that STL should continue with the planned process of direct dialogue with the stakeholders at determined intervals.

Materiality

How the organisation recognises issues that are relevant and significant to itself and its stakeholders.

The Report addresses the range of environmental, social and economic issues that STL and its stakeholders have identified as being of material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. A process of stakeholder engagement through sustainability board meetings identified the material issues. The Report fairly brings out aspects and topics and its respective boundaries for the diverse operations of STL. In our view, the level at which the Report adheres to this principle is very good. It is recommended that STL continues with this process.

Responsiveness

How the organisation responds to stakeholder issues and feedback through decisions, actions, performance and communication.

STL is responding to those issues that it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The organisation and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations. The responses to material aspects are fairly articulated in the report, i.e. disclosures on STĹs policies and management systems including governance. In our view, the level at which the Report adheres to this principle is very good.

Impact

How the organisation monitors, measures and ensures accountability for how its actions affect their broader ecosystems.

STL has implemented systems to monitor and measure its economic, environmental and social impacts. Identified impacts are incorporated into both stakeholder engagement as well as the periodic materiality assessment process. The corporate report discloses impacts in a balanced and effective way, indicating both realised and unrealised goals. In our view, the level at which the Report adheres to this principle is very good.

Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the sustainability-related strategies of STL and its sustainability-related key performance indicators defined in the 2021 Corporate Report are materially misstated.

The STL Corporate Report of 2021 is in line with the GRI Standards Core Option. The material aspects and their boundaries within and outside of the organisation are properly defined in accordance with GRI's reporting principles.

STL has made significant strides to introduce innovative solutions towards mitigating impacts and influence supply chain partners in the process. Continued alignment of risk assessments, stakeholder engagement processes, materiality and strategy will further strengthen the global sustainability practice of STL.

On behalf of the DQS India assurance team June 2, 2021
Signature:

Dr. Murugan Kandasamy

CEO & Managing Director Certified Sustainability Assessor

GRI Index and UNGC Principles

GRI Standard	Title Disclosure Number	Disclosure Title. Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number/ External Reference
General Disclosures			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	132
	102-2	Activities, brands, products, and services	132
	102-3	Location of headquarters	End Cover Page
	102-4	Location of operations	132
	102-5	Ownership and legal form	128, 153
	102-6	Markets served	132
	102-7	Scale of the organisation	132, 133
	102-8	Information on employees and other workers	136
	102-9	Supply chain	66, 67
	102-10	Significant changes to the organisation and its supply chain	No Change
	102-11	Precautionary principle or approach	64, 65
	102-12	External initiatives	138
	102-13	Membership of associations	138
	102-14	Statement from senior decision-maker	3-5
	102-16	Values, principles, standards, and norms of behavior	64
	102-18	Governance structure	114
	102-40	List of stakeholder groups	62
	102-41	Collective bargaining agreements	136, 137
	102-42	Identifying and selecting stakeholders	62
	102-43	Approach to stakeholder engagement	62
	102-44	Key topics and concerns raised	63
	102-45	Entities included in the consolidated financial statements	Financial Report
	102-46	Defining report content and topic boundaries	61
	102-47	List of material topics	63
	102-48	Restatements of information	None
	102-49	Changes in reporting	No Change
	102-50	Reporting period	61
	102-51	Date of most recent report	FY 19-20
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	End Cover Page
	102-54	Claims of reporting in accordance with the GRI Standards	61
	102-55	GRI content index	92
	102-56	External assurance	90
GRI 200: Economic			
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Report
Indirect Economic Impacts			
GRI 203: Economic Impacts 2016	201-1	Significant indirect economic impacts	Financial Report
		% local procurement	66
Anti-Corruption			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	85
	205-3	Confirmed incidents of corruption and actions taken	137
GRI 300: Environmental			
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	72
	302-5	Reduction in energy requirements of products and services	72, 73
Water			
GRI 303: Water 2016	303-1	Water withdrawal by source	69
	303-3	Water recycled and reused	70

GRI Standard	Title Disclosure Number	Disclosure Title. Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number/ External Reference
Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	72
	305-2	Energy indirect (Scope 2) GHG emissions	72
Effluents and Waste			
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	71
GRI 400: Social			
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	136
Training and Education			
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	136
	404-2	Programmes for upgrading employee skills and transition assistance	136
Local Communities			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	74
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	139

United Nations Global Compact Index

UNGC Principles	Page No.
Human Rights	
Principle 1	
Businesses should support and respect the protection of internationally proclaimed human rights	85
Principle 2	
Businesses should make sure they are not complicit in human rights abuses	137
Labour	
Principle 3	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	85, 137
Principle 4	
Businesses should uphold the elimination of all forms of forced and compulsory labour	85, 136
Principle 5	
Businesses should uphold the effective abolition of child labour	85, 136
Principle 6	
Businesses should eliminate discrimination in respect of employment and occupation	85, 136
Environment	
Principle 7	
Business should support a precautionary approach to environmental challenges	64, 65
Principle 8	
Business should undertake initiatives to promote greater environmental responsibility	66-73
Principle 9	
Business should encourage the development and diffusion of environmentally friendly technologies	66, 67
Anti-Corruption	
Principle 10	
Businesses should work against corruption in all its forms, including extortion and bribery	85, 135

Directors' Report

To the Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2020-21 together with the audited financial statements of the Company for the financial year ended March 31, 2021.

Financial Summary/Highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Net Revenue from Operations	4,142.01	4,760.50	4,825.18	5,154.40
Profit/(Loss) before Interest, Depreciation & Tax	756.15	1,018.13	843.72	1,094.73
Add: Finance Income	14.35	11.67	9.90	8.90
Less: Finance cost	189.71	204.46	203.00	221.04
Less: Depreciation and amortisation expense	215.10	232.42	285.26	290.28
Net Profit/(Loss) before exceptional item and taxation	365.69	592.92	365.36	592.31
Exceptional Item	-	50.71	-	50.71
Net profit/(loss) before taxation	365.69	542.21	365.36	541.60
Total Tax Expenses	104.28	108.69	111.27	108.88
Net Profit/(Loss) for the year after tax	261.41	433.52	254.09	432.72
Share of profit/(loss) of Joint venture	NA	NA	14.86	-
Net Profit for the year after tax & share in profit/(loss) of joint venture	261.41	433.52	268.95	432.72
Loss from Discontinued Operations	NA	NA	(3.59)	(8.28)
Profit for the year	261.41	433.52	265.36	424.44
Share of profit of minority interest	NA	NA	(10.11)	(9.46)
Net Profit attributable to owners of the Company	261.41	433.52	275.47	433.90
Balance carried forward from previous year	1,477.62	1,225.05	1,577.32	1,323.73
Amount available for appropriation	1,739.03	1,658.57	1,852.79	1,757.63
APPROPRIATIONS				
Equity dividend and tax thereon	(160.44)	(170.09)	(160.44)	(170.09)
Transfer to debenture redemption reserve	-	-	-	-
Others	2.46	(10.86)	2.46	(17.83)
Balance carried forward to the next year	1,581.05	1,477.62	1,694.81	1,577.32

Performance

Standalone

FY21 closed with Revenues of ₹ 4,142.01 crores, EBITDA of ₹ 756.15 crores, PAT of ₹ 261.41 crores and EBITDA margins of 18%.

Consolidated

FY21 closed with Revenues of ₹ 4,825.18 crores, EBITDA of ₹ 843.72 crores, Net Profit attributable to owners of the Company ₹ 275.47 crores and EBITDA margins of 17%.

Operations

Highlights of your Company's operations and state of affairs for the Financial Year 2020-21 are included in the Management Discussion and Analysis Report, which forms part of this Annual Report.

COVID-19

As the world continues to grapple with the COVID-19 pandemic and remote working becomes the new norm, the shift to digital is now permanent. Globally, internet traffic has increased significantly, and the demand for data connectivity continues to grow exponentially. Digital service providers and cloud companies globally have accelerated their plans to bring these digital networks to the market, while they continue to invest in modernising the current networks. STL, with 25 years in optical connectivity, large-scale digital network integration and virtualised wireless capabilities, is uniquely placed to establish its position as a leading integrator of digital networks.

The wellbeing of employees continues to be of utmost priority for the Company. Several initiatives to support employees and their families during the pandemic have been taken, viz. telemedicine consultation, healthcare service at home, COVID-19 testing, vaccination support, emotional/mental support. The Company is also assisting its employees with hospital availability, isolation, oxygen concentrator/cylinder, injections, plasma, ambulance, etc.

Though the safety and wellbeing of our employees was at the top of our mind, we equally contributed to society and humanity as a whole:

- STL contributed $75,000 to the Italy local government fund via Italy plant; sent masks to Italy

- STL provided PPE support to China; got sanitizers, disinfectants, wards & ventilator assemblies ready in just 5 days
- STL's plants were not only converted into large quarantine facilities but were producing PPE gear

Dividend

The Board of Directors ('the Board') is pleased to recommend a final dividend of ₹ 2/- per Equity Share (i.e. 100%) of ₹ 2/- each for the FY21. The distribution of dividend will result in payout of around ₹ 79.31 crores (excluding tax) on dividend. The dividend payout is subject to approval of shareholders at the ensuing Annual General Meeting ('AGM'). The Company proposes not to carry any amount to reserves for the FY21.

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

Acquisition of Optotec SPA, Italy

During the year, the Company, through its wholly owned subsidiary, STL Optical Interconnect SpA acquired 100% shareholding in Optotec S.p.A, a leading Optical Interconnect Products Company based in Italy at an enterprise value of Euro 29 million.

Optotec provides a complete range of Optical Interconnect Products for Telecommunication, FTTH and Cloud Networks in Europe. Optotec, under its patented technology, has an end-to-end portfolio ranging from Outside Plant (OSP) to Central Office (CO) to Customer Premises (CP) that would complement the Company's "Opticonn" offering of optical fibre and cables for a truly integrated products portfolio.

Optotec has a strong legacy in Optical Interconnect portfolio of over 20 years and shares long standing relationships with marquee European telecom operators. The acquisition will help create a solid springboard to offer a complete bouquet of solutions to customers across Europe, India and the Middle East.

Buyback of Equity Shares

The Board, at its meeting held on March 24, 2020, had approved the buyback of fully paid-up equity shares of the Company from the open market through stock exchange mechanism, at a price not exceeding ₹ 150/- per equity share for an aggregate amount not exceeding ₹ 145 crores.

The buyback commenced on April 7, 2020 and closed on August 27, 2020. The Company bought back 88,67,000 Equity Shares at a volume weighted average price of ₹ 112.53 per Equity Share. The Company deployed approximately ₹ 99.78 crores representing approximately 68.82% of Maximum Buyback Size.

Shifting of Registered Office

The shifting of registered office of the Company from E1, MIDC Industrial Area Waluj Aurangabad - 431136, under the jurisdiction of Registrar of Companies Mumbai, (ROC Mumbai) to 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001, under the jurisdiction of Registrar of Companies, Pune (ROC Pune) was approved by the shareholders in the Annual General Meeting held on August 31, 2020. The Company has received order from the Regional Director, Western Region vide order number-RD/Sec.12(5)/R68671668/1803 on November 10, 2020. The same is still pending for approval with the Registrar of Companies, Pune.

Corporate Governance

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

Management Discussion and Analysis Report

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

Business Responsibility Report (BRR)

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

Material Changes and Commitments, if any, affecting the Financial Position of the Company

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

Board Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During FY21, six meetings of the Board of Directors were held on May 12, 2020; July 23, 2020; October 5, 2020; October 22, 2020; January 20, 2021 and March 17, 2021. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. Owing to the ongoing pandemic, most of the Board meetings were held through Video conferencing facilities.

Composition of Audit Committee

The Audit Committee of the Board comprises of the following members: Ms. S Madhavan – Chairperson, Mr. Kumud Srinivasan – Member, Mr. Sandip Das – Member and Mr. Pravin Agarwal – Member. Mr. A. R. Narayanaswamy and Mr. Arun Todarwal ceased to be the members, with the completion of their tenure as Directors, on March 31, 2021. All recommendations given by Audit Committee during FY21 were accepted by the Board.

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

Directors and Key Manangerial Personnel

Mr. Arun Todarwal and Mr. A.R. Narayanaswamy were re-appointed as Independent Directors of the Company for a second term of two years with effect from April 1, 2019 to March 31, 2021. Upon completion of their term on March 31, 2021, they have ceased to be Directors. Mr. Pratik Agarwal resigned as Non-Executive Director of the Company effective January 20, 2021.

Pursuant to the recommendation of the Nomination & Remuneration Committee (NRC), the Board, in its Meeting held on January 20, 2021, appointed Mr. S Madhavan and Mr. BJ Arun as Additional Directors (Non-Executive, Independent) effective January 20, 2021. They hold office upto the forthcoming AGM of the Company. Upon recommendation of the NRC, Mr. Ankit Agarwal was also appointed as Additional Director (Executive) of the Company effective January 20, 2021 and holds office upto the forthcoming AGM. Necessary Resolution for appointment of Mr. S Madhavan and Mr. BJ Arun as Independent Directors and Mr. Ankit Agarwal as Whole-time Director have been included in the Notice convening the AGM.

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

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

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

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

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

Mr. Anupam Jindal resigned as Chief Financial Officer (CFO) and Key Managerial Personnel of the Company effective September 11, 2020, Mr. Mihir Modi was appointed as Chief Financial Officer and Key Managerial Personnel of the Company effective October 5, 2020.

Your Directors place on record their appreciation for the valuable contribution made by the retiring and resigning Directors and the CFO during their tenure with the Company.

Performance Evaluation of the Board, its Committees and Individual Directors

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

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

Directors' Responsibility Statement

Pursuant to provisions of Section 134(3)(c) and Section 134(5) of the Act, your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2021, 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, 2021 and of the profit of the Company for the year April 1, 2020 to March 31, 2021;

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

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

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

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

Compliance with Secretarial Standards

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

Contracts or Arrangements with Related Parties

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

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

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

Subsidiaries and Joint Ventures

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

During the year under review, the following have become subsidiaries (direct/indirect) of the Company

a. PT Sterlite Technologies Indonesia (Indonesia)
b. Sterlite Technologies DMCC (Dubai)
c. Sterlite Technologies, Pty Ltd. (Australia)
d. STL Optical Interconnect S.p.A (Italy)
e. Optotec S.P.A. (Italy)
f. Optotec International S.A. (Switzerland)
g. STL Edge Networks Inc. (USA)
h. STL Networks Limited (India)

Sterlite Tech Holdings (UK) Limited has ceased to be subsidiary/joint venture or associate of the Company during FY21.

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

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

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

Financial Statements

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

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

Statutory Auditors

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) ('PWC') were appointed as the Statutory Auditors for a period of 5 years from the conclusion of the AGM of the Company held on July 4, 2017.

Statutory Auditor's Report

There are no qualifications, reservations or adverse remarks the Statutory Auditors in their report for the financial year ended March 31, 2021.

Secretarial Auditor

Pursuant to Section 204 of the Act, Mr. Jayavant B Bhave, Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Report of the Secretarial Auditor is annexed as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

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

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company are required to be audited. Mr. Kiran Naik, Cost Accountant, has been appointed as the Cost Auditor to audit the cost accounts of the Company for said products for FY21 at a remuneration of ₹ 90,000 plus at actuals out of pocket expenses. Mr. Kiran Naik has confirmed that his appointment is within the prescribed limits. As required by the provisions of the Act, a resolution seeking Members' approval for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included in the Notice convening the ensuing AGM.

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

Internal Financial Controls

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2021 and are operating effectively.

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

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

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

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

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

Legal Compliances Management

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

Business Risk Management

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

The Risk Management Committee of the Board comprises of Ms. Kumud Srinivasan as the Chairperson and Mr. Sandip Das, Dr. Anand Agarwal, Mr. Mihir Modi and Mr. Ankit Agarwal as Members.

Vigil Mechanism/Whistle Blower Policy

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

Disclosure Regarding Prevention of Sexual Harassment

The Company is committed to maintaining a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act"). The Company has also set up Prevention of Sexual Harassment Committee, which is in compliance with the requirement of the POSH Act, to redress the complaints received regarding sexual harassment, which has formalised a free and fair enquiry process with clear timeline. During the financial year, the Company had received 1 complaint, which has been resolved. No other complaint was pending as on March 31, 2021.

Employee Stock Option Scheme

The Company's Employee Stock Option Schemes are in line with the Company's philosophy of sharing benefits of growth with the growth drivers and are in compliance with the applicable SEBI Regulations. The Company allotted 15,32,391 shares during the year to various employees who exercised their options. The Certificate from the Statutory Auditors confirming that the Scheme has been implemented in accordance with the SEBI Regulations and the resolution passed by the shareholders would be placed at the AGM for inspection by members.

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

Particulars of Employees and Related Disclosures

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

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

Annual Return

In terms of Section 92(3) of the Act, the annual return of the Company for the financial year ended March 31, 2021 shall be available on the Company's website https://www.stl.tech/investors.html

Non-Convertible Debentures

As on March 31, 2021, the Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 590 crores. The Company has maintained asset cover sufficient to discharge the principal amount along with outstanding Interest at all times for its NCDs. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

The details of debenture trustee are as below–

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

Credit Rating

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

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

Particulars of Loans, Guarantees or Investments

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

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

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

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021 have been uploaded on the Company's website at https://www.stl.tech/latestdisclosure.html

Transfer of 'Underlying Shares' to IEPF

In terms of Section 124(6) of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. Details of shares transferred have been uploaded on the website of the Company.

Corporate Social Responsibility

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

As part of its initiatives under Corporate Social Responsibility, the Company has undertaken projects in the areas of Education, Health, Women Empowerment and Community Development during FY21.

During the year, the Company has spent ₹ 11.60 crores on CSR activities. The Annual Report on CSR activities, in accordance with Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure V** to this Report.

General

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

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

b) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise

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

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

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

Acknowledgement

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

For and on behalf of the Board of Directors

Place: Pune Date: 29 April, 2021	Pravin Agarwal Vice Chairman & Whole-time Director	Anand Agarwal CEO & Whole-time Director

Annexure I

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2021

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

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

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

Secretarial Audit was conducted for the year from April 1, 2020 to March 31, 2021, in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances of the Company and for expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities And Exchange Board of India warranted due to spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have conducted online verification and examination of records, as facilitated by the Company from time to time, due to COVID-19 pandemic and lockdown situation in the State of Maharashtra for the purpose of issuing this report.

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of the following list of laws and regulations:

(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 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 during the Audit Period**]

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [**Not applicable during the Audit Period**]

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

g) 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;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

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

Adequate notice is given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings. All the decisions of the board are passed with unanimous consent of all the directors and are recorded as part of the minutes.

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

I further report that during the audit period –

1. The Board of Directors had approved on March 24, 2020 the proposed buyback of Equity Shares for a total amount not exceeding ₹ 145 crores, being 10% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019. The buyback was completed on August 27, 2020.

2. The shifting of registered office of the Company from E1, MIDC Industrial Area Waluj Aurangabad, Aurangabad 431136, Maharashtra, India located in the State of Maharashtra under the jurisdiction of Registrar of Companies Mumbai, (ROC Mumbai) to 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001, located in the State of Maharashtra under the jurisdiction of Registrar of Companies, Pune (ROC Pune) was approved by the shareholders by passing special resolution in the Annual General Meeting held on August 31, 2020. The Company has received order from the Regional Director, Western Region vide order number- RD/Sec.12(5)/R68671668/1803 on November 10, 2020.

   The same is still pending for approval with the Registrar of Companies, Pune.

For J. B. Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
PR No. 1238/2021
UDIN: F004266C000190815

Place: Pune
Date: 29 April, 2021

Annexure to the Secretarial Audit Report of Sterlite Technologies Limited (2020-21)
Auditors' Responsibility

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

In accordance with the ICSI Auditing Standards (CSA1 to CSA4) -

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

Accordingly, I wish to state as under-

1. The Secretarial Audit for the financial year 2020-21 has been conducted as per the applicable Auditing Standards.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices that I followed provide a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.

3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.

4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of the Corporate Laws, other applicable laws, rules, regulations and standards is the responsibility of the management. My examination is limited to verification of procedure on test basis.

6. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents/registers/papers was not possible and hence, we have relied on the scanned copies/emails/digitally accessible data, information, registers, documents and papers provided by the Company for carrying out the Secretarial Audit and to that extent our verification of documents and records might have been impacted.

7. While carrying out the said Audit, I have followed the social distancing norms and other instructions, guidelines, directions issued by Maharashtra State Government/Pune District administration from time to time for containment of the pandemic.

8. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J. B. Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
PR No. 1238/2021
UDIN: F004266C000190815

Place: Pune
Date: 29 April, 2021

Directors' Report contd.

Annexure II

Details of Stock Options as on March 31, 2021

Statement as on March 31, 2021 for Employee Stock Option Scheme, 2010 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Sr. No	Particulars	ESOP 2010 Scheme
1.	Date of Shareholders' approval	July 14, 2010
2.	Total Number of options approved	Upto 5% of the paid-up capital of the Company
3.	Vesting Requirements	1. The Company achieving targets as per prescribed Performance Criteria 2. Continuous employment with the Company
4.	Source of shares	Primary
5.	Exercise price	Options vest at a nominal value of equity shares i.e. ₹ 2 per option
6.	Maximum term of options granted	Granted options would vest over a period of five years from the date of grant. Vested options are to be exercised within five years from the date of vesting
7.	Variation of terms of option	None
8.	Option movement during the year:	
	Number of options outstanding at the beginning of the year	39,33,890
	Number of options granted during the year	18,71,240
	Number of options forfeited/lapsed during the year	704276
	Number of options vested during the year	25,33,958
	Number of options exercised during the year	15,32,391
	Number of shares arising as a result of exercise of options	15,32,391
	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	₹ 30,64,782
	Number of options outstanding at the end of the year	35,68,463
	Number of options exercisable at the end of the year	720,421
9.	Employee-wise details of options granted during FY21 to	
I.	Number of options granted to Senior Managerial Personnel	
	Dr. Anand Agarwal CEO & Whole-time Director	1,30,300
II.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None
III.	Identified employees who were granted options during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
10.	Diluted earnings per share pursuant to issue of ordinary shares on exercise of Options calculated in accordance with Ind AS 33	₹ 6.57 (Basic) ₹ 6.50 (Diluted)
11.	Method of Calculation of Employee Compensation Cost	The Company has used fair market value method for calculation of compensation cost, using the Black Scholes Option Pricing Model and Monte Carlo simulation model. Use of model is based on the related vesting conditions.
12.	Weighted average exercise price and weighted average fair values of Options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock. Weighted Average exercise price (per option) Weighted Average Fair value (per option)	₹ 2 Grant I - ₹ 25.87 Grant II - ₹ 29.77 Grant III - ₹ 28.22 Grant IV - ₹ 48.66 Grant V - ₹ 79.99 Grant VI - ₹ 84.62 & ₹ 87.30 Grant VII - ₹ 103.94 Grant VIII - ₹ 162.87 & ₹ 92.90 Grant IX - ₹ 265.58 Grant X - ₹ 377.59 Grant XI - ₹ 291.97 & ₹ 134. 31 Grant XII - ₹ 286.53 Grant XIII - ₹ 136.86 & ₹ 44.32 Grant XIV - ₹ 126.69 & ₹ 63.00 & ₹ 22.30 Grant XV - ₹ 180.75

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

a) Assumptions under Black Scholes Option Pricing:

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

Assumptions used are as follows:

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

b) Assumptions under Monte Carlo Simulation model

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

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

Assumptions used are as follows:

Variables	Grant VIII	Grant XI	Grant XIII	Grant XIV
Price of underlying stock	₹ 172.30	₹ 301.75	₹ 145.35	₹ 135.40
Expected volatility	37.00%	44.79%	47.87%	54.60%
Risk Free rate	6.40%	7.03%	6.19%	3.92%
Exercise Price (per Option)	₹ 2.00	₹ 2.00	₹ 2.00	₹ 2.00
Dividend Yield	2.20%	1.04%	1.07%	2.50%
Fair Value of the option	₹ 92.90	₹ 134.31	₹ 44.32	₹ 63.00 & ₹ 22.30

Directors' Report contd.

Annexure III

Statement of Disclosure of Remuneration

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

A. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2021

₹ in crores

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2020-21	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Pravin Agarwal Vice Chairman & Whole-time Director	9.96	-36%	100
2	Dr. Anand Agarwal (KMP) CEO & Whole-time Director	10.95	-0.3%	113
3	Mr. Ankit Agarwal* Whole-time Director	0.58	NA	NA
4	Mr. Mihir Modi (KMP)# Chief Financial Officer	0.86	NA	NA
5	Mr. Anupam Jindal** Chief Financial Officer	1.73	NA	NA
6	Mr. Amit Deshpande (KMP) Company Secretary	0.71	11%	7

* Appointed as Whole-time Director effective January 20, 2021

Appointed as Chief Financial Officer effective October 5, 2020

** Ceased to be Chief Financial Officer effective September 11, 2020

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

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

B. The percentage increase in the median remuneration of employees in the financial year is **6.9%**.

C. The number of permanent employees on the rolls of company as on March 31, 2021 is **2514**.

D. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY21 was **7.6%**.

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

Annexure IV

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021.

A. Conservation of Energy

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

In FY21, various initiatives were taken up across our plants which has contributed to decrease in energy consumption and, hence, the carbon footprint.

a. Old Hydrogen Plant (550Nm3/hr) replaced with new enhanced 1100Nm3/hr plant, which led to saving of 3,68,280 Unit/Month in specific Power consumption

b. The continuous load optimisation and revision in contract demand depending upon the market conditions and monitoring of load

c. The optimisation of HVAC systems by taking into account the real-time weather conditions and AHU's VFD frequency optimisation has resulted in a saving of 90,000 Unit/Month

d. Replacement of cooling tower starter with VFDs has resulted in a saving of 18,567 Unit/Month

e. Upgradation in Vacuum machine starter panel with VFDs has resulted in electricity saving of 7,700 Unit/month

f. Installation of motion sensors and timers in office lights and air condition units to reduce power consumption

g. Replacement of DC motor by high efficiency AC motor for power saving

h. Installation of Air VAC instead of the conventional rotary type vacuum pump in new Sheathing lines

i. Installation of heat exchangers in new sheathing plant to reduce the load on chillers

j. Design and installation of receivers at high air consumption machines to help towards increase in efficiency of the air compressors

k. Installation of water level sensors at collection tanks to contribute towards maintaining optimum level of water for the chillers and help towards power saving

l. Autonomous maintenance of machines and execution of centralised utilities

m. Air compressor pipeline modified in the FTTH plant so as to connect the machine trough centralised air pipeline and completely eliminate use of one 120 CFM compressor

One of the special project with a focus on energy saving was "Project URJA", was driven across the plants for reducing cost by saving power and optimising consumption. The project is divided into four major areas namely, Power & Distribution, Thermal system, Fluid dynamics and Process Optimisation.

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

a. Solar Power Panel installed of Capacity 160KVA capacity. The per month generation Power unit is around 12,000 Unit/Month

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

c. Installed battery enabled motion sensors in offices & washrooms to contribute towards saving power

d. High Recovery RO plant procurement in progress, with automation and new technology

3. The capital investment on energy conservation equipment

a. High efficiency and quality product delivering machines commissioned (3 Nos.), which are capable of producing multiple cable designs with minimum scrap, consuming less power and maintaining high rate of availability

b. DC Motor has been replaced by High Efficiency AC motor for power saving

c. Installed and commissioned 3 new 400 KVA UPS with higher efficiency of 96% as compared to existing UPS having 92% efficiency

d. Initiated Centralised Utilities Building, which shall have power saving of 10 to 15%

e. Installation of one more new 600 CFM Air compressor having high power efficiency as compared to existing compressors and saving of approximate 300 energy units per day

f. High cooling efficiency chiller installed as compared to old chillers

B. Technology Absorption

1. The efforts made towards technology absorption

a. Old Hydrogen plant (550Nm3/hr) replaced with new enhanced capacity (1100Nm3/hr) with upgradation in automation with reduced specific power consumption

b. The aging HVAC chilled water process lines of 800 meter was replaced with new insulated water lines, leading to higher efficiency and reliability. The task was completed in a 1-Month period

c. Revamp of Process chilled water pumping system for improving reliability of system

d. LT Distribution Panel replacement (Gas yard, HVAC DBs & Cooling tower) with newer generation for reliability and system safety improvement

e. Voltage window upgradation by replacing 10 Nos. of UPS battery bank set (2540 Nos. Cell) for enhancing power backup of UPS

f. Upgradation of Grid#2 33Kv Incomer breaker replacement with newer generation for better reliability

g. Upgradation in Push Pull blower with soft starter for newer generation for better reliability

h. Old absolute Thermoset scrubber replaced with latest design and PLC-based automation system with newer generation for better reliability and safety

i. Revamp of MEE plant with new designed evaporators and centrifuge for enhanced capacity & efficiency

j. CPP plant compressor capacity enhancement to 5500 CFM from existing 1500 CFM to enable DG to hot standby mode during power outage, resulting MSEB to DG changeover time reduced for Power backup & reliability of power system

k. New design cantilever shaft for Buncher payoff to increase the machine up time & reduce the breakdown

l. Individual Payoff lay installed for Buncher machine so that now operator can set the all 4 Payoff lay Electrically through SCADA. Previously payoff Lay was set mechanically & need to change the pulley ratio manually

m. Machine running hours being tracked to increase the OEE of machines through efficient planning

n. Improved line speed in Buffering from 380 MPM to 405 MPM

o. Improved the Line speed of Sheathing line from 80MPM to 100 MPM by providing dual water trough

p. New design submersible pump installation for the buffering and sheathing lines centralised water circulation to reduce power consumption, reduce noise generation, reduce maintenance cost and increase water flow rate

q. Centralised SCADA system for Utility section under new project design phase completed

r. The Centralised Utilities project in progress with main Energy Bridge concept

s. Machine running hours being tracked to increase the OEE of machines through efficient planning

t. Dual crosshead project initiated to make single sheathing line capable of producing two products at one time

u. Improved line speed in Buffering from 750 to 1000 MPM

v. Extended phase of Industry 4.0 started to analyse the data of machine, through OPC UA has been done on POC on 2 production lines - Colouring & buffering & horizontal deployment is planned for all production lines in FY 2021-22. Also, data analytics has been started based on the data collected from machines

w. Closed loop heat exchanger system is installed to reduce chilled water losses

x. Aluminium air pipeline installed that have low friction during flow of air, thereby resulting in high efficiency of compressor and low air losses

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

a. Rain Water Harvesting

Implementation of rain water harvesting in the plant at Waluj with a harvesting potential of 16.53 lakh litres of water annually, with a provision to use water back into process.

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

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

a. Capital – 10.10
b. Recurring – 113.15
c. Total - 123.25
d. Total R&D expenditure as a % of total turnover – 2.98%

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: 1,112.36 crores
Foreign Exchange Actual Outflow: 1,347.30 crores

D. Environment and Sustainability

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

In FY21, under our initiative to become water positive we completed Zero Liquide Discharge certification for three plants in Aurangabad, Maharashtra. In the coming years, we will be expanding this to other plants. Our initiatives to reduce carbon footprints include multiple energy efficiency projects and Kaizen projects.

Directors' Report contd.
Annexure V

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

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

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

STL's CSR Policy encapsulates each of these aspects as well as how the Company's programs are implemented and monitored as well as governance aspects.

2. Composition of Sustainability and Corporate Social Responsibility Committee: (as on March 31, 2021)

S. No.	Name of Director	Designation/Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
i.	Arun Todarwal, Chairman	Non-Executive & Independent Director	2	2
ii.	A.R. Narayanaswamy	Non-Executive & Independent Director	2	2
iii.	Pravin Agarwal	Vice Chairman &Whole-time Director	2	2
iv.	Dr. Anand Agarwal	CEO & Whole-time Director	2	2

The Sustainability and Corporate Social Responsibility Committee was reconstituted effective April 1, 2021, with the following Composition:

i. B. J. Arun, Chairman, Non-Executive & Independent Director
ii. Sandip Das, Non-Executive & Independent Director
iii. Pravin Agarwal, Vice Chairman & Whole-time Director
iv. Dr. Anand Agarwal, Vice Chairman & Whole-time Director

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

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

STL's CSR Policy & Programs as approved by the Board – https://www.stl.tech/about-us/csr/

Sustainability and CSR Committee Composition – https://www.stl.tech/pdf/Composition%20of%20Board%20Committees.pdf

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

There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2020-21, pursuant to sub-rule (3) of rule 8 of the Companies (CSR Policy) Rules 2014.

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

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

6. Average net profit of the Company as per section 135(5) – ₹ 579.50 crores

7. (a) Two percent of Average net profit of the Company as per section 135(5) – ₹ 11.60 crores

(b) Surplus arising out of the CSR projects/programmes or activities for the financial year – ₹ 0.04 crores

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

(d) Total CSR obligation for the financial year (7a+7b- 7c) – ₹ 11.64 crores

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

Total Amount Spent for the Financial Year (in ₹ lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
1160	NA	NA	NA	NA	NA

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

1	2	3	4	5	6	7	8	9	10	11	12	
S. No.	Name of the Project	Project ID (if avail-able)	Item from the list of activities in schedule VII	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current Finan-cial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
											Name	CSR Registration number
1	Jeewan Jyoti Women Empowerment Program	NA	Women Empowerment	Yes	Pune, Aurangabad, Nagpur	Ongoing	232	280	NA	No	MAVIM* Rangsutra Lighthouse Communities Foundation	- CSR00001688 CSR00001116
2	Jeewan Jyoti Ved Vidyalaya	NA	Education	Yes	Pune	Ongoing	23	12	NA	No	Mahashri Vedvyas Prathisthan	CSR00002814
3	Digital Equalizer & Improved Learning Programme	NA	Education	Yes	Aurangabad, Silvassa, Nandurbar	Ongoing	213	193	NA	No	American India Foundation	CSR00001977
4	Digital Empowerment Program	NA	Education	Yes	Pune	Ongoing	14	25	NA	No	Lighthouse Communities Foundation	CSR00001116
5	Mobile Medical Unit	NA	Healthcare	Yes	Aurangabad, Nandurbar, Gachiroli, Silvassa	Ongoing	341	225	NA	No	Sevamob Indian Red Cross*	CSR00001153 -
6	Mission Green	NA	Environment	Yes	Aurangabad, Pune	Ongoing	31	55	NA	Direct & Indirect	Ecological Society 14 Trees Foundation	CSR00009860 -
7	Holistic Water Program	NA	Environment	Yes	Aurangabad	Ongoing	195	223	NA	No	Village Social Transformation Foundation	CSR00003542
8	Employee Volunteering	NA	Women Empowerment, Health, Education, Environment	Yes	Pune, Virtual	Ongoing	11	7	NA	Direct & Indirect	Goodera	-

1	2	3	4	5	6	7	8	9	10	11	12	
S. No.	Name of the Project	Project ID (if available)	Item from the list of activities in schedule VII	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current Finan-cial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
											Name	CSR Registration number
9	COVID-19 Relief	NA	Health	Yes	Kanpur, Silavssa	Ongoing	30	28	NA	Yes	-	-
10	STLGram	NA	Education	Yes	Aurangabad	Ongoing	0	12	NA	Yes	-	-
11	Tech for Impact	NA	Women Empowerment, Health, Education, Environment	-	-	Ongoing	0	13	NA	Yes	-	-
12	Educational Scholarships	NA	Education, Healthcare	Yes	Multiple	Ongoing	13	36	NA	Yes	-	-
13	Administration Expenses	NA	-	-	-	Ongoing	57	55	NA	Yes	-	-

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.

*Subject to partner's CSR1 registration

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

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

(d) Amount spent in Administrative Overheads – ₹ 55 lakhs

(e) Amount spent on Impact Assessment, if applicable – Not applicable for FY 20-21

(f) Total Amount Spent for the Financial Year (8b+8c+8d+8e) – ₹ 11.60 crores

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	11.60
(ii)	Total amount spent for the Financial Year	11.60
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

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

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

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

1	2	3	4	5	6	7	8	9

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount	Cumulative Amount Spent at the end of financial year	Status of the project -Completed/ Ongoing.
1	NA	Jeewan Jyoti Women Empowerment Program	FY 2014-2015	7 years & ongoing	232	280	1077	Ongoing
2	NA	Digital Empowerment Program	FY 2019-2020	3 years	14	25	40	Ongoing
3	NA	Jeewan Jyoti Ved Vidyalaya	FY 2017-2018	3 years	23	12	150	Completed
4	NA	Mobile Medical Unit	FY 2014-2015	5 years	341	225	360	Ongoing
5	NA	Mission Green (Green Belt & Afforestation)	FY 2017-2018	6 years	31	55	203	Ongoing
6	NA	Holistic Water Program	FY 2019-2020	4 years	195	223	278	Ongoing
7	NA	Employee Volunteering	FY 2018-2019	3 years	11	7	26	Ongoing
8	NA	COVID-19 Relief	FY 2019-2020	2 years	20	28	128	Ongoing
9	NA	Digital Equalizer & Improved Learning Programme	FY 2019-2020	2 years	213	205	211	Ongoing
10	NA	Tech for Impact	FY 2019-2020	2 years	10	13	13	Ongoing
11	NA	Educational Scholarships	FY 2016-2017	4 years	13	36	221	Completed

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

(Asset wise details)

(a) Date of creation/acquisition of the asset(s) - None

(b) Amount of CSR spent for creation/acquisition of asset - NIL

(c) Details of the entity/public authority under whose name such asset is registered, address etc. - Not Applicable

(d) Provide details of the property or asset(s) created/acquired (including complete address and location of the property) - Not Applicable

11. Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per section 135(5):

Dr. Anand Agarwal
Chief Executive Officer

B J Arun
Chairman, Sustainability and Corporate Social Responsibility Committee

Corporate Governance Report

Philosophy of the Company on Code of Governance

Upholding strong business ethics and implementing the highest standards of corporate governance are integral parts of the Company's philosophy and are of prime importance to the efficacy of its operational conduct and stakeholder management.

The Company strives to fulfill its inherent responsibility to build sustainable growth, create value for all stakeholders, maintain investor confidence and reinforce commitment towards good governance, transparent engagement, functional integrity and objective-oriented diligence.

Company's governance framework is based on its effective independent Board, separation of Board's supervisory role from the executive management team and constitution of the Committees of Board. The details of Board structure and the various committees that constitute the governance structure of the Company are explained in detail in this report.

Board of Directors

Composition of Board

The Board of Directors of the Company ("the Board") comprises three Whole-time Directors and five Non-Executive Directors, including one Independent Woman Director. Mr. Anil Agarwal is a Non-Executive Chairman and Mr. Pravin Agarwal is the Vice Chairman of the Board. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), requiring not less than half the Board to be Independent. The profiles of Directors are available at https://www.stl.tech/board-of-directors/

All Directors have made necessary disclosures regarding Directorships and Committee positions held by them in other companies. None of the Directors is a Member of more than ten Committees and Chairman of more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he/she is a Director. None of the Company's Independent Directors served as Independent Director in more than seven listed companies. The appointment of the Whole-time Directors, including their tenure and remuneration are also approved by the Board.

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

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

Chart or Matrix setting out the List of Core Skills/ Expertise/Competencies

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

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

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

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

Board Meetings

During FY21, six meetings of the Board of Directors were held on May 12, 2020; July 23, 2020; October 5, 2020; October 22, 2020; January 20, 2021 and March 17, 2021. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities were made available to facilitate Directors to participate in the meetings. As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time. The Board also reviewed the declaration made by the Chief Executive Officer regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliances, if any.

The composition of the Board, their attendance in meetings, other Directorships and Committee memberships and their shareholding in the Company as on March 31, 2021 are as follows:

Director (Category)	Board Meetings attended FY21 out of the 6 held	Attendance at the Last AGM held on August 31, 2020	Directorships in other Companies[1]	Committee Memberships & [Chairpersonships] in other Companies[2]	Directorship in other listed entity (Category of Directorship)	Number of shares held in the Company as on March 31, 2021
Anil Agarwal, Chairman (Promoter Non-Executive)	02	No	02	Nil	• Vedanta Limited	Nil
Arun Todarwal (Independent Non-Executive)	06	No	08	05 [02]	• Sterlite Power Transmission Limited* • Anuh Pharma Limited • Welspun India Limited (Independent Director In all companies)	Nil
A. R. Narayanaswamy (Independent Non-Executive)	06	Yes	03	02	• Sterlite Power Transmission Limited* (Independent Director in the Company)	1,000
Sandip Das (Independent Non-Executive)	04	Yes	01	01	• Greenlam Industries Limited (Independent Director)	8,290
Kumud Srinivasan (Independent Non-Executive)	04	No	Nil	Nil	Nil	Nil
Pravin Agarwal, Vice Chairman & Whole-time Director (Promoter, Executive)	06	Yes	03	02	• Sterlite Power Transmission Limited* (Non-executive Director In all companies)	5,86,750
Anand Agarwal, CEO & Whole-time Director (Executive)	06	Yes	02	Nil	Nil	10,83,640
S Madhavan[3] (Independent Non-Executive)	02	NA	10	05 [02]	• UFO Moviez India Limited • ICICI Bank Limited • Transport Corporation of India Limited • HCL Technologies Limited (Independent Director)	3,000
B J Arun[3] (Independent Non-Executive)	02	NA	Nil	Nil	Nil	Nil
Ankit Agarwal[4] Whole-Time Director (Promoter, Executive)	02	NA	07	Nil	Nil	8,05,041

*Debt listed company.

1. All public, private, foreign, Section 8 Companies are included. Directorship in Sterlite Technologies Limited has been excluded.
2. Membership/Chairpersonship only in Audit Committee and Stakeholders' Relationship Committee are included. Committee positions held in Sterlite Technologies Limited have been excluded.
3. Appointed as Additional Independent Directors w.e.f January 20, 2021.
4. Appointed as Additional Executive Director w.e.f January 20, 2021.
5. Mr. Arun Todarwal and Mr. A.R. Narayanaswamy, have ceased to be Independent Directors of the Company upon completion of their term on March 31, 2021.

Information provided to the Board

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

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

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 (the 'Act') and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 2, 2021 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

Induction and Familiarisation of Board Members

Upon appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program, including the presentation from the Whole-time Director & CEO on the Company's manufacturing, marketing, finance and other important functions. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site and more. On matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The familiarisation programme of Directors forms part of Company's Nomination and Remuneration Policy and can be viewed on the Company's website in 'Investors' section at the link https://www.stl.tech/Code-of-Conduct-and-Policies.html

Committees of the Board

I. Audit Committee

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

The terms of reference of the Audit Committee include:

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

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

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

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

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

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

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

    b. Compliance with accounting standards and changes in accounting policies and practices and reasons for the same

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

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

8. To review statement of deviations:

   i. quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) SEBI Listing Regulations

   ii. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations

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

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

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

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

13. Reviewing inter-corporate loans and investments

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

15. Reviewing financial statements and investments made by subsidiary companies

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

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

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

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

20. Reviewing the following information:

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

21. Reviewing compliance with the provisions of the Code of Conduct to Regulate, Monitor and Report Trading in the Securities of the Company and applicable SEBI Regulations and to verify that the systems for internal controls are adequate and are operating effectively and to amend, modify, interpret the Code

Composition and Meetings

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

The Chairman of the Audit Committee attended the last Annual General Meeting ('AGM') of the Company. The Audit Committee met six times during FY21 on May 11, 2020; July 22, 2020; October 5, 2020; October 22, 2020; December 4, 2020 and January 19, 2021 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Audit Committee as at March 31, 2021 and attendance at committee meetings are as follows:

Name	Category	Number of Meetings attended
A. R. Narayanaswamy, Chairman	Non-Executive & Independent Director	06
Arun Todarwal	Non-Executive & Independent Director	06
Sandip Das	Non-Executive & Independent Director	05
Pravin Agarwal	Vice Chairman & Whole-time Director	05

The Audit Committee was reconstituted effective April 1, 2021, with the following Composition:

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

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

II. Nomination and Remuneration Committee

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Reviewing whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. Administration of Employee Stock Option Scheme(s);
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management, i.e. all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/manager (including Chief Executive Officer/ manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer
8. Succession Planning of the CXO team

Composition and Meetings

The Committee comprises of four Non-Executive Independent Directors.

Mr. Sandip Das is the Chairman of the Committee. The Committee met six times during the FY21 on April 30, 2020; May 11, 2020, June 23, 2020, July 22, 2020, October 5, 2020, October 21, 2020, and January 19, 2021. The Company Secretary acts as the Secretary to Nomination and Remuneration Committee. The Composition of the Committee as at March 31, 2021 and attendance at Committee meetings are as follows:

Name	Category	Number of Meetings attended
Sandip Das, Chairman	Non-Executive & Independent Director	06
Arun Todarwal	Non-Executive & Independent Director	06
A. R. Narayanaswamy	Non-Executive & Independent Director	06
Kumud Srinivasan	Non-Executive & Independent Director	06

Corporate Governance Report contd.

The Nomination and Remuneration Committee was reconstituted effective April 1, 2021, with the following Composition:

Name	Category
Sandip Das, Chairman	Non-Executive & Independent Director
S. Madhavan	Non-Executive & Independent Director
B. J. Arun	Non-Executive & Independent Director
Kumud Srinivasan	Non-Executive & Independent Director

III. Stakeholders' Relationship Committee

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

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

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

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

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

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

Composition and Meetings

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

The Committee met four times during the FY21 on May 11, 2020, July 22, 2020, October 21, 2020 and January 19, 2021. Further during the year, the Company received 350 complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, rejection of demat requests. All the complaints were resolved to the satisfaction of investors. Mr. Amit Deshpande, Company Secretary, acts as the Compliance Officer of the Company.

The composition as on March 31, 2021 and attendance at Committee meetings are as follows:

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

The Stakeholders' Relationship Committee was reconstituted effective April 1, 2021, with the following Composition:

Name	Category
Kumud Srinivasan, Chairperson	Non-Executive & Independent Director
S. Madhavan	Non-Executive & Independent Director
B. J. Arun	Non-Executive & Independent Director
Ankit Agarwal	Whole-time Director

IV. Risk Management Committee

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

The terms of reference of the Risk Management Committee include:

1. Framing, reviewing and monitoring the Risk Management Policy and Plan of the Company

2. Evaluating significant risk exposures of the Company and assessing management's actions to mitigate the exposures in a timely manner

3. Monitoring risks and risk management capabilities within the organisation, including communication about escalating risk and crisis preparedness and recovery plans

4. Monitoring cyber security risks and assessing the adequacy of infrastructure controls in place to mitigate the same

5. Making regular reports to the Audit Committee/Board on Risk management and minimisation procedures

Composition and Meetings

The Committee met three times during the FY21 on July 22, 2020, October 21, 2020 and January 19, 2021. The composition and attendance at Committee meetings are as follows:

Name	Category	Number of Meetings attended
Kumud Srinivasan, Chairperson	Non-Executive & Independent Director	03
Arun Todarwal	Non-Executive & Independent Director	03
Sandip Das	Non-Executive & Independent Director	03
Dr. Anand Agarwal	Executive Director	03
Anupam Jindal*	Chief Financial Officer	01
Mihir Modi**	Chief Financial Officer	02

*Mr. Anupam Jindal ceased to be a member w.e.f September 11, 2020

**Mr. Mihir Modi appointed as a member w.e.f October 5, 2020

The Risk Management Committee was reconstituted effective April 1, 2021, with the following Composition:

Name	Category
Kumud Srinivasan, Chairperson	Non-Executive & Independent Director
Sandip Das	Non-Executive & Independent Director
Anand Agarwal	Chief Executive Officer & Whole-time Director
Mihir Modi	Chief Financial Officer
Ankit Agarwal	Whole-time Director

V. Sustainability and Corporate Social Responsibility Committee

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

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification which shall indicate the activities to be undertaken by the Company as specified in Schedule VII

2. To recommend the amount of expenditure to be incurred on the activities as prescribed under CSR Policy

3. To monitor the CSR Policy of the Company from time to time

4. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities

5. To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the Company and to respond to evolving public sentiment and government regulations

6. To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the Company

7. To review and advise the Board on company's sustainability reporting and sustainability targets

8. To review management's risk assessment and risk management policies and procedures with respect to sustainability impacts and considerations

The Committee met two times during FY21 on May 11, 2020 and October 21, 2020. Its composition and attendance are as follows:

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

The Sustainability and Corporate Social Responsibility Committee was reconstituted effective April 1, 2021, with the following Composition:

Name	Category
B. J. Arun, Chairman	Non-Executive & Independent Director
Sandip Das	Non-Executive & Independent Director
Pravin Agarwal	Vice Chairman & Whole-time Director
Anand Agarwal	CEO & Whole-time Director

VI. Other Committees

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

Board Evaluation

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

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

Policy for Selection and Appointment of Directors and their Remuneration

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

a. Appointment Criteria and Qualification:

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

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

b. Term:

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

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

c. Removal:

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

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

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

e. Remuneration to Non-executive/Independent Director:

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

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

The complete text of the Nomination and Remuneration Policy can be accessed on Company's website at the link: https://www.stl.tech/Code-of-Conduct-and-Policies.html

Details of Remuneration Paid to the Directors

Mr. Pravin Agarwal, Dr. Anand Agarwal and Mr. Ankit Agarwal are the Executive Directors of the Company.

Mr. Pravin Agarwal was appointed as Whole-time Director of the Company for a period of 5 years with effect from October 30, 2020. As per the terms of appointment, the agreement can be terminated by giving 90 days notice or equivalent pay by either of the sides. Dr. Anand Agarwal was appointed as Whole-time Director and designated as Chief Executive Officer of the Company for a period of 5 years with effect from July 30, 2020. As per the terms of appointment, the agreement can be terminated by giving 90 days notice or equivalent pay by either of the sides.

Mr. Ankit Agarwal was appointed as Additional Whole-Time Director of the Company for a term of 5 years with effect January 20, 2021. The said appointment, its terms and remuneration is subject to approval of shareholders of the Company at the forthcoming Annual General Meeting of the Company.

In FY 21, sitting fee of ₹ 75,000/- for attendance at each meeting of the Board and ₹ 40,000/- for each meeting of the Committees of the Board was paid to its Members (excluding Executive Directors). Remuneration by way of commission to Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution to the Board and certain Committee meetings as well as time spent on operational matters other than at meetings. On August 4, 2015, Members had approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company. The break-up of remuneration actually paid to Directors (excluding provisions, if any) in FY21 is as follows:

(₹ In lakhs)

Director	Salary Perquisites[6]	Incentive/ Commission	Sitting Fee	Total
Anil Agarwal	-	-	-	-
Arun Todarwal	-	22.50	14.10	36.60
A. R. Narayanaswamy	-	22.50	10.10	32.60
Kumud Srinivasan		22.50	9.70	32.20
Pravin Agarwal[1]	805.71	190.03	-	995.74
Anand Agarwal[2]	800.02	295.14	-	1,095.60
Pratik Agarwal	-	22.50	2.25	24.75
Sandip Das[3]	-	22.50	11.70	34.20
S Madhavan[4]	-	-	1.50	1.50
BJ Arun[4]	-	-	1.50	1.50
Ankit Agarwal[5]	58.00	-	-	58.00

1 **In view of the pandemic and to support the communities and company's growth plans, Mr. Pravin Agarwal has forgone 64% (₹ 3.36 crores) of his variable remuneration for FY21**.

2 Remuneration of Dr. Anand Agarwal also includes the perquisite value of Employee Stock Options (ESOPs) exercised by him during the year. He has exercised 1,34,520 options in FY21 against which equal number of shares were allotted to him. 1,30,300 options were granted to him in FY21, which are eligible for vesting over a period of five years.

3 The Company has paid ₹ 4.58 lakhs per month to Mr. Sandip Das as consultancy fees in FY21 for advisory services rendered by him in professional capacity and the same is not a part of his remuneration as Director.

4 Appointed as Additional Independent Directors w.e.f January 20, 2021.

5 Appointed as Additional Executive Director w.e.f January 20, 2021.

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

GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings

Date	Venue	Time	Special Resolutions that were passed with requisite majority
June 26, 2018	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutional Placement (QIP)/External Commercial Borrowings (ECBs) with rights of conversion into Shares/ Foreign Currency Convertible Bonds (FCCBs)/ American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013

Date	Venue	Time	Special Resolutions that were passed with requisite majority
July 23, 2019	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• Re-appointment of Mr. Arun Todarwal as an Independent Director • Re-appointment of Mr. A. R. Narayanaswamy as an Independent Director • Raising of the funds through Qualified Institutional Placement (QIP)/External Commercial Borrowings (ECBs) with rights of conversion into Shares/ Foreign Currency Convertible Bonds (FCCBs)/ American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013
August 31, 2020	Video Conference/Other audio-visual means Deemed Venue: E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	03.00 pm	• Re-Appointment of Mr. Pravin Agarwal as a Whole-Time Director of the Company • Re-Appointment of Dr. Anand Agarwal as a Whole-Time Director of the Company • Shifting of Registered Office of the Company

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

During FY21, no special resolutions were passed through postal ballot. There is no special resolution proposed to be conducted through postal ballot.

Subsidiary Companies

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

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

Related Party Transactions

All Related Party Transactions are approved by the Audit Committee. Approval of the Board is taken, as needed, in accordance with the Act and the Listing Regulations. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. No transaction with the Promoters, Directors or their relatives has a potential conflict with the Company's interest. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialisation and the Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests.

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the FY 21 were on an arm's length basis. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Board has approved the policy on Related Party Transactions, which has been uploaded on the Company's website in "Investors" section at link https://www.stl.tech/Code-of-Conduct-and-Policies.html

Code of Conduct

The Company has adopted a 'Code of Business Conduct & Ethics' to meet the changing internal and external environment for its employees at all levels including Senior Management and Directors. The Code has also been posted on the Company's website at link https://www.stl.tech/Code-of-Conduct-and-Policies.html. The Code serves as a guide to the employees of the Company to make informed and prudent decisions. As required under the Listing Regulations, the affirmation of compliance with the Code has been obtained from Directors and Senior Management personnel for FY21.

Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The status of complaints is as follows:

No. of Complaints Pending as on April 1, 2020	0
No. of Complaints filed during financial year	1
No. of Complaints disposed off during financial year	1
No. of Complaints Pending as on March 31, 2021	0

Vigil Mechanism/Whistleblower Policy

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

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

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

Prevention of Insider Trading

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

CEO and CFO Certification

The Chief Executive Officer and Whole Time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of the Listing Regulations. The Chief Executive Officer and Whole-time Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations. The annual certificate for FY 21 given by the Chief Executive Officer and Whole-time Director and the Chief Financial Officer is published in this Report.

Reconciliation of Share Capital Audit

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

Disclosures

a. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter relating to the above.

b. The Company has not received any complaints relating to child labour, forced labour, involuntary labour during FY21.

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 the changes in markets and products. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

d. This Corporate Governance Report of the Company for the Financial Year ended March 31, 2021 is in compliance with the requirements of Corporate Governance under Listing Regulations.

e. The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

f. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to PWC, the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

(₹ in lakhs)

Entity	Fees paid in FY21
Sterlite Technologies Limited (STL)	149.25
Subsidiaries of STL	15.00
Total	**164.25**

g. The Company has obtained a certificate from M/s. J. B. Bhave & Co., Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached to this Report.

h. The Board had accepted all recommendation of its committees during FY21, which were mandatorily required.

i. The Company has complied with as stipulated in the Listing Regulations, as applicable. Comments on the adoption of non-mandatory requirements are given at the end of this report.

Means of Communication

a. Quarterly Financial Results are published in all-India Editions of Financial Express and, in the Aurangabad Edition of Dainik Anand Nagri .

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

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

d. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): NEAPS and BSE Listing Centre are web-based applications designed by NSE/BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on these applications.

GENERAL SHAREHOLDER INFORMATION

CIN	L31300MH2000PLC269261
Annual General Meeting	Day, Date – Thursday, August 26, 2021 Time – 9.00 a.m. Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Book Closure Dates	Tuesday, August 24, 2021 to Thursday, August 26, 2021 (both days inclusive)
Dividend Payment Date	Dividend, if declared in the AGM will be paid within the statutory time limits.

Financial Calendar for FY22 (Financial Year April 1 to March 31) (tentative)

First Quarter Results	End of July 2021
Half Yearly Results	End of October 2021
Third Quarter Results	End of January 2022
Fourth Quarter/Annual Results	End of April 2022

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, 2021 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	STLTECH	The National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Debt Securities

The Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 590 crores. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

Stock Price Data

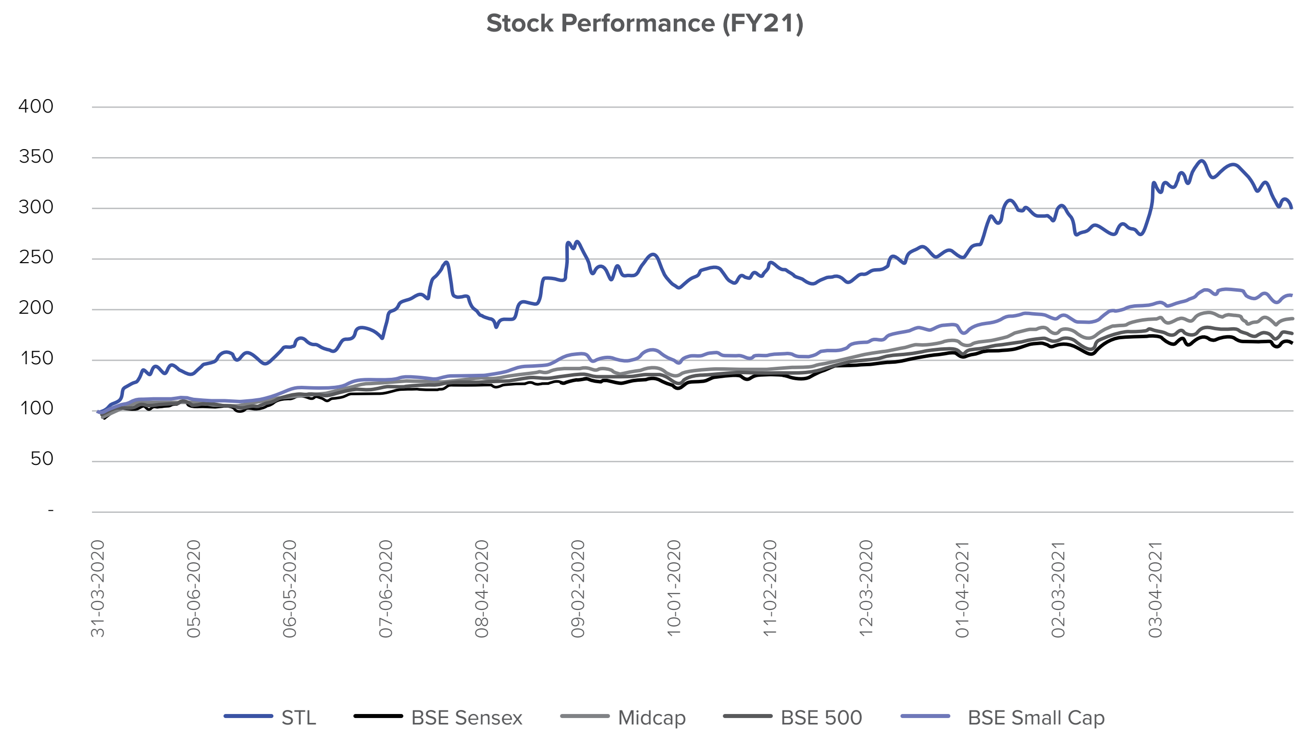
Stock Price data for the period April 1, 2020 to March 31, 2021 is as detailed below:

Month	BSE Monthly High (₹)	BSE Monthly Low (₹)	NSE Monthly High (₹)	NSE Monthly Low (₹)
Apr-20	95.35	62.00	95.40	62.00
May-20	106.30	86.80	106.40	86.85
Jun-20	122.20	96.00	122.00	96.40
Jul-20	160.60	108.00	160.60	110.30
Aug-20	174.75	115.00	174.70	115.50
Sep-20	166.80	137.40	167.00	139.25
Oct-20	161.00	140.50	161.30	142.50
Nov-20	163.40	142.65	163.35	142.50
Dec-20	189.75	148.00	189.90	150.00
Jan-21	199.50	171.65	199.90	171.45
Feb-21	218.75	172.85	218.70	172.80
Mar-21	225.75	190.00	225.85	190.00

Sources: Data compiled from BSE & NSE official websites.

Stock Performance

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



Corporate Governance Report contd.

Distribution of Shareholding as on March 31, 2021

Sr. no	Category	Cases	% of Cases	No. of shares	% of shareholding
1	1-5000	183265	97.03	49738248	12.54
2	5001- 10000	3140	1.66	11340568	2.86
3	10001- 20000	1331	0.70	9628485	2.43
4	20001- 30000	419	0.22	5258874	1.33
5	30001- 40000	202	0.11	3577623	0.90
6	40001- 50000	104	0.06	4767652	0.60
7	50001- 100000	228	0.12	16089064	2.03
8	100001 & Above	183	0.10	613312444	77.31
	Total:	**1,88,872**	**100.00**	**396,628,378**	**100.00**

Equity holding pattern as on March 31, 2021

Category	Number of Shares	% of Equity
Promoter Group	2,15,998,381	54.46
Banks, Mutual Funds, Trusts, Govt & Insurance Companies, Indian Financial Institutions, etc.	34,379,001	8.67
FIIs, Foreign National, Foreign Portfolio Investors and NRIs	24,175,219	6.10
Bodies Corporates & NBFCs Registered with RBI	11,578,887	2.92
Individuals (Public) & HUFs	1,05,597,457	26.62
Clearing Members	3,26,877	0.08
Others (including IEPF)	45,72,556	1.15
Total	**396,628,378**	**100.00**

Dematerialisation of Shares and Liquidity

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2021 39,37,93,301 shares representing 99.29% of total equity capital were held in electronic form. The Shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN allotted to the Company is INE089C01029.

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

Details of outstanding shares in the Unclaimed Suspense Account

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

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on April 1, 2020	35	14,545
Shareholders approached for transfer/delivery during FY 21	Nil	Nil
Shares transferred/delivered during FY21	Nil	Nil
Shares transferred to IEPF	Nil	Nil
Balance as on March 31, 2021	35	14,545

The voting rights on the shares in the suspense account as on March 31, 2021 shall remain frozen till the rightful owners of such shares claim the shares.

Share Transfer System

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

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

Registrar & Transfer Agent

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

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

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

Sterlite Technologies Limited
4th Floor, Godrej Millennium
9 Koregaon Road, "STS 12/1", Pune – 411 001
Maharashtra, India
Phone: +91-20-30514000 Fax: +91-20-30514113
E-mail: secretarial@stl.tech

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

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

Plant Locations

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

Credit Rating

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

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

Compliance Certificate of Practising Company Secretary

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

Compliance with Non-Mandatory Requirements

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

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

3. **Unqualified audit report**
   The Auditors' opinion on the Financial Statements is unmodified.

4. **Separate Posts of Chairman and CEO**
   The Company has separate posts of Chairman and CEO

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

CEO AND CFO CERTIFICATE

(As per Schedule II of the Listing Regulations)

To,
The Board of Directors
Sterlite Technologies Limited

a) We have reviewed financial statements and the cash flow statement of Sterlite Technologies Limited for the year ended March 31, 2021 and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

d) We have indicated to the Auditors and the Audit Committee:
   (i) significant changes in internal control during the year;
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Sterlite Technologies Limited
Anand Agarwal
CEO & Whole Time Director
Place: Pune
Date: April 29, 2021

Mihir Modi
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, 2021.

For Sterlite Technologies Limited
Anand Agarwal
CEO & Whole-time Director
Place: Pune
Date: April 29, 2021

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

I have examined all relevant records of **Sterlite Technologies Limited** (CIN: L31300MH2000PLC269261) for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the above certification.

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

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with the mandatory conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time for the financial year ended March 31, 2021.

Jayavant B. Bhave
For J. B. Bhave and Co.
Company Secretaries
FCS No. 4266 . Certificate of Practice No. 3068
PR No.: 1238/2021
UDIN: FO04266 CO00190925

Place: Pune
Date: April 29, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
STERLITE TECHNOLOGIES LIMITED
E1, MIDC Industrial Area Waluj
Aurangabad- 431136,
Maharashtra

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **STERLITE TECHNOLOGIES LIMITED** having CIN: L31300MH2000PLC269261 and having registered office at E1, MIDC Industrial Area Waluj Aurangabad 431136, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Anil Kumar Agarwal	Non-Executive Director	00010883	30/10/2006
2	Arun Lalchand Todarwal*	Non-Executive and Independent Director	00020916	25/01/2003
3	Pravin Agarwal	Wholetime Director	00022096	30/10/2006
4	Anand Gopaldas Agarwal	Wholetime Director and CEO(KMP)	00057364	30/07/2009
5	Sandip Das	Non-Executive and Independent Director	00116303	16/10/2017
6	Narayanaswamy Alampallam Ramakrishnan*	Non-Executive and Independent Director	00818169	30/04/2007
7	Kumud Madhok Srinivasan	Non-Executive and Independent Director	06487248	22/05/2018
8	Subramanian Madhavan^	Additional Non-Executive and Independent Director	06451889	20/01/2021
9	Bangalore Jayaram Arun^	Additional Non-Executive and Independent Director	02497125	20/01/2021
10	Ankit Agarwal	Additional Executive Director	03344202	20/01/2021
11	Pratik Pravin Agarwal**	Non-Executive Director	03040062	26/04/2013

* retired w.e.f. 31.03.2021
** resigned w.e.f. 20.01.2021
^ appointed w.e.f. 20.01.2021

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

For J. B. Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
PR No. 1238/2021
UDIN: FO04266C000191024

Place: Pune
Date: April 29, 2021

Business Responsibility Report

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	:	L31300MH2000PLC269261
2.	**Name of the Company**	:	STERLITE TECHNOLOGIES LTD.
3.	**Registered address**	:	E1, MIDC Industrial Area Waluj, Aurangabad, MH 431136
4.	**Website**	:	https://www.stl.tech/
5.	**E-mail id**	:	stl.communications@stl.tech
6.	**Financial Year reported**	:	2020-21
7.	**Sector(s) that the Company is engaged in (industrial activity codewise)**	:	
	Product/Service		**NIC Code**
	Fibre Optical Cable		3890
	Optical Fibre		3890
	Copper Telecom Cables		3130
	Fibre Optical Cable Laying Services		3890
8.	**List three key products/services that the Company manufactures/ provides (as in balance sheet)**	a.	Connectivity Solutions
		b.	Network Services
		c.	Network Software

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

a. **Number of International Locations (Provide details of major 5)**
   - i. Italy - 2
   - ii. China - 2
   - iii. Brazil - 1
   - iv. UK - 2
   - V. Dubai - 1

b. **Number of National Locations**
   - i. Maharashtra - 6
   - ii. UT of Dadra and Nagar Haveli and Daman and Diu - 2
   - iii. Gujarat - 1
   - iv. Haryana - 1

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

a. Domestic market: Across India

b. International market: Across the globe

Section B: Financial Details of the Company

1.	**Paid up Capital (₹)**	:	79.33 crores
2.	**Total Turnover (₹)**	:	4,199.68 crores
3.	**Total profit after taxes (₹)**	:	261.41 crores
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	:	2%

5. List of activities in which expenditure in 4 above has been incurred:

a) **Women Empowerment –** STL's Jeewan Jyoti Women Empowerment programme aims to provide rural women with a holistic support system that extends beyond vocational skilling. It supports them through personality development, transportation, linkages to microfinancing, training and setting up self-help groups for older women at villages, livelihood and entrepreneurial opportunities.

b) **Education –** The Company focuses on technology driven programmes for children from lower income families and tribal communities. These programmes aim at ensuring, that access to quality education is available to the masses through digital learning mechanisms, make learning fun and interesting, while simultaneously aiding faculty through digital training and teaching techniques. In addition to this digital literacy for urban slum communities helps include these individuals into the digital landscape improving their access to livelihood and learning opportunities.

c) **Healthcare –** The Company introduced a hybrid AI-telehealth-onsite healthcare programme that will be covering over 200 villages across Aurangabad, Nandurbar and Gadchiroli through free teleconsultation, testing facilities, medication, and awareness and reduce the morbidity rate in these regions. In addition to this, a comprehensive COVID relief plan was undertaken to help stranded migrants and front-line workers during the pandemic.

d) **Environment –** Here, The Company has on a holistic water and afforestation programme through which it hopes to build water resilient villages in Aurangabad. It includes not only water conservation, but also rainwater harvesting, ground water recharging and wastewater treatment for use in agriculture and for afforestation. Its environment initiatives also include Mission Green at Aurangabad and Vetale, Pune through which over 10,000 trees have been grown as well as biodiversity restoration undertaken.

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)**	:	- No
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%):**		

- During our interactions with stakeholders, we always focus on sharing sustainable practices of STL along with the technical knowledge. The impact of sustainable practices has helped us get customers' (less than 30%) support in our BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

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

b. Details of the BR Head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Anjali Byce
3	Designation	Chief Human Resources Officer
4	Telephone number	+91-20-30514000
5	e-mail id	anjali.byce@stl.tech

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Principle Area	Code of Conduct	Product Responsibility	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment	Public Advocacy	CSR	Customer Value
1	Do you have a policy/policies for ...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)[1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	N	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee implementation of policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report contd.

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
6	Indicate the link for the policy to be viewed online?	Code of Conduct[2]	Internal	Internal	Internal	Internal	Internal	Internal	CSR policy[3]	Internal
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of the policy/ policies by an internal or external agency?	Y	Y	Y	N	N	Y	N	Y	Y

[1]Based on National Laws and Regulatory Frameworks

[2]https://www.stl.tech/pdf/coc/Sterlite_Code_of_Conduct_Final.pdf

[3]https://www.stl.tech/pdf/corporate-social-responsibility-policy-2021.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 Company's Board of Directors meet every quarter. CSR and Sustainability form a part of the CEO's presentation to the Board. In addition to this, the 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?

The Company publishes a Business Responsibility Report (BRR) annually as a part of its annual report. The first BRR was published in 2016-17. The Company published its first sustainability report for the year 2017-18 prepared as per globally accepted GRI sustainability reporting framework and thereafter as part of its Annual report.

Link: https://www.stl.tech/pdf/STL-Annual-Report-FY20.pdf

Section E: Principle-Wise Performance

Principle 1

Business should conduct and govern themselves with ethics, transparency and accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?**

   The Code of Conduct and Ethics policy of the Company covers the Company as well as its subsidiaries. We also have a Whistle-blower policy which covers all employees of STL, its subsidiaries and all external stakeholders. The Company's supply chain partners are covered under Supply Chain Management policy, which includes principles on conducting business transactions with a high level of ethics, transparency and integrity.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   Details of the shareholder complaints are included in the Corporate Governance Report of the Annual Report under the section on Stakeholders' Relationship Committee.

Principle 2

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

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   We are in the business of digital inclusion by providing last mile connectivity solutions, thereby transforming the lives of millions. Business responsibility is at the core of our operations across the value chain.

   Celesta Ribbon Optical Fibre Cable

   A high-density optical fibre cable with a capacity of up to 6912 optical fibres. The innovative design resulted in a 26% slimmer cable as compared to traditional loose tube cables. It reduces roll-out time, optimises duct space utilisation, reduces the size of passive network infrastructure and improves network performance, resulting in as much as 32% savings in the overall investment. As compared to its traditional counterpart, it requires lesser raw material and energy for manufacturing with a reduced environmental footprint.

   World's slimmest 432F micro cable

   The micro cable - 432F is the world's slimmest cable with a high fibre count. It is 20% slimmer as compared to the traditional micro cable resulting in reduced deployment cost and increased scope for network expansion. This is a RoHS-compliant cable, free from heavy metals and is environmentally friendly. It requires lower energy for installation, lesser packaging material, easy deployment and reduces harmful environmental impact of manufacturing and deployment.

   Smart city solution

   STL has been working in the domain of sustainable smart city solutions with the aim to contribute to the development of cities which are sustainable. The efficient administration and fast services are driven by the power of super-fast communication, based on data transfer. Our smart city solution enables super-fast communication which helps in better administration, improved transportation, safety of citizens, energy efficiency and emergency service management, etc. With the help of these solutions the overall environmental footprint of the city remains lesser and it helps in creating a better place for society to live.

   One such example is Kiosk Deployment at Jaipur. In Smart City Projects, KIOSK plays a major role. As a move towards an "approachable city administration", these city kiosks are expected to act as an extended arm of city administration departments and help in connecting with citizens while promoting "anytime services" complementing the mobile platform-based service delivery. Further details can be referred at https://www.stl.tech/white-papers/kiosk-deployment-at-jaipur.php

2. **For each such product, provide the following details in respect of resource use (energy, water, raw materials, etc.) per unit of product (optional):**

(a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

   Optical fibre division has undertaken an energy optimisation project and this has helped the division to achieve 24% reduction in specific GHG emission. Water initiatives taken up at the optical fibre division helped to reduce the specific water consumption by 20%.

(b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The products manufactured by the Company do not consume any energy or water during their use.

Business Responsibility Report contd.

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.

These details can be found under '**Reimagining the Narrative for a Better World**' of the Annual Report under the Supply Chain section.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

These details can be found under '**Reimagining the Narrative for a Better World**' of the Annual Report under the Supply Chain section.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a systematic mechanism to recycle products and waste. More than 10% of total waste generated is recyled. Further details can be found under '**Reimagining the Narrative for a Better World**' of the Annual Report under the Zero Waste to Landfill section.

Principle 3

Businesses should promote the wellbeing of all employees

1	**Please indicate the total number of employees. (On roll)**	3107
2	**Please indicate the total number of employees hired on a temporary/contractual/casual basis**	3260
3	**Please indicate the number of permanent women employees**	511
4	**Please indicate the number of permanent employees with disabilities**	2
5	**Do you have an employee association that is recognised by management?**	Yes
6	**What percentage of your permanent employees are members of this recognised employee association?**	23 of 3107 (0.74%)

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Sn	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	1	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sn	Category	Safety Training	Skill upgradation
1	Permanent Employees	100%	96%
2	Permanent Women Employees	100%	96%
3	Casual/Temporary/Contractual Employees	100%	NA
4	Employees with Disabilities	50%	100%

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has identified five direct stakeholder groups – Employees, Customers, Suppliers, Communities and Shareholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company actively engages with the communities around its operations. 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.**
At STL, we believe that progress should be inclusive and have hence aligned our community outreach programmes in a way that not only contributes to national priorities, but also to the UN Sustainable Development Goals.

Till date, our Jeewan Jyoti Women Empowerment Programme has been actively working with over 3,800 rural women in Pune to help them emerge as confident, independent agents of change. Our healthcare programmes,since 2006, have been ensuring quality healthcare, COVID-19 relief and equitable access for the masses benefitting over 445,000 lives across Aurangabad, Gadchiroli, Nandurbar and Silvassa. Our education programmes on the other hand, that focus on digital empowerment for Pune's urban slum citizens, have so far ensured digital literacy for 1477 individuals. Our ed-tech programmes have benefitted over 838,000 lives ensuring quality education is not limited to a privileged few.

Principle 5

Businesses should respect and promote human rights

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?**
The human rights policy applies to STL and its subsidiaries. We have taken steps towards implementation of these principles across our operations and value chain. The policy includes important aspects like labour standards, child and forced labour, diversity and equal opportunities, health and safety, freedom of association and non-discrimination, etc.

2. **How many stakeholder complaints have been received in the past financial year and what percentage 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	NA

Principle 6

Business should respect, protect, and make efforts to restore the environment

Environmental sustainability has been a core area of focus for the Company. To achieve the same, the Company has implemented a dedicated Quality, Environment, Health and Safety (QEHS) policy across its facilities which guides all environmental initiatives.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**
The QEHS policy is applicable to STL 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 a hyperlink for webpage etc.**
At STL, management of environmental issues starts at a systemic level and extends to implementation and monitoring. The environmental initiatives are guided by our well defined QEHS policy and before setting up of any facility, environment impact assessment is conducted to understand environment risks for its avoidance and mitigation. Inside our operations, the Company continuously improves products in terms of resource optimisation, water and electricity conservation and waste reduction to reduce its environmental footprint. One such example can be referred to at https://www.stl.tech/optical-interconnect-products/optical-fibre-cable/images/432F-Worlds-slimmest-cable.pdf.

The Company is also working with UNGC to jointly contribute towards addressing global sustainability and environmental issues. One such initiative is in Aurangabad, Maharashtra where the Company is working with the World Bank Water Resources Group 2030, government of Maharashtra and Village Social Transformation Foundation to transform the region to a water resilient one through community involvement, livelihood creation and water conservation, recharge and usage sustainability.

3. **Does the Company identify and assess potential environmental risks?**
Yes. The potential environmental risks are identified through environment impact assessment. Also, we conduct a company-wide risk assessment exercise to identify potential operational and future risks for taking suitable mitigation initiatives. Further, the mitigation

plan is developed and responsibility of implementation is assigned which gets reviewed at different management levels.

4. **Does the Company have projects related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   Not Applicable

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   Yes. The detail can be found under '**Reimagining the Narrative for a Better World**' of the Annual Report under the Environment performance section.

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.**
   Nil.

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:**
   STL continuously engages with industry bodies. We are an active member of the following associations:

   - ITU-APT Foundation of India
   - Broadband India Forum (BIF)
   - Confederation of Indian Industry (CII)
   - Cellular Operator Association of India (COAI)
   - India Cellular & Electronics Associations (ICEA)
   - Society of Indian Defence Manufacturers (SIDM)
   - Tower and Infrastructure Providers Association (TAIPA)
   - Federation of Indian Chamber of Commerce & Industry (FICCI)
   - Telecom Equipment & Services Export promotion Council (TEPC)
   - Associated Chambers of Commerce and Industry of India (ASSOCHAM)

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)**
   Being a domestic champion in fibre, networking and new technologies, etc., STL drives the nation building agenda of improving the lives of its citizens through connectivity, technology and innovation. STL believes in the concept of empowerment through creation of digital infrastructure for the country and has been a trusted partner of the government in creating robust broadband infrastructure in the country. STL, through its leadership positions in various committees, has been instrumental in shaping policies and creating an ecosystem that promotes ease of doing business in the ICT domain. STL has been providing unbiased inputs/suggestions on issues related to policies and regulatory frameworks, governance and administration, economics reforms, network modernisation and sustainable business principles.

Principle 8

Businesses should support inclusive growth and equitable development

STL's vision is to 'transform everyday living by delivering smarter networks'. We aim at making this vision a reality by facilitating a cleaner, greener, connected and more inclusive world, not just through our products and services that drive progress, but also through our operations and community outreach programmes.

While our primary focus is on communities around our operations to ensure they have access to quality healthcare, education and a pristine environment, we also work with needy communities across the country to reduce inequalities through women empowerment programmes, environment conservation and livelihood generation. COVID-19 relief work has also been an integral part of our social impact work over the last year and our programmes have been altered to factor in the learnings from the pandemic to ensure agile and tech-based interventions that ensure social development is not stalled even during these difficult times.

1. **Does the Company has specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**
   The details of our CSR programmes are elaborated on in the '**Reimagining the Narrative for a Better World**' and '**Annexure VII** to the Director's Report' section.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**
   STL's CSR programmes are undertaken by Sterlite Tech Foundation (STF), either directly or through an external NGO, NPO or in partnership with government authorities. The operations of STF and partner NGOs, NPOs among other social development partners are overseen by STL's in-house CSR team. A few strategic programmes are also undertaken directly by STL.

3. **Have you done any impact assessment of your initiatives?**
   Impact assessments have been conducted by third parties for our Jeewan Jyoti Women Empowerment Programme and Jaldoot

   Additionally, every programme is closely monitored by STL basis key performance indicators (KPI) finalised at the time of the programme inception. These include:

   - Activity indicators, which show if we are on track to deliver the activities in our programme plan
   - Outcome indicators, which tell us if the programme is achieving the intended purpose
   - Impact indicators, which tell us the short-to-medium term impact achieved resulting from programme outcomes

   Our Data Management System ensures that this data is regularly submitted through online mechanism by our partners enabling us to analyse various trends. This allows us to proactively implement strategy changes and programme deliverables to ensure maximum benefit to the communities the programme is intended for.

4. **What is your Company's direct contribution to community development projects - amount in INR and the details of the projects undertaken?**
   We have spent ₹ 11.60 crores in FY 20-21 on our community outreach programmes. The details of each of our CSR programmes are elaborated on in the '**Reimagining the Narrative for a Better World**' and '**Annexure VII to the Director's Report**' sections.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   STL's primary objective is to create shared value for each of its stakeholders and the community is one its main stakeholders. Hence, each of our community programmes does not simply work towards benefitting lives in communities, but instead works with them as partners to drive sustainable transformation. We believe that a programme can only be sustainable after our intervention, when the community understands its importance and is equally committed to wanting progress and development. Our strategy revolves around addressing the main issue by resolving the underlying reasons for its emergence. Behavioural change, awareness, collective effort and ownership have thus been key factors to ensuring each of our community outreach programmes are successfully adopted by the communities we implement them for.

Principle 9

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**
   The total customer complaints/consumer cases open is 30.8 percent as on March 31, 2021.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**
   Yes. We comply with the local law with respect to product labels. Also, we provide additional specific information and bar coding as per the customer requirement which varies from customer to customer.

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.**
   No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   As a part of customer engagement, customers' feedback related to products and services is collected through surveys to gauge their satisfaction level.

Independent Auditors' Report

To the members of Sterlite Technologies Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Sterlite Technologies Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw attention to Note 46 to the standalone financial statements which describes that the Company had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which has been amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by the Gujarat High Court. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition	
(Refer note 2.1(b), 3 and 26 to the Standalone financial statements) The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by Management with respect to: • Combination of contracts entered into with the same customer; • Identification of distinct performance obligations; • Total consideration when the contract involves variable consideration involved; • Allocation of consideration to identified performance obligations; • Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. For assessment of the date of transfer of control, Management has obtained legal opinion in respect of certain arrangements. Further, for contracts where revenue is recognised over a period of time, the Company makes estimates which impact the revenue recognition. Such estimates include, but are not limited to: • costs to complete, • contract risks, • price variation claims, • liquidated damages Further in determining the above estimates for ongoing contracts, Management has also evaluated the estimates, especially those resulting from expected delays in the completion of the performance obligations and available contractual remedies. We focused on this area because a significant portion of the revenue generated requires management to exercise judgement and therefore could be subject to material misstatement due to fraud or error.	We performed the following procedures: Understood and evaluated the design and tested the operating effectiveness of controls relating to revenue recognition. In respect of certain large and complex contracts and certain other contracts our procedures included, among other things: • Reading of selected contracts to identify significant terms of the contracts; • Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation; • Evaluation of the contract terms and consideration of the legal opinion obtained by Management with respect to assessment of the date of transfer of control; • Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts; • Testing the appropriateness of key assumptions used by Management including the appropriateness and reasonability of Management's conclusion regarding the expected delays in estimated completion of the performance obligations and possible impact on key estimates. Reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies. • Testing of journal entries for unusual/irregular revenue transactions; and • Evaluating adequacy of presentation and disclosures. Based on above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by the applicable accounting standard.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the standalone financial statements

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

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

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

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

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

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22 and 39 to the standalone financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 to the standalone financial statements;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 21108391AAAADF3548

Pune
April 29, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Sterlite Technologies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 21108391AAAADF3548

Pune
April 29, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2021

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. Further, the physical verification of cables is impractical due the manner in which they have been installed/laid.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of in respect of manufacture of copper cables. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, goods and service tax, labour welfare fund and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Central Sales Tax, Service Tax, Goods and Service Tax and duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax and duty of customs and as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ crores)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	67.82	2001-03	CESTAT, Mumbai
	Customs Duty	0.68	2011-16	CESTAT, Ahmedabad
	Customs Duty	1.53	2013-14	CESTAT, Mumbai
	Customs Duty	1.54	2014-19	Commissioner (Appeals) – Mumbai
	Customs Duty	15.00	2002-03	Supreme Court of India
Income Tax Act, 1961	Income Tax	17.46	AY 2018-19	Commissioner (Appeals)
	Income Tax	3.88	AY 2013-14, AY 2015-16	Commissioner (Appeals) – Mumbai
	Income Tax	1.20	AY 2002-03	Mumbai High Court
	Income Tax	0.07	AY 2001-02	Mumbai High Court
	Income Tax	0.43	AY 2014-15, AY 2016-17	Commissioner (Appeals) – Pune
	Income Tax	0.33	AY 2011-12, AY 2013-14	Commissioner (Appeals) – Ahmedabad
	Income Tax	0.53	AY 2012-13	Gujarat High Court
	Income Tax	0.12	AY 2009-10, AY 2010-11	Income Tax Appellate Tribunal – Ahmedabad

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date. As stated in Note 39 to the standalone financial statements, the Company continues to dispute amounts aggregating ₹ 18.87 crores claimed by a bank in the earlier years, towards import consignments under letter of credit not accepted by the Company, owing to discrepancies in documents. Since the matter is in dispute, we are unable to determine whether there is a default in repayment of dues to the said bank.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Also refer paragraph 16 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 21108391AAAADF3548

Pune
April 29, 2021

Balance Sheet

as at March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

	Note	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant & equipment	4	2,167.03	2,213.30
Capital work-in progress		146.83	127.52
Goodwill	5,6	-	14.65
Other intangible assets	5	36.58	33.65
Financial assets			
Investments	7	323.72	289.10
Loans	9	218.78	80.72
Other non-current financial assets	10	10.53	20.41
Other non-current assets	11	8.23	48.94
		2,911.70	**2,828.29**
Current assets			
Inventories	12	363.36	285.38
Financial assets			
Investments	13	180.00	233.00
Trade receivables	8	1,376.11	1,413.16
Cash and cash equivalents	14	76.14	76.53
Other bank balances	15	55.17	93.92
Loans	9	7.80	11.89
Other current financial assets	10	43.10	58.55
Contract assets	11	1,311.17	735.15
Other current assets	11	378.95	331.97
Assets classified as held for sale	16	32.37	28.27
		3,824.17	**3,267.82**
Total Assets		**6,735.87**	**6,096.11**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	79.33	80.79
Other Equity	18	1,747.03	1,728.78
Total Equity		**1,826.36**	**1,809.57**
Non-current liabilities			
Financial liabilities			
Borrowings	19	753.16	519.83
Lease Liabilities	4	59.11	83.33
Other financial liabilities	20	10.08	12.80
Employee benefit obligations	25	48.32	41.16
Provisions	22	0.74	0.89
Deferred tax liabilities (net)	24A	93.40	63.89
		964.81	**721.90**
Current liabilities			
Financial liabilities			
Borrowings	19	1,155.81	1,105.17
Lease Liabilities	4	19.17	16.43
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		72.70	30.66
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,796.96	1,335.81
Other financial liabilities	20	757.26	875.23
Contract liabilities	23	64.35	133.40
Other current liabilities	23	39.98	43.52
Current tax liabilities (Net)	24B	14.88	-
Employee benefit obligations	25	13.36	14.40
Provisions	22	10.23	10.02
		3,944.70	**3,564.64**
Total liabilities		**4,909.51**	**4,286.54**
Total Equity & Liabilities		**6,735.87**	**6,096.11**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Statement of Profit and Loss
for the year ended 31 March 2021

(All amounts are in ₹ crores, unless otherwise stated)

	Note	31 March 2021	31 March 2020
INCOME			
Revenue from operations	26	4,142.01	4,760.50
Other income	27	43.32	21.27
Total Income (I)		**4,185.33**	**4,781.77**
EXPENSES			
Cost of raw materials and components consumed	29	2,115.32	2,273.96
Purchase of traded goods		0.69	2.12
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	(30.11)	65.43
Employee benefit expense	30	491.97	519.82
Other expenses	31	851.31	902.31
Total Expense (II)		**3,429.18**	**3,763.64**
Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		**756.15**	**1,018.13**
Depreciation and amortisation expense	32	215.10	232.42
Finance costs	33	189.71	204.46
Finance Income	28	(14.35)	(11.67)
Profit before exceptional item and tax		**365.69**	**592.92**
Exceptional Item (refer note 44)		-	50.71
Profit before tax		**365.69**	**542.21**
Tax expense:	34		
Current tax		75.23	111.53
Deferred tax		29.05	(2.84)
Total tax expenses		**104.28**	**108.69**
Profit for the year		**261.41**	**433.52**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(1.48)	(51.81)
Income tax effect on the above		0.37	20.20
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(1.11)**	**(31.61)**
Items that will not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefits plans		3.29	0.35
Income tax effect on the above		(0.83)	(0.09)
Change in fair value of FVOCI equity instruments		-	1.35
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**2.46**	**1.61**
Other comprehensive income for the year, net of tax		**1.35**	**(30.00)**
Total comprehensive income for the year		**262.76**	**403.52**
Earnings per equity share	36		
Basic			
Computed on the basis of profit for the year (₹)		6.57	10.75
Diluted			
Computed on the basis of profit for the year (₹)		6.50	10.63
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

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

Anand Agarwal
CEO & Whole-time Director
DIN: 00057364

Neeraj Sharma
Partner
Membership Number:108391

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Place: Pune
Date: 29 April 2021

Statement of Changes in Equity
for the year ended 31 March 2021

(All amounts are in ₹ crores, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	Note	No. in crores	Amount
At 01 April 2019		**40.25**	**80.51**
Changes in equity share capital	17	0.14	0.28
At 31 March 2020		**40.39**	**80.79**
Changes in equity share capital	17	(0.73)	(1.46)
At 31 March 2021		**39.66**	**79.33**

B. OTHER EQUITY

	Capital Reserve	Securities Premium	Employee stock option Outstanding	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Total
As at 31 March 2019	**(19.06)**	**38.68**	**29.65**	**75.00**	**-**	**112.50**	**1,225.07**	**45.86**	**1,507.70**
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 51)	-	-	-	-	-	-	(12.48)	-	(12.48)
Restated balance as at 01 April 2019	**(19.06)**	**38.68**	**29.65**	**75.00**	**-**	**112.50**	**1,212.59**	**45.86**	**1,495.22**
Profit for the year	-	-	-	-	-	-	433.52	-	433.52
Other comprehensive income for the year	-	-	-	-	-	-	1.61	(31.61)	(30.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**435.13**	**31.61**	**403.52**
Addition on ESOPs exercised	-	12.68	-	-	-	-	-	-	12.68
Transferred to Securities premium account	-	-	(12.68)	-	-	-	-	-	(12.68)
Employees stock option expenses for the year (refer note 35)	-	-	9.86	-	-	-	-	-	9.86
Amount transferred to general reserve	-	-	-	(18.75)	-	18.75	-	-	-
Equity dividend including taxes thereon (refer note 48)	-	-	-	-	-	-	(170.09)	-	(170.09)
Transferred to Statement of profit and loss	-	-	-	-	-	-	-	(9.73)	(9.73)
As at 31 March 2020	**(19.06)**	**51.36**	**26.83**	**56.25**	**-**	**131.25**	**1,477.63**	**4.52**	**1,728.78**
Profit for the year	-	-	-	-	-	-	261.41	-	261.41
Other comprehensive income for the year	-	-	-	-	-	-	2.46	(1.11)	1.35
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**263.87**	**(1.11)**	**262.76**
Addition on ESOPs exercised	-	14.83	-	-	-	-	-	-	14.83
Transferred to Securities premium account	-	-	(14.83)	-	-	-	-	-	(14.83)
Utilised for Buy-back of equity shares	-	(51.36)	-	-	-	(48.42)	-	-	(99.78)
Employees stock option expenses for the year (refer note 35)	-	-	11.42	-	-	-	-	-	11.42
Amount transferred to general reserve	-	-	-	(18.75)	-	18.75	-	-	-
Capital redemption reserve created during the year	-	-	-	-	1.77	-	-	-	1.77
Equity dividend including taxes thereon (refer note 48)	-	-	-	-	-	-	(138.28)	-	(138.28)
Tax on Buy-back of equity shares	-	-	-	-	-	-	(22.16)	-	(22.16)
Transferred to Statement of profit and loss	-	-	-	-	-	-	-	2.52	2.52
As at 31 March 2021	**(19.06)**	**14.83**	**23.42**	**37.50**	**1.77**	**101.58**	**1,581.06**	**5.93**	**1,747.03**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Statement of Cash Flows
for the year ended 31 March 2021

(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2021	31 March 2020
A. Operating activities		
Profit before tax	365.69	542.21
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	192.09	196.06
Amortisation & impairment of intangible assets	23.01	36.36
Provision for doubtful debts and advances	3.83	15.32
Bad debts / advances written off	0.92	5.05
Impairment provision for investment in subsidiaries	7.00	-
(Profit) / Loss on sale of property, plant and equipment, net including gain on termination of lease	(21.55)	(2.57)
Rental income	(0.06)	(0.28)
Employees stock option expenses	11.42	9.86
Change in Fair Value of Investment	(7.00)	-
Finance costs (including interest pertaining to Ind AS 116)	189.71	204.46
Expected credit loss for loan given to related parties	-	15.00
Finance income	(14.35)	(11.67)
Unrealised exchange difference	(8.09)	(6.69)
	376.93	**460.90**
Operating profit before working capital changes	**742.62**	**1,003.11**
Working capital adjustments:		
Increase/(decrease) in trade payables	507.18	(330.47)
Increase/(decrease) in long-term provisions	(0.15)	0.17
Increase/(decrease) in short-term provisions	0.21	0.06
Increase/(decrease) in other current liabilities	(3.54)	(6.07)
Increase/(decrease) in other current financial liabilities	(47.75)	45.59
Increase/(decrease) in contract liabilities	(69.05)	(135.91)
Increase/(decrease) in other non-current financial liabilities	(2.66)	2.81
Increase/(decrease) in non-current employee benefit obligations	3.87	9.17
Increase/(decrease) in current employee benefit obligations	(1.03)	(0.13)
Decrease /(increase) in current trade receivable	44.58	(271.12)
Decrease /(increase) in non-current trade receivable	-	1.76
Decrease /(increase) in inventories	(77.97)	95.62
Decrease/ (increase) in long-term loans	7.66	(13.51)
Decrease/(increase) in short-term loans	4.09	-
Decrease/(increase) in other current financial assets	15.53	(20.91)
Decrease/(increase) in contract assets	(576.03)	357.87
Decrease /(increase) in other non-current financial assets	8.40	18.63
Decrease /(increase) in other current assets	(46.99)	0.24
Decrease/(increase) in other non-current assets	0.72	2.63
Change in working capital	**(232.93)**	**243.57**
Cash generated from operations	**509.69**	**759.54**
Income tax paid (net of refunds)	(41.60)	(168.57)
Net cash flow from operating activities	**468.09**	**590.97**

Statement of Cash Flows
for the year ended 31 March 2021

(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2021	31 March 2020
B. Investing activities		
Purchase of property, plant and equipment	(365.79)	(310.29)
Purchase of intangible assets	(11.29)	(26.37)
Proceeds from sale of property, plant and equipment	21.42	37.06
Investment in subsidiaries	(37.87)	(119.63)
Purchase of non-current investments	-	(5.01)
Purchase of current investments	(180.00)	(233.00)
Proceeds of current investments	233.00	100.00
Proceeds from sale of investment	-	1.35
Loan given to subsidiaries	(160.98)	(29.02)
Repayment received from subsidiaries	14.37	60.74
Net movement in other bank balance	38.75	(4.21)
Unpaid Dividend	-	(0.79)
Rental income	0.06	0.28
Interest received (finance income)	14.27	11.72
Net cash flow used in investing activities	**(434.06)**	**(517.17)**
C. Financing activities		
Proceeds from long term borrowings	623.82	315.54
Repayment of long term borrowings	(252.31)	(289.75)
Proceeds/(repayment) from/of short term borrowings (net)	50.65	307.69
Proceeds from issue of shares against employee stock options	0.30	0.28
Interest paid (including interest pertaining to Ind AS 116)	(184.31)	(204.77)
Principal elements of leases payments	(12.86)	(14.60)
Dividend paid on equity shares	(137.77)	(141.08)
Buy-back of equity shares	(99.78)	-
Tax on Buy-back	(22.16)	-
DDT on equity dividend paid	-	(29.01)
Net cash flow used in financing activities	**(34.42)**	**(55.70)**
Net increase/(decrease) in cash and cash equivalents	(0.39)	18.10
Cash and cash equivalents as at beginning of year (Refer note 14)	76.53	58.43
Cash and cash equivalents as at year end (Refer note 14)	76.14	76.53
Components of cash and cash equivalents:		
Balances with banks	76.12	76.51
Cash in hand	0.02	0.02
Total cash and cash equivalents	**76.14**	**76.53**

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 Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

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

Anand Agarwal
CEO & Whole-time Director
DIN: 00057364

Neeraj Sharma
Partner
Membership Number:108391

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Place: Pune
Date: 29 April 2021

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

1. Corporate information

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

The Company is a global leader in end-to-end data network solutions. The Company designs and deploy high-capacity converged fibre cables and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the Company is the industry's leading integrated solutions provider for global data networks. The Company partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share based payments
- Defined benefit plans - plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

(i) identify contracts with customers

(ii) identify the separate performance obligation

(iii) determine the transaction price of the contract

(iv) allocate the transaction price to each of the separate performance obligations, and

(v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Company has following streams of revenue:

(i) Revenue from sale of goods

(ii) Revenue from sale of services

(iii) Revenue from network integration projects

(iv) Revenue from software products/licenses and implementation activities

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Company may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognised over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date

If none of the criteria above are met, the Company recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognised on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

The Company estimates variable consideration using the most likely amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognised in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payment exceed the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes in the timeframe for a performance obligation to be satisfied are disclosed by the Company at every reporting period.

Financing components: The Company does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue recognised at a point-in-time
For contracts where performance obligation(s) are not satisfied over time, revenue is recognised at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

c) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

3. **Rental income**
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

d) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on

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a net basis or to realise the asset and settle the liability simultaneously.

f) Property, plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Company, based on technical assessments made by technical experts and management estimates, depreciates the certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provide the details of the useful lives which are different from useful lives prescribed under Schedule II of the Companies Act, 2013:

Asset Category	Useful Life considered#	Useful life (Schedule II)
Plant and Machinery	3 - 25 Years *	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 5 Years *	Service and networks -6 years and Desktops and laptop etc - 3 Years
Office equipments	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *	8 Years

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

\# Residual value considered as 15% on the basis of management's estimation, supported by technical advice.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The Company depreciates building using straight line method over 30 to 60 years from the date of original purchase.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

g) Intangible Assets

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fibre cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortised over the period of the consent/permission on a straight line basis.

All intangible assets are amortised on a straight line basis over a period of five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Research costs are expensed as incurred.

h) Leases

Company has adopted Ind AS 116 with effect from April 01, 2019.

As a Lessee:

The Company leases various assets which includes land, building & plant and machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective

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leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

i) Inventories
Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Provisions and contingent liabilities
General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

l) Employee benefits
(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

m) Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

n) Investments and Other Financial assets

i) Classification & Recognition:

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the financial asset.

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ii) Measurement:
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statement.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries, associates and joint venture are carried at historical cost as per the accounting policy choice given by Ind AS 27.

The Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Company has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

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

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

b) Lease receivables under Ind AS 116

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

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

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

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

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

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

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

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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o) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

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

p) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

q) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Company designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges
The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

r) Financial Guarantee Contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

s) Cash and cash equivalents
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash and cash equivalent, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

t) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Presentation of EBITDA

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

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

w) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

x) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 52 for segment information presented.

y) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal company) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal company), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal company) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal company) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal company classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal company classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal company classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

z) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

aa) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items are disclosed separately as exceptional item by the Company.

2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated 24 March 2021, amended Schedule III of the Companies Act, 2013 with effect from 1 April 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from 1 April 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after 1 April 2021.

Note 3: Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the company's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

Impairment of Goodwill

The company tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

Revenue Recognition on Contracts with Customers

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance

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to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The company uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Company excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Company recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Company in designing and manufacturing of the good.

Ind AS 116 - Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and equipment's, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and equipment leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed periodically whether an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Share-based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Note 4: Property, Plant & Equipment

(₹ in crores)

	Freehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Right of Use asset	Total
Cost										
At 01 April 2019	**67.74**	**398.44**	**2,212.20**	**16.95**	**59.22**	**15.48**	**57.88**	**12.50**	**-**	**2840.40**
Adjustment on transition to Ind AS 116 (refer note 51)	-	-	-	-	-	-	-	-	128.03	128.03
Additions	7.55	126.39	424.35	9.38	12.96	4.24	10.42	1.43	3.39	600.11
Disposals/Adjustments	-	(28.58)	(19.75)	(0.82)	(1.26)	(0.82)	(4.37)	(0.20)	(16.85)	(72.65)
At 31 March 2020	**75.29**	**496.25**	**2,616.80**	**25.51**	**70.92**	**18.90**	**63.93**	**13.73**	**114.57**	**3,495.89**
Additions	-	17.22	121.03	2.16	7.87	1.41	4.45	0.75	0.84	155.73
Asset disclosed as Asset held for sale	(0.76)	(0.19)	-	-	-	-	-	-	-	(0.95)
Disposals/Adjustments	-	(2.68)	(20.13)	(1.24)	(0.07)	(0.94)	(1.35)	(1.66)	(16.46)	(44.53)
At 31 March 2021	**74.53**	**510.60**	**2,717.70**	**26.43**	**78.72**	**19.37**	**67.03**	**12.82**	**98.95**	**3,606.14**
Accumulated Depreciation, Amortisation & Impairment										
At 01 April 2019	**-**	**77.31**	**948.73**	**11.74**	**41.20**	**11.08**	**30.69**	**3.40**	**-**	**1,124.13**
Charge for the year	-	22.90	135.50	2.12	9.47	2.39	5.54	1.96	16.17	196.06
Disposals/Adjustments	-	(9.83)	(18.46)	(0.74)	(1.24)	(0.77)	(4.36)	(0.11)	(2.10)	(37.61)
At 31 March 2020	**-**	**90.38**	**1,065.77**	**13.12**	**49.43**	**12.69**	**31.87**	**5.25**	**14.08**	**1,282.58**
Charge for the year	-	24.37	131.43	2.81	10.64	2.39	4.88	1.84	13.73	192.09
Asset disclosed as Asset held for sale	-	(0.10)	-	-	-	-	-	-	-	(0.10)
Disposals/Adjustments	-	(2.38)	(20.01)	(0.79)	(0.02)	(0.89)	(1.33)	(1.10)	(8.94)	(35.46)
At 31 March 2021	**-**	**112.27**	**1,177.19**	**15.14**	**60.05**	**14.19**	**35.42**	**5.99**	**18.87**	**1,439.11**
Net Book Value										
At 31 March 2021	74.53	398.33	1,540.52	11.29	18.67	5.18	31.60	6.83	80.08	2,167.03
At 31 March 2020	75.29	405.87	1,551.03	12.39	21.50	6.21	32.05	8.48	100.49	2,213.30

Movement in Capital work in progress

Opening balance as at 01 April 2020	**127.52**
Additions during the year	183.97
Borrowing cost capitalised during the year (Refer Note 33)	2.75
Transfers during the year	(167.41)
Closing balance as at 31 March 2021	**146.83**

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

 # Buildings include those constructed on leasehold land:

	31 March 2021	31 March 2020
Gross Block	348.36	349.30
Depreciation for the year	12.27	3.47
Accumulated depreciation	61.58	49.31
Net Block	286.78	223.93

Refer note 19 for information on property, plant and equipment pledged as security by the Company.

Refer note 38 for disclosure of capital commitments for the acquistion of property, plant & equipments.

The Company had revised the useful life of certain assets effective from October 01, 2019 based on the available evidence of their expected use and the impact of same on depreciation charge for previous year is 15 crores. There is similar impact in current year and will also be there in future years.

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Details of Leases:
The note provides information for leases where the company is a lessee. The company has taken land, various offices and equipments on lease. Rental contracts for offices and equipments are typically made for fixed periods of 2 to 15 years, but have extension options.

(i) Assets recognised in balance sheet
The balance sheet shows the following amount relating to lease:

Particulars	31 March 2021	31 March 2020
Right of Use assets - Gross assets		
Leasehold land	17.13	17.29
Buildings	32.64	48.10
Plant & Machinery	49.18	49.18
Total	**98.95**	**114.57**

Additions to the right of use assets during the year is ₹ 0.84 crores. (31 March 2020 - ₹ 3.39 crores)

Particulars	31 March 2021	31 March 2020
Lease liabilities		
Non-current	59.11	83.33
Current	19.17	16.43
Total	**78.28**	**99.76**

(ii) Amount recognised in the statement of profit & loss

Particulars		31 March 2021	31 March 2020
Depreciation charge on right of use assets			
Leasehold land		0.15	0.24
Buildings		9.50	11.91
Plant & Machinery		4.08	4.03
Total	32	**13.73**	**16.18**

Particulars	Note no	31 March 2021	31 March 2020
Interest expenses (included in finance cost)	33	8.69	11.17
Expenses related to short term leases, low value assets (included as rent in other expenses)	31	1.84	5.34

The total cash outflow for leases for the year ended 31 March 2021 is ₹ 21.55 crores. (31 March 2020 - ₹ 25.62 crores)

Extension and Termination option:
Extension and termination options are included in a number of property and equipment leases across the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

Note 5: Intangible Assets

(₹ in crores)

	Software/ licenses	Patents	Indefeasible Right of use	Customer acquisition	Goodwill (Refer note 6)	Total
Cost						
At 01 April 2019	**31.27**	**9.31**	**1.00**	**5.72**	**148.19**	**195.49**
Additions	26.35	-	-	-	-	26.35
At 31 March 2020	**57.62**	**9.31**	**1.00**	**5.72**	**148.19**	**221.84**
Additions	11.68	-	-	-	-	11.68
Disposal/Adjustments	(0.38)	-	-	-	-	(0.38)
At 31 March 2021	**68.92**	**9.31**	**1.00**	**5.72**	**148.19**	**233.14**
Accumulated Amortisation & Impairment						
At 01 April 2019	20.37	9.31	0.48	3.14	103.90	137.20
Charge for the year	6.10	-	0.06	0.56	29.64	36.36
At 31 March 2020	**26.47**	**9.31**	**0.54**	**3.70**	**133.54**	**173.56**
Charge for the year	7.73	-	0.07	0.56	14.65	23.01
Disposal/Adjustments	(0.01)	-	-	-	-	(0.01)
At 31 March 2021	**34.19**	**9.31**	**0.61**	**4.26**	**148.19**	**196.56**
Net Book Value						
At 31st March 2021	34.73	-	0.39	1.46	-	36.58
At 31st March 2020	31.16	-	0.47	2.02	14.65	48.30

Note 6: Impairment Testing of Goodwill

The Goodwill attributed to the CGU has been completely amortised in the current year ended March 31, 2021. Refer Note 5 for further details. In the previous year, the Company had performed its annual impairment test by computing the recoverable amount based on a value in use calculations which required the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management had not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount. Goodwill generated on acquisition of Elitecore Technologies Private Limited ('ETPL') which was merged with the Company with effect from 29 September 2015 is attributable to Network Software cash generating units ('CGU').

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Goodwill (refer note 5)	-	14.66

Key assumptions in the previous years used in the value in use calculations

The following table provides the key assumptions for this CGU that have goodwill allocated to them:

EBIDTA margins over the budgeted period	-	10.00%-24.00%
Long-term terminal Growth rate	-	5.00%
Pre-tax discount rate	-	15.10%

Discount rate

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation was based on the specific circumstances of the CGU and was derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity was derived from the expected return on investment by the investors. The cost of debt was based on the interest-bearing borrowings the Company is obliged to service. CGU specific risk was incorporated by applying individual beta factor. The beta factor was evaluated annually based on publicly available market data.

Growth rate

The Company had considered growth rate to extrapolate cash flows beyond the budget period, consistent with the industry forecasts.

EBITDA margins

EBITDA margins are based on the actual EBITDA of the CGU based on the past trend and future expectations.

Sensitivity to changes in assumptions of CGU

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

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Note 7: Investments

	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current investments in equity instruments (fully paid up) (unquoted)		
Investment in Subsidiaries		
Equity component of debt instrument		
44,705,928 (31 March 2020: 44,705,928) 0.01% compulsory convertible debentures of Speedon Network Limited**	25.42	32.42
Equity investments at cost		
33,246,847 (31 March 2020: 29,096,847) Equity shares of Sterlite Global Ventures (Mauritius) Limited of USD 1 each fully paid up	218.29	186.86
Nil (31 March 2020: 5,050,000) Equity shares of Sterlite Tech SPA of Euro 1 each fully paid-up##	-	40.23
7,000,000 (31 March 2020: Nil) Equity shares of Metallurgica Bresciana SPA of Euro 1 each fully paid-up##	40.23	-
50,000 (31 March 2020: 50,000) Equity shares of Sterlite Innovative Solutions Limited of ₹10 each fully paid-up	0.05	0.05
50,000 (31 March 2020: 50,000) Equity shares of Sterlite Tech Connectivity Solutions Limited of ₹10 each fully paid-up	0.05	0.05
50,000 (31 March 2020: 50,000) Equity shares of Sterlite Tech Cables Solutions Limited of ₹10 each fully paid-up	0.05	0.05
1,550,000 (31 March 2020: 1,550,000) Equity shares of Speedon Network Limited of ₹ 10 each fully paid-up	-	-
5,000 (31 March 2020: 5,000) Equity shares of Sterlite Technologies UK Ventures Limited of Euro 1 each fully paid-up	0.04	0.04
100% Equity shares of Sterlite (Shanghai) Trading Company Limited fully paid-up	1.53	1.53
22,451,766 (31 March 2020: 19,875,404) Equity shares of Maharashtra Transmission Communication Infrastructure Limited of ₹ 10 each fully paid up (Refer Note 16)	-	-
1,000 (31 March 2020: 1,000) Equity shares of Sterlite Tech Holding Inc. USA	0.00	0.00
100 (31 March 2020: 100) Equity shares of Elitecore Technologies SDN, BHD	-	-
1,100 (31 March 2020: Nil) Equity shares of PT Sterlite Technologies, Indonesia of IDR 10 Million each partly paid up	2.22	-
100,000 (31 March 2020: Nil) Equity shares of STL Optical Interconnect S.p.A. of EUR 1 each fully paid up	0.87	-
50 (31 March 2020: Nil) Equity shares of Sterlite Technologies DMCC of AED 1,000 each fully paid up	0.10	-
100 (31 March 2020: Nil) Equity shares of Sterlite Technologies Pty. Ltd of AUD 1 each fully paid up	0.00	-
Investment in Joint venture (at fair value through P&L)$		
511 (31 March 2020: 511) Equity shares of Metis Eduventures Private Limited	8.53	1.53
Investments - Other (at fair value through OCI)		
18,683 (31 March 2020: 18,683) Equity shares of Singularity Healthcare IT	-	-
Systems Private Limited of ₹10 each fully paid up		
Investment in debentures (unquoted)		
Investment in debentures - Joint Venture (at fair value through P&L)		
17,600,000 (31 March 2020: 17,600,000) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Private Limited	17.60	17.60
5,000,000 (31 March 2020: 5,000,000) 0.01% Cumulative Optionally Convertible Debentures of Metis Eduventures Private Limited	5.00	5.00
Investment in preference shares - Joint Venture (at fair value through P&L)		
313 (31 March 2020: 313) 0.01% Compulsorily Convertible Preference Shares of Metis Eduventures Private Limited	3.74	3.74
Total Investments	**323.72**	**289.10**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	323.72	289.10
Amount of impairment in the value of investments**	7.00	-

* Amount is below the rounding off norm followed by the Company.

$ As described in Significant accounting policies (refer note 2), the Company makes investments in certain joint ventures and associate companies with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. As permitted by Ind AS 28, the company has elected to measure such investments in joint ventures and associate companies in accordance with Ind AS 109. Accordingly fair value gain of ₹ 7.00 crores (Previous year : ₹ Nil) has been recognised during the year.

** During the year the impairment of ₹ 7.00 crores has been recognised.

During the year, Sterlite Technologies S.p.A. merged into Metallurgica Bresciana S.p.A. and company has received 0.70 crores shares of Metallurgica Bresiana S.p.A. in lieu of 0.50 crores shares of Sterlite Technologies S.p.A.

Note 8: Trade Receivables

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current		
Trade receivables	1,183.43	1,393.25
Receivables from related parties (Refer Note 50)	241.81	65.22
Less: Loss allowance	(49.13)	(45.31)
	1,376.11	**1,413.16**
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,425.24	1,458.47
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	**1,425.24**	**1,458.47**
Less: Loss Allowance	49.13	45.31
	1,376.11	**1,413.16**
Total Current trade receivables	**1,376.11**	**1,413.16**

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

Refer note 19 for information on trade receivables hypothecated as security by the Company.

Note 9: Loans

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Loans to related parties (refer note 50)	231.05	85.36
Security deposits	2.73	10.36
Less: Loss allowance	(15.00)	(15.00)
Total non-current loans	**218.78**	**80.72**
Break-up for security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	233.78	95.72
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	233.78	95.72
Less: Loss allowance	(15.00)	(15.00)
Total	**218.78**	**80.72**
Current		
Loans to employees	0.17	0.32
Security deposits	7.63	11.57
Total current loans	**7.80**	**11.89**

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Note 10: Other Financial Assets

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	6.83	14.83
Others		
Others	0.23	0.10
Financial guarantee receivable	3.47	5.48
Total other non-current financial assets	**10.53**	**20.41**
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	20.83	32.55
Currency/ Interest rate swaps	5.82	11.36
Others		
Interest accrued on investments/deposits	0.30	0.21
Financial guarantee receivable	2.31	2.12
Others*	13.84	12.31
Total other current financial assets	**43.10**	**58.55**

*This includes expenses incurred on behalf of customer, amounting to ₹ 1.09 crores (31 March 2020: ₹ 4.51 crores)

Refer note 19 for information on financial assets hypothecated as security by the Company.

Note 11: Other Assets

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	7.95	28.44
Advance income tax, including TDS (net of provision)	-	19.51
Prepaid expenses	0.28	0.99
Total other non-current assets	**8.23**	**48.94**
Contract assets	**1,311.17**	**735.15**

Significant changes in Contract assets

Contract assets have increased from previous year as entity has entered into new contracts during the year and provided more services ahead of the agreed billing timelines for fixed price contracts.

There is no impairment allowance of the contract assets for current year and previous year.

During the year ended 31 March 2021, ₹ 538.57 crores (31 March 2020: ₹ 1,087.04 crores) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Refer note 19 for information on other assets hypothecated as security by the Company.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current		
Prepaid expenses*	30.63	27.87
Balances with Government authorities	318.62	281.03
Advance to suppliers	23.71	15.01
Other advances	5.99	8.06
Total other current assets	**378.95**	**331.97**

* Includes cost to obtain a contract of ₹ 7.95 crores (March 31, 2020: ₹ Nil) which is being amortised to Statement of Profit and Loss on a systematic basis that is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current year is ₹ 1.84 crores (March 31, 2020: ₹ Nil).

Note 12: Inventories

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Raw materials	154.13	107.62
[Includes stock in transit ₹ 30.87 crores (31 March 2020: ₹ 22.48 crores]		
Work-in-progress	46.53	31.48
Finished goods	104.51	90.05
[Includes stock in transit ₹ 28.03 crores (31 March 2020: ₹ 1.56 crores)]		
Traded goods	3.53	2.93
Stores, spares, packing materials and others	54.66	53.30
Total	**363.36**	**285.38**

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 28.60 crores (31 March 2020 - ₹ 26.08 crores). These were recognised as an expense and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss of respective year.

Refer note 19 for information on inventories hypothecated as security by the Company.

Note 13: Current Investments

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
In mutual funds (At fair value through profit or loss) (quoted)		
248,357.27 (31 March 2020: 270,323.32) units of SBI Liquid fund - Direct Growth Plan	80.00	84.00
Nil (31 March 2020: 62,292.392) units of Kotak Liquid Fund - Direct growth plan	-	25.00
99,370.95 (31 March 2020: 103,122.62) units of Nippon India Liquid Fund - Direct growth plan growth option	50.00	50.00
1,640,873.05 (31 March 2020: 2,520,308.92) units of ICICI Prudential Liquid Fund - Direct Plan - Growth Option	50.00	74.00
Aggregate amount of quoted investments [Market Value: ₹180.00 crores (31 March 2020: ₹233.00 crores)]	**180.00**	**233.00**
Amount of impairment in the value of investments	-	-

Note 14: Cash and Cash Equivalents

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Balances with banks:		
In current accounts (in INR)	64.41	47.80
In current accounts (in foreign currency)	11.71	28.71
Cash in hand	0.02	0.02
	76.14	**76.53**

There are no repatriation restrictions with regards to cash and cash equivalents.

Note 15: Other Bank Balances

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Deposits with original maturity of more than 12 months*	0.47	0.01
Deposits with original maturity of more than 3 months but less than 12 months**	50.03	87.84
In unpaid dividend account	4.67	4.16
Other bank balance	-	1.91
Total other bank balances	**55.17**	**93.92**

* Includes ₹ 0.47 crores (31 March 2020: ₹ 0.01 crores) held as lien by banks against bank guarantees.

** ₹ 0.03 crores (31 March 2020: ₹ 1.84 crores) held as lien by banks against bank guarantees.

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Note 16: Assets Classified as Held for Sale

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Land & building held for sale*	0.85	-
Investment in 22,451,766 (31 March 2020: 19,875,404) equity shares of Maharashtra Transmission Communication Infrastructure Limited#	31.52	28.27
	32.37	**28.27**

#Post demerger of the power business in the financial year ended March 31, 2017, the Company has been in the process of obtaining requisite approvals from government authorities to sell its equity interest in its subsidiary, Maharashtra Transmission Communication Infrastructure Limited (referred as disposal group or MTCIL) to Sterlite Power Transmission Limited. Management 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.

The investment in the subsidiary has been measured at lower of carrying amount and fair value, less cost to sell. No write down is required to be recognised as fair value of the investment is higher than cost. This is a level 3 measurement as per the fair value hierarchy set out in the fair value measurement disclosure.

* The Company has decided to sell land and building at Hyderabad and the sale is expected to be completed in financial year 2021-22 and hence it has been classified as held for sale during the reporting period and measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the building was determined using the sales comparison approach. No write down is required to be recognised as fair value of the assets is higher than cost.

Note 17: Share Capital

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2020: 75.00) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid-up shares (no. crores)		
39.66 (31 March 2020: 40.39) equity shares of ₹ 2 each fully paid - up.	79.33	80.79
Total issued, subscribed and fully paid-up share capital	**79.33**	**80.79**

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

Particulars	31 March 2021		31 March 2020	
	No. in crores	(₹ in crores)	No. in crores	(₹ in crores)
At the beginning of the year	40.39	80.79	40.25	80.51
Issued during the year against employee stock options	0.16	0.31	0.14	0.28
Shares bought back during the year	(0.89)	(1.77)	-	-
Outstanding at the end of the year	**39.66**	**79.33**	**40.39**	**80.79**

Buy-back of shares:

On 24 March 2020, the Board of Directors had approved the buyback of Equity Shares for a total amount not exceeding ₹ 145 crores, being 9.95% and 9.32% of the aggregate of the total paid-up equity capital and free reserves (including securities premium) of the Company based on the audited standalone and consolidated financial statements, respectively, of the Company for the financial year ended 31 March 2019. The Company closed the buy back on 27 August 2020. The Company has bought back 88,67,000 shares for ₹ 99.78 crores (excluding taxes).

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	31 March 2021		31 March 2020	
	No. in crores	% holding	No. in crores	% holding
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company])	20.94	52.80%	20.94	51.85%
Vedanta Limited	0.48	1.20%	0.48	1.18%

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

Particulars	31 March 2021		31 March 2020	
	No. in crores	% holding	No. in crores	% holding
Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.80%	20.94	51.85%

e. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 35.

Note 18: Other Equity

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
A. Securities premium account		
Opening balance	51.36	38.68
Add: Addition on ESOPs exercised	14.83	12.68
Less: Utilised for Buy-back of shares	(51.36)	-
Closing balance	**14.83**	**51.36**
B. Other reserves		
Capital reserve	(19.06)	(19.06)
Employee stock option outstanding		
Opening balance	26.83	29.65
Add: Employees stock option expenses for the year (refer note 35)	11.42	9.86
Less: Transferred to Securities premium account	(14.83)	(12.68)
Closing balance	**23.42**	**26.83**
Debenture redemption reserve		
Opening balance	56.25	75.00
Less: Amount transferred to general reserve	(18.75)	(18.75)
Closing balance	**37.50**	**56.25**
Capital redemption reserve		
Opening balance	-	-
Add: Capital redemption reserve created during the year (refer note 17 a)	1.77	-
Closing balance	**1.77**	**-**
General reserve		
Opening balance	131.25	112.50
Add: Amount transferred from debenture redemption reserve	18.75	18.75
Less: Utilised for Buy-back of shares	(48.42)	-
Closing balance	**101.58**	**131.25**
Cash flow hedge reserve		
Opening balance	4.52	45.86
Add: Cash flow hedge reserve created on currency forward contracts	5.10	(8.60)
Add: Cash flow hedge reserve created on swap contracts	(3.51)	9.49
Less: Amount reclassified to Statement of profit and loss	(3.07)	(52.70)
Less: Amount transferred to Statement of profit and loss	2.52	(9.73)
Less: Deferred tax	0.37	20.20
Closing balance	**5.93**	**4.52**
Total other reserves	**151.14**	**199.79**

Notes
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Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
C. Retained earnings		
Opening balance	1,477.63	1,225.07
Less: Impact of change in accounting policy on adoption of Ind AS 116 (refer note 51)	-	(12.48)
Add: Net profit for the year	261.41	433.52
Add: Remeasurement of post employment benefit obligation, net of tax	2.46	0.26
Less: Equity dividend and tax thereon (refer note 48)	(138.28)	(170.09)
Less: Tax on Buy-back	(22.16)	-
Add: Change in fair value of FVOCI equity instrument	-	1.35
Total retained earnings	**1,581.06**	**1,477.63**
Total other equity (A+B+C)	**1,747.03**	**1,728.78**

Nature and Purpose of reserves other than retained earnings

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve
Capital reserve was created on account of merger of passive infrastructure business of wholly owned subsidiary, Speedon Network Limited, in the year ended March 31, 2017.

General reserve
General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

Cash flow hedge reserve
The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted sales and purchases and interest rate risk associated with variable interest rate borrowings as described in note 47. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss. When the forecasted transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee stock option outstanding
The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plan (ESOP Scheme) approved by shareholders of the Company.

Debenture redemption reserve
The Company had created a debenture redemption reserve (DRR) of 25% of the total oustanding debentures out of the profits which are available for the purpose of redemption of debentures as per provisions of the Companies Act, 2013. The existing DRR is carried forward to the extent of outstanding amounts.

Capital redemption reserve
As per provisions of the Companies Act, 2013, the Company has created a capital redemption reserve (CRR) of 1.77 crores against face value of equity shares bought back by the Company during the year..

Note 19: Borrowings

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current borrowings		
Debentures (Secured)		
Nil (31 March 2020: 750) 8.45% Non convertible debentures of ₹ 10 lacs each	-	75.00
1,500 (31 March 2020:1,500) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
2,900 (31 March 2020: Nil) 8.25% Non convertible debentures of ₹ 10 lacs each	290.00	-
1,500 (31 March 2020: Nil) 7.30% Non convertible debentures of ₹ 10 lacs each	150.00	-
Term loans		
Indian rupee loans from banks (secured)	249.00	90.00
Foreign currency loan from banks (secured)	148.67	183.64
Indian rupee loans from banks (unsecured)	19.45	129.61
Deferred payment liabilities (unsecured)	-	138.58
	1,007.12	**766.83**
The above amount includes		
Secured borrowings	987.67	498.64
Unsecured borrowings	19.45	268.19
Total Non-current borrowings	**1,007.12**	**766.83**
Less: Current maturities of long term borrowings disclosed under the head "other current financial liabilities" (refer note 20)	253.96	247.00
Net Amount	**753.16**	**519.83**

Notes:

a) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures is due in the FY 2021-22. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.

b) 8.25% Non convertible debentures carry 8.25% rate of interest. Total amount of non-convertible debentures is due in 4 equal annual installments starting from FY 2027-28 till FY 2030-31. These non-convertible debentures are secured by way of mortgage on specified movable fixed assets at Shendra plant (project Gaurav) (both present and future).

c) 7.30% Non convertible debentures carry 7.30% rate of interest. Total amount of non-convertible debentures is due in the FY 2023-24. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.

d) Foreign Currency term loan from bank amounting to ₹ 73.11 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

e) Foreign Currency term loan from bank amounting to ₹ 75.56 crores carries interest @ GBP Libor+2.60 % p.a. Loan amount is repayable in 6 half yearly equated instalments of GBP 0.13 crores starting from Feb 2022. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) of the Company.

f) Indian rupee term loan from bank amounting to ₹ 249.00 crores carries interest @ One Year MCLR +15 Bps p.a. Loan amount is repayable in 12 quarterly instalments from October 21 of ₹ 20.75 crores per Quarter (excluding interest). The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future).

g) Unsecured Indian rupee term loan from NBFC amounting to ₹ 19.45 crores carries interest @ 5.5% p.a. Loan amount of ₹ 12.89 crores is repayable in FY 2021-22 and remaining amount will be payable in FY 2022-23.

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	-	0.33
Working capital demand loan from banks (secured)	193.47	315.00
Commercial paper from bank (unsecured)	450.00	350.00
Other loans from banks (secured)	317.68	403.00
Other loans (unsecured)	188.00	29.53
Loans from related party (unsecured)	6.66	7.31
	1,155.81	**1,105.17**
The above amount includes		
Secured borrowings	511.15	718.33
Unsecured borrowings	644.66	386.84
Net Amount	**1,155.81**	**1,105.17**

Note:

(i) Cash credit is secured by hypothecation of raw material inventory, work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 7.10 % -11.50 % p.a.

(ii) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Company. Working Capital Demand Loan has been taken for a period of 7 days to 180 days and carries interest @ 5.11 % to 8.15% p.a.

(iii) Commercial Papers are unsecured and are generally taken for a period from 60 Days to 180 days and carry interest @ 4.90% to 6.70% p.a.

(iv) Other loans include buyer's credit arrangements (secured) and export packing credit (secured and unsecured). These secured loans are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges from 5.00% - 8.11% p.a.

(v) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Cash and cash equivalents	76.14	76.53
Current investments*	230.00	319.00
Current Borrowings (including interest accrued but not due)	(1,157.08)	(1,105.87)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings)	(1,008.87)	(768.59)
Net Debt	**(1,859.81)**	**(1,478.93)**

The amount of net debt considering the amount of lease liability of ₹ 78.28 crores (31 March 2020 : ₹ 99.76 crores) is ₹ 1,938.09 crores (31 March 2020 : ₹ 1,578.69 crores)

*includes other bank balance of ₹ 50 crores (March 31, 2020: ₹ 86 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

Non-current borrowings

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	**768.59**	**734.42**
Cashflows	237.43	45.27
Interest expense	44.52	61.28
Interest paid	(44.53)	(62.64)
Forex adjustment	2.86	(9.74)
Closing balance	**1,008.87**	**769.29**

Current borrowings

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	**1,105.87**	**797.48**
Cashflows	50.65	307.69
Interest expense	87.30	96.21
Interest paid	(86.74)	(95.51)
Closing balance	**1,157.08**	**1,105.87**

Cash and cash equivalent

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	**76.53**	**58.43**
Cashflows	(0.39)	18.10
Closing balance	**76.14**	**76.53**

Current Investments

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	**319.00**	**170.00**
Cashflows	(91.70)	146.77
Realised gain on current investment	2.70	2.23
Closing balance	**230.00**	**319.00**

Note 20: Other Financial Liabilities

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	-	1.96
Currency / Interest Rate Swaps	-	1.25
Payables for purchase of property, plant and equipment	0.56	0.62
Deposits from vendors	6.05	3.49
Financial guarantee payable	3.47	5.48
Total non-current financial liabilities	**10.08**	**12.80**
Current		
Derivative instruments		
Foreign exchange forward contracts	13.86	8.26
Currency / Interest Rate Swaps	-	1.47
	13.86	**9.73**

Notes

to the Standalone Financial Statements for the year ended March 31, 2021

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	1.75	1.76
Interest payable to related party	1.27	0.70
Current maturities of long-term borrowings (refer note 19)	253.96	247.00
Unclaimed dividend*	4.67	4.16
Deposits from customers	0.26	0.29
Deposits from vendors	0.27	0.44
Payables for purchase of property, plant and equipment (including deferred payment liabilities)	427.88	505.56
Employee benefits payable	50.07	94.96
Financial guarantee payable	2.31	2.12
Others	0.96	8.51
	743.40	**865.50**
Total current financial liabilities	**757.26**	**875.23**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 21: Trade Payables

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 41)	72.70	30.66
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 50)	24.97	18.38
Acceptances	153.91	-
Others	1,618.08	1,317.43
	1,796.96	**1,335.81**
Total Trade Payables	**1,869.66**	**1,366.47**

Note 22: Provisions

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Provision for warranty	0.74	0.89
Total non-current provision	**0.74**	**0.89**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	0.73	0.52
Total current provision	**10.23**	**10.02**

Provision for litigations / contingencies

The provision of ₹ 9.50 crores as at 31 March 2021 (31 March 2020: ₹ 9.50 crores) is towards contingencies in respect of disputed claims against the Company as described in note 39, quantum of outflow and timing of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty

The Company has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
At the beginning of the year	1.41	1.18
Arising during the year	0.06	0.23
Utilised during the year	-	-
At the end of the year	**1.47**	**1.41**
Current portion	0.73	0.52
Non-current portion	0.74	0.89

Note 23: Other Current Liabilities

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Unearned revenue	24.74	41.39
Advance from customers	39.61	92.01
Total	**64.35**	**133.40**

Significant changes in Contract liabilities

Contract liabilities have decreased as entity has recognised the revenue from the opening unearned revenue & utilised the advance from customers during the year.

During the year the Company has recognised revenue of ₹ 41.39 crores (March 31, 2020: ₹ 86.92 crores) arising from opening unearned revenue.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current		
Indirect taxes payable	5.01	6.79
Withholding taxes (TDS) payable	14.75	7.54
Others	20.22	29.19
Total other current liabilities	**39.98**	**43.52**

Note 24A: Deferred Tax Liabilities (Net)

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	132.65	106.21
Impact of fair valuation of Land as at Ind AS transition date	11.44	11.44
Right to Use assets	15.42	20.48
Net movement on cash flow hedges	5.95	5.49
Others	14.69	2.65
Gross deferred tax liability	**180.15**	**146.27**

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Deferred tax assets		
Provision for doubtful debts, loans and advances, allowed for tax purposes on payment basis	17.90	15.18
Expenditure allowed for tax purposes on payment basis	26.09	19.58
Provision for inventory	7.20	6.56
Provision for litigations / contingencies	3.42	3.42
Impact of fair valuation of Plant & Machinery	1.33	2.66
Lease Liability	19.70	25.11
Impact of change in accounting policy on adoption of Ind AS 115	-	2.46
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 51)	2.80	4.19
Others	8.31	3.22
Gross deferred tax assets	**86.75**	**82.38**
Net deferred tax liability	**93.40**	**63.89**

Reconciliation of deferred tax liability

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening deferred tax liability, net	63.89	72.13
Deferred tax (credit) / charge recorded in statement of profit and loss	29.05	(2.84)
Deferred tax (credit) / charge recorded in OCI	0.46	(20.11)
Utilisation of Tax Credit	-	18.90
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 51)	-	(4.19)
Closing deferred tax liability, net	**93.40**	**63.89**

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Profit or loss section		
Current tax	75.23	111.53
Deferred tax	29.05	(2.84)
	104.28	**108.69**
OCI section		
Deferred tax related to items recognised in OCI during in the year		
Net (gain)/loss on revaluation of cash flow hedges	(0.37)	(20.20)
Re-measurement loss defined benefit plans	0.83	0.09
	0.46	**(20.11)**

Reconciliation of tax expense

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Accounting profit before income tax	365.69	542.21
Tax at India's statutory income tax rate of 25.17% (31 March 2020: 25.17%)	92.04	136.46
Adjustments in respect of current income tax of previous years	1.23	1.51
Tax benefits under various sections of Income tax Act	(2.76)	(4.09)
Income taxed at lower tax rate	-	(5.47)
Income tax rate difference	-	(21.21)
Goodwill DTA written off	8.85	-
Other adjustments	4.93	1.49
Income tax expense	**104.28**	**108.69**
Income tax expense reported in the statement of profit and loss	**104.28**	**108.69**

Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the parent company has opted for a lower corporate tax rate as per section 115 BAA 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 year ended March 31, 2021 basis the revised lower tax rate.

Note 24b: Current Tax Liabilities (Net)

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening Current tax liabilities/(assets)	(19.51)	55.38
Add: Current tax payable for the year	75.23	111.53
Less: Tax paid	(41.60)	(168.57)
Less: Utilisation of Tax Credit	-	(18.90)
Add/(less): Other adjustments	0.76	1.05
Total current tax liabilities/(assets)	**14.88**	**(19.51)**

Note 25: Employee Benefit Obligations

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non Current		
Provision for gratuity	29.03	25.66
Provision for compensated absences	19.29	15.50
Total non-current employee benefits obligation	**48.32**	**41.16**
Current		
Provision for gratuity	10.09	9.88
Provision for compensated absences	3.27	4.52
Total current employee benefits obligation	**13.36**	**14.40**

i) Compensated Absences

The compensated absences cover the company's liability for sick and earned leave. The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

ii) Post employment benefit - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to fund managed by Life insurance corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

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

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Defined benefit obligation at the beginning of the year	40.86	34.18
Current service cost	5.84	5.29
Interest cost	2.68	2.61
Actuarial (gain)/loss	(3.46)	(0.35)
Benefits paid	(1.76)	(0.87)
Defined benefit obligation, at the end of the year	**44.16**	**40.86**

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Fair value of plan assets at the beginning of the year	5.32	4.32
Expected return on plan assets	0.35	0.33
Contribution by employer	1.30	1.54
Benefits paid	(1.76)	(0.87)
Actuarial gain / (loss)	(0.17)	-
Fair value of plan assets at the end of the year	**5.04**	**5.32**

The company expects to contribute ₹ 2.50 crores (31 March 2020: ₹ 2.50 crores) to its gratuity plan in FY 2021-22.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2021 (%)	31 March 2020 (%)
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Present value of defined benefit obligation	44.16	40.86
Fair value of plan assets	(5.04)	(5.32)
Benefit liability	**39.12**	**35.54**

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Present value of funded obligations	44.16	40.86
Fair value of plan assets	(5.04)	(5.32)
Deficit of funded plan (A)	**39.12**	**35.54**
Unfunded plans (B)	**-**	**-**
Total net obligation (A+B)	**39.12**	**35.54**

The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

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

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current service cost	5.84	5.29
Interest cost on benefit obligation	2.68	2.61
Expected return on plan assets	(0.35)	(0.33)
Net benefit expense	**8.17**	**7.57**

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Actuarial (gains)/losses on Obligation For the Period	(3.46)	(0.35)
Return on Plan Assets, Excluding Interest Income	0.17	0.00
Net (income)/expense For the Period Recognised in OCI	(3.29)	(0.35)

Amounts for the current and previous periods are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Defined benefit obligation	44.16	40.86	34.18	22.80	19.65
Plan assets	5.04	5.32	4.32	3.77	3.37
(Surplus) / deficit	39.12	35.44	29.86	19.03	16.28
Experience adjustments on plan liabilities	(3.43)	(3.22)	3.08	(0.01)	(0.14)
Experience adjustments on plan assets	-	-	-	-	(0.15)

* Amount is below the rounding off norm followed by the Company.

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

Particulars	31 March 2021 (%)	31 March 2020 (%)
Discount rate	6.57	6.56
Expected rate of return on plan asset	6.57	6.56
Employee turnover	10.00	10.00
Expected rate of salary increase	10.00	10.00

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity Analysis

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
+1% Change in discount rate	(2.82)	(2.66)
-1% Change in discount rate	3.22	3.04
+1% Change in rate of salary increase	3.09	2.91
-1% Change in rate of salary increase	(2.76)	(2.61)
+1% Change in rate of employee turnover	(0.76)	(0.73)
-1% Change in rate of employee turnover	0.85	0.81

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.
The Company's assets are maintained in a trust fund managed by public sector insurance company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

Changes in bond yields:

A decrease in bond yields will increase plan liabilities.

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Future salary escalation and inflation risk:
Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

Life expectancy
Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2020 - 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:
The expected maturity analysis of undiscounted gratuity is as follows

Particulars	31 March 2021 Funded	31 March 2020 Funded
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	5.94	5.55
Between 1 to 2 years	3.24	2.76
Between 3 to 5 years	13.20	9.58
Over 5 years	55.13	54.36

Note 26: Revenue from Operations

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
- Finished goods	2,014.65	2,114.42
- Traded goods	2.04	2.20
Revenue from sale of products	**2,016.69**	**2,116.62**
Revenue from sale of services	59.64	56.70
Revenue from network integration projects	1,913.81	2,419.17
Revenue from software products/licenses and implementation activities	105.24	92.58
	4,095.38	**4,685.07**
Other operating revenue		
- Scrap sales	22.41	21.53
- Export incentives	24.22	53.90
Revenue from operations	**4,142.01**	**4,760.50**

Revenue disaggregation in terms of nature of goods and services has been included above.

The total contract price of ₹ 4,129.16 crores is reduced by the consideration of ₹ 33.78 crores towards variable components.

Refer note 2 and 3 for accounting policy and significant judgements, respectively.

The Company's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 2,986.59 crores which is expected to be recognised over a period of one to five years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Company has applied the practical expedient in Ind AS 115.

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Note 27: Other Income

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Management Fees	11.08	12.92
Rental Income	0.06	0.28
Profit on sale of assets	21.55	2.57
Gain on fair value of investment in joint venture (at fair value through profit and loss)	7.00	-
Miscellaneous Income	3.63	5.50
Total other income	**43.32**	**21.27**

Note 28: Finance Income

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Interest income on		
- Bank deposits	5.57	6.13
- Loans to related parties (refer note 50)	5.61	2.97
- Others	0.47	0.34
Income from current investments	2.70	2.23
Total finance income	**14.35**	**11.67**

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Inventory at the beginning of the year (refer note 12)	107.62	128.93
Add: Purchases	2,161.83	2,252.65
Less: Inventory at the end of the year (refer note 12)	(154.13)	(107.62)
Cost of raw material and components consumed	**2,115.32**	**2,273.96**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	2.93	7.93
Work-in-progress	31.48	37.94
Finished goods	90.05	144.02
	124.46	**189.89**
Closing inventories		
Traded goods	3.53	2.93
Work-in-progress	46.53	31.48
Finished goods	104.51	90.05
	154.57	**124.46**
(Increase)/Decrease in inventories	**(30.11)**	**65.43**

Notes

to the Standalone Financial Statements for the year ended March 31, 2021

Note 30: Employee Benefit Expense

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Salaries, wages and bonus	439.84	471.62
Contribution to provident fund (refer note below)	13.53	13.84
Gratuity expenses (refer note 25)	8.17	7.57
Employees stock option expenses (refer note 35)	11.42	9.86
Staff welfare expenses	19.01	16.93
Total Employee benefit expense	**491.97**	**519.82**

Defined Contribution Plans:

The Company has a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the government in India for employees at the rate of 12% of basic salary as per local regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company has recognised the following expenses in the Statement of Profit and Loss for the year.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Contribution to Employees Provident Fund	13.53	13.84
Total	**13.53**	**13.84**

Note 31: Other Expenses

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Consumption of stores and spares	109.48	87.40
Consumption of packing materials	73.79	69.11
Power, fuel and water	119.67	121.48
Labour Charges	61.40	53.95
Repairs and maintenance		
Buildings	1.42	1.63
Plant & Machinery	6.74	7.34
Others	9.82	10.95
Corporate Social Responsibility (CSR) expenses (refer note 45)	11.60	9.15
Sales commission (other than sole selling agent)	35.20	42.59
Sales promotion	32.52	34.69
Carriage outwards	96.50	60.30
Rent	1.84	5.34
Insurance	20.17	18.66
Legal and professional fees	55.56	73.31
Rates and taxes	7.09	6.25
Travelling and conveyance	16.83	48.76
Bad debts/ advances written off	0.92	5.05
Provision for doubtful debts and advances	3.83	15.32
Expected credit loss for loan given to related parties	-	15.00
Impairment provision for investment in subsidiaries	7.00	-
Directors sitting fee and commission	1.55	1.55
Payment to auditor (refer note below)	1.08	1.37
Exchange difference, (net)	0.01	1.72
Research and development expenses (refer note 42)		
- Salaries, wages and bonus	66.29	49.39
- Raw materials consumed	1.06	0.88
- General expenses	45.80	24.12
Total Research and development expenses	**113.15**	**74.39**
Less : Amount transferred to individual expense line item	(113.15)	(74.39)
Research and development expenses	-	-
Miscellaneous expenses	177.29	211.39
Total other expenses	**851.31**	**902.31**

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Payment to auditor		
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	0.70	0.70
Reimbursement of expenses	0.01	0.08
Tax audit fee	0.04	0.04
In other capacity:		
Other services (including certification fees)	0.33	0.55
	1.08	**1.37**

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Depreciation of tangible assets	178.36	179.89
Depreciation of right of use assets	13.73	16.17
Amortisation of intangible assets	23.01	36.36
Total depreciation and amortisation expense	**215.10**	**232.42**

Note 33: Finance Cost

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	131.82	157.49
Interest on lease liabilities	8.69	11.17
Bank charges	29.32	17.18
Exchange difference to the extent considered as an adjustment to borrowing costs	19.88	18.62
Total finance cost	**189.71**	**204.46**

* During the year, the Company has capitalised borrowing costs of ₹ 2.75 crores (31 March 2020: ₹ 11.12 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's general borrowings, in this case 8.26% p.a. (March 31, 2020: 8.49% p.a.).

Note 34: Tax Expenses

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current tax*	75.23	111.53
Deferred tax#	29.05	(2.84)
Total tax expenses	**104.28**	**108.69**

*For current year, the current tax expense is net of adjustment of ₹ 0.42 crores pertaining to current tax of previous year.

#For current year, the deferred tax includes ₹ 1.65 crores for adjustment pertaining to deferred tax expense of previous year.

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Note 35: Employee Share Based Payments

The Company has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the company to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the company and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of five years. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹ 2 per option.

The Company has charged ₹ 11.42 crores (31 March 2020: ₹ 9.86 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

a) Set Out Below is the summary of options granted under the plan.

Particulars	31 March 2021		31 March 2020	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	39,33,890	2	46,14,478
Granted During the year	2	18,71,240	2	17,41,630
Forfeited During the year	2	-	2	-
Exercised During the year	2	(15,32,391)	2	(14,21,264)
Expired/cancelled During the year	2	(7,04,276)	2	(10,00,954)
Closing Balance		**35,68,463**		**39,33,890**
Vested and Exercisable		7,20,421		4,23,130

Average share price for the year ended 31 March 2021 is 148.49 (31 March 2020: ₹ 141.89).

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (₹)	Share options outstanding on 31 March 2021	Share options outstanding on 31 March 2020
30 April 2014	01 June 2024	2	13,200	33,050
30 March 2015	01 June 2025	2	1,06,981	4,38,500
13 July 2016	01 June 2025	2	21,361	85,521
25 July 2016	01 August 2026	2	1,53,900	2,93,290
19 July 2017	01 August 2027	2	2,25,055	3,90,470
16 October 2017	16 October 2027	2	10,770	20,650
17 January 2018	17 January 2028	2	3,660	5,260
19 July 2018	01 August 2028	2	5,04,274	10,13,749
24 January 2019	25 January 2027	2	37,875	44,600
24 October 2019	24 October 2029	2	9,24,735	16,08,800
22 July 2020	31 July 2030	2	14,85,412	-
19 January 2021	19 January 2031	2	81,240	-
Total			**35,68,463**	**39,33,890**

Weighted Average remaining contractual life of the options outstanding at the end of the period	3.27	3.11

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved one grant. Following are the details of assumptions under the grant, related vesting conditions and fair valuation model used based on the nature of vesting.

Date of Grant - July 22, 2020

The company has granted options under ESOP scheme based on following two criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company.

   Fair Valuation Method - Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	01-Aug-21	01-Aug-22	01-Aug-23	01-Aug-24	01-Aug-25
Weighted Average Stock Price	135.40	135.40	135.40	135.40	135.40
Expected volatility (%)	54.60%	54.60%	54.60%	54.60%	54.60%
Risk Free rate (%)	3.92%	3.92%	3.92%	3.92%	3.92%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	2.10	2.10	2.10	2.10	2.10
Dividend Yield (%)	2.50%	2.50%	2.50%	2.50%	2.50%
Outputs					
Option Fair value	126.69	126.69	126.69	126.69	126.69
Vesting Percentage (%)	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**126.69**

The expected price volatility is based on historical volatality (based on remaining life of the options) adjusted for any expected change to future volatility due to publicly available information.

2. Vesting criteria - 30% Vesting based on total Shareholders return based on market performance

   Fair Valuation Method - Monte Carlo Simulation model

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

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

Assumptions used are as follows:

Variables	
Price of underlying stock	135.40
Expected volatility	54.60%
Risk Free rate	3.92%
Exercise Price (₹ per Option)	2.00
Dividend Yield	2.50%
Fair Value of the option	**63.00**

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3. Vesting criteria - 40% Vesting based on achivement of target EBITDA

   Fair Valuation Method - Monte Carlo Simulation model

Vesting of these options is dependent on the achivement of target EBITDA during the performance of FY' 2020-21 as per the criteria determined by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the company:

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the company
- Dividend yield based on historical dividend payments
- Estimate of EBITDA as per approved business plan

Assumptions used are as follows:

Variables	
Price of underlying stock	135.40
Expected volatility	54.60%
Risk Free rate	3.92%
Exercise Price (₹ per Option)	2.00
Dividend Yield	2.50%
Fair Value of the option	**22.30**

Date of Grant - January 19, 2021

Vesting criteria - Continuous employment with the company.

Fair Valuation Method - Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	20-Jan-22	20-Jan-23	20-Jan-24	20-Jan-25	20-Jan-26
Weighted Average Stock Price	192.40	192.40	192.40	192.40	192.40
Expected volatility	57.90%	57.90%	57.90%	57.90%	57.90%
Risk Free rate	3.99%	3.99%	3.99%	3.99%	3.99%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.50%	2.50%	2.50%	2.50%	2.50%
Outputs					
Option Fair value	180.75	180.75	180.75	180.75	180.75
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**180.75**

Note 36: Earnings Per Share (EPS)

The following table shows the computation of basic and diluted EPS.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Profit for the year	261.41	433.52
Weighted average number of equity shares in calculating basic EPS	39.78	40.33
Adjustments for calculation of diluted EPS:		
Employee stock option outstanding during the year	0.42	0.45
Weighted average number of equity shares in calculating diluted EPS	40.20	40.78
Earnings per share		
Basic	**6.57**	**10.75**
Diluted	**6.50**	**10.63**

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are given in note 35.

Note 37: Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules are notified become effective.

Note 38: Capital and other Commitments

a] Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹ 95.98 crores (31 March 2020: ₹ 100.09 crores)

b] The company has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below:

Year of Issue	Year upto which export obligation to be fulfilled	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
2017-18	2023-24	117.97	596.55
2018-19	2024-25	13.32	224.78
2019-20	2025-26	9.78	35.22
2020-21	2026-27	62.73	-

In this respect, the Company has given bonds of ₹ 875.87 crores (31 March 2020: ₹ 881.49 crores) to the Commissioner of Customs. The company expects to fulfil the export obligation within prescribed time.

c] For commitments relating to lease arrangements please refer note 4.

Note 39: Contingent Liabilities

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
1. Disputed liabilities		
a) Excise duty [refer note 22 and note 44]	-	18.50
b) Customs duty	89.64	74.90
c) Goods and Service tax	0.69	0.69
d) Income tax	11.87	11.44
e) Claims lodged by a bank against the company*	18.87	18.87
f) Claims against the Company not acknowledged as debt$	15.91	1.11

2. The Company had issued Corporate guarantees amounting to ₹ 114 crores to the Income tax Authorities in FY 2003-04 on behalf of the Group companies. The matter against which corporate guarantee was paid by STL was decided in favour of the Group companies by both ITAT and HC orders against which the Department has filed an appeal with the Supreme Court. The above corporate guarantee is backed by the corporate guarantee issued by the Volcan Investments Limited (ultimate holding Company) in the favour of the Company.

   The Company has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position. In respect of the claims against the company not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

* In an earlier year, one of the Bankers of the Company had wrongly paid an amount of ₹ 18.87 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the company, owing to discrepancies in the documents. Thereafter, the bank filed claim against the company in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the company and has dismissed the appeal filed by the bank. The bank has challenged the said order in WRIT petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

$ Claims against the company not acknowledged as debt mainly pertains to an order against the Company with respect to claim made by a supplier of ₹ 14.80 crores.

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Note 40: Details of Loans and Advances Given to Subsidiaries

The details are provided as required by regulation 53 (f) read with Para A of Schedule V to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Name of Subsidiary	31 March 2021		31 March 2020	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Global Ventures (Mauritius) Limited	0.36	0.36	0.35	0.35
Speedon Network Limited (net of loss allowance)	10.36	10.36	8.64	30.72
Sterlite Tech Cables Solutions Limited	66.00	66.00	4.20	4.20
Maharashtra Transmission Communication Infrastructure Limited	1.84	5.09	4.38	4.38
Sterlite Technologies UK Ventures Limited	27.34	27.34	24.40	24.40
STH Inc USA	30.74	40.56	17.25	33.47
Sterlite Technologies Pty. Ltd	0.56	0.56	-	-
Sterlite Technologies DMCC	7.19	7.19	-	-
STL Optical Interconnect S.p.A.	59.70	59.70	-	-
Total	**204.09**		**59.22**	

NOTE 41: Details of Dues to Micro and Small Enterprises as Defined Under Msmed Act, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier*	72.70	30.66
Interest amount due to supplier	0.54	0.96
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	1.50	0.96
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

* includes amount of ₹ 31.31 crores (31 March 2020: ₹ 11.53 crore) outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2021.

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers as Micro and Small enterprises.

Note 42: Research and Development Expenditure

STL through its extensive research capabilities, constant innovation and unique capabilities at following R&D centres is able to provide customers end to end solutions from manufacturing of cable to system integration to providing software products required by telecom players:

- **Aurangabad –** R&D activities to manufacture cable which can cater most bandwidth demand.
- **Gurgaon –** R&D activities to design, build, manage broadband network for global service providers, smart cities, rural broadband etc.
- **Ahmedabad –** R&D activities to develop innovative telecom software products which can cater demand for business support system and operating support system.
- **Pune –** R&D activities for Product Engineering towards Programmable Networking & Intelligence."

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Capital expenditure		
- Plants and machinery - purchased and capitalised during the year	9.03	24.83
- Plants and machinery - purchased during the year but pending for capitalisation	2.21	2.95
- Software - capitalised during the year	0.42	4.33
- IT Equipments - capitalised during the year	0.63	2.10
- Furniture & Fixtures - capitalised during the year	-	4.14
- Office equipments and Electrical Installation - capitalised during the year	0.02	3.13
- Right of use assets - capitalised during the year	-	4.25
	12.31	**45.73**
Revenue expenditure		
- Salaries, wages and bonus	66.29	49.39
- Raw materials consumed	1.06	0.88
- General expenses	45.80	24.12
Total	**113.15**	**74.39**

The company has four Research and Development Centres. Centre wise breakup of expenditure is as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Sterlite Technologies - Aurangabad		
- Capital Expenditure	3.78	13.12
- Revenue Expenditure	15.02	17.67
	18.80	**30.79**
Sterlite Technologies - Gurgaon		
- Capital Expenditure	8.45	16.94
- Revenue Expenditure	48.82	13.84
	57.27	**30.78**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	-	-
- Revenue Expenditure	20.44	27.76
	20.44	**27.76**
Sterlite Technologies - Pune		
- Capital Expenditure	0.07	15.67
- Revenue Expenditure	28.87	15.12
	28.94	**30.79**

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Note 43: Impact of COVID-19 Pandemic

Management has made an assessment of the impact of COVID-19 in preparation for these financial statements. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial statements have been identified. Since telecom networks have been identified as an essential service, the Group is operating at its normal operating capacity at all locations. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration and no significant impact is envisaged on the operations.

Further due to the ongoing lockdown restrictions, independent confirmations of balances of 5 bank accounts having a cumulative book balance of ₹ 0.07 crores and balance with LIC of ₹ 5.08 crores with respect to the Company's funded Gratuity plan assets could not be obtained as at March 31, 2021 from the respective parties. Management has prepared the financials based on the latest available statements available with Management, which fairly represent the respective balances. For balance with LIC, the statement available is for balance as at December 31, 2020 and for the 5 bank balances, the statements are available for balances as at March 31, 2021.

Note 44: Excise /Customs Matter Pending with Honourable Supreme Court

During the previous 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 ₹ 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at Honourable 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 and paid duty in respect of all matters offered for settlement under the scheme and accordingly recognised expense of ₹ 50.71 crores in the previous year which has been disclosed as exceptional item in the Statement of profit and loss.

Note 45: Corporate Social Responsibility

The Company has spent an amount of ₹ 11.60 crores (31 March 2020: ₹ 9.15 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹ 11.60 crores.

Details of CSR expenditure:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
A. Gross amount required to be spent by the Company as per section 135 of the Companies Act, 2013	11.59	9.15
B. Amount spent during the year on	11.60	9.15
(i) Construction/acquisition of any assets	-	-
(i) On purpose other than (i) above	11.60	9.15

Note 46: Amortisation of Recognised Goodwill on Acquisition

During the year 2015-16, the Company had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product company. ETPL has been merged with the Company with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "Scheme"). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) was being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 14.65 crores (31 March 2020: ₹ 29.64 crores) for the year. The Goodwill attributable to ETPL has been completely amortised in the current year ended March 31, 2021.

Note 47: Financial Risk Management

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Company also enters into derivative transactions.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes should be undertaken.

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

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The risks to which Company is exposed and related risk management policies are summarised below -

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk mainly includes loans given and borrowings, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2021 and 31 March 2020.

Interest rate risk

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

The Company is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2021, after taking into account the effect of interest rate swaps, approximately 85% of the Company's borrowings are at a fixed rate of interest (31 March 2020: 84%).

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Variable rate borrowings	397.67	412.22
Fixed rate borrowings	1,765.26	1,459.78
Total borrowings	**2,162.93**	**1,872.00**

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As at the end of the year, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31 March 2021		31 March 2020	
	Balance	% of total loans	Balance	% of total loans
Variable rate borrowings	397.67	18%	412.22	22%
Interest rate swaps (notional principal amount)	73.11		113.49	
Net exposure to cash flow interest rate risk	324.56		298.73	

Interest rate sensitivity

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

(₹ in crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/ (increase)
31 March 2021		
Base Rate	+50	1.62
Base Rate	-50	(1.62)
31 March 2020		
Base Rate	+50	1.49
Base Rate	-50	(1.49)

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company has a policy to keep minimum forex exposure on the books that are likely to occur within a 12-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. During the year ended 31 March 2021 and 2020, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Company has hedged the significant exposure as at 31 March 2021 and as at 31 March 2020.

The Company exposure to foreign currency risk at the end of the year expressed in INR are as follows

31 March 2021

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	174.19	122.28	106.00	4.95
Bank Balances	0.01	0.49	11.22	-
Loans and advances	33.80	82.67	1.89	7.19
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	153.44	119.49	106.00	4.19
Net Exposure to foreign currency risk (Assets)	**54.56**	**85.95**	**13.11**	**7.95**

31 March 2021

(₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan (including deferred payment liabilities)	139.08	25.38	75.56
Payables for purchase of property, plant & equipments	82.13	133.44	-
Trade Payables	109.43	13.40	-
Derivative Liabilities			
Foreign exchange forward contracts - Buy foreign currency	227.09	165.04	-
Principal Swap	73.11	-	-
Net Exposure to foreign currency risk (Liabilities)	**30.44**	**7.18**	**75.56**

31 March 2020

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	81.41	87.73	72.45	17.61
Bank Balances	9.73	14.77	4.21	-
Loans and advances	20.03	24.54	2.43	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	75.73	77.76	66.74	15.55
Net Exposure to foreign currency risk (Assets)	**35.44**	**49.28**	**12.35**	**2.06**

31 March 2020

(₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan (including deferred payment liabilities)	391.52	55.52	69.81
Payables for purchase of property, plant & equipment's	97.19	108.54	7.55
Trade Payables	171.14	2.74	0.03
Derivative Liabilities			
Foreign exchange forward contracts - Buy foreign currency	525.96	164.49	0.27
Principal Swap	113.08	-	-
Net Exposure to foreign currency risk (Liabilities)	**20.81**	**2.30**	**77.12**

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 2021	+5%	1.21/2.28	+5%	3.94/16.08	+5%	(3.12)/16.28
	-5%	(1.21)/(2.28)	-5%	(3.94)/(16.08)	-5%	3.12/(16.28)
31 March 2020	+5%	0.73/1.85	+5%	2.35/23.57	+5%	(3.24)/(1.65)
	-5%	(0.73)/(1.85)	-5%	(2.35)/(23.57)	-5%	3.24/1.65

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Commodity price risk
The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the company enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company has a risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity
As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Price risk
The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 34.87 crores (31 March 2020: ₹ 27.87 crores).

The Company also invests into highly liquid mutual funds which are subject to price risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds are made as a part of treasury management activities."

(b) Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables and Contract assets
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account its financial position, past experience and other factors, eg. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the company made write-offs of ₹ 0.92 crores (31 March 2020: ₹ 5.05 crores) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

The contract assets have substantially the same risk characteristics as trade receivables for same type of contract etc. Therefore management has concluded that the expected loss for trade receivables are at reasonable approximation for loss rates for contract assets.

The Company's customer profile for customer contracts and software services include public sector enterprises, state owned companies and private corporates. Accordingly, the Company's customer credit risk is low. The Company's average network integration project execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

The company provides for expected credit loss based on life-time expected credit losses (simplified approach).

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2021			31 March 2020		
	less than 365 days	more than 365 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	2,410.50	325.91	2,736.41	1,929.39	264.23	2,193.62
Expected credit loss rate	0.28%	13.00%		0.29%	15.00%	
Expected credit loss provision	6.76	42.37	49.13	5.68	39.63	45.31
Carrying amount of trade receivable (net of provision)	**2,403.74**	**283.54**	**2,687.28**	**1,923.71**	**224.60**	**2,148.31**

Financial assets and cash deposits

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

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The company assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The company charges interest on such loans at arms length rate considering counterparty's credit rating. Based on the assessment performed, the company considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and appropriate provision for impairment is considered in financial statement.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amounts of each class of financial assets.

(c) Liquidity risk

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

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The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	Total
As at March 31, 2021					
Borrowings	6.66	1,263.21	139.90	753.16	2,162.93
Other financial liabilities	5.20	3.98	52.38	9.52	71.08
Trade payables	250.58	769.56	849.52	-	1,869.66
Payables for purchase of Property, plant and equipments	-	140.33	287.55	0.56	428.44
Derivative instruments	-	-	13.86	-	13.86
	262.44	**2,177.07**	**1,343.21**	**763.24**	**4,545.97**
As at March 31, 2020					
Borrowings	7.64	1,097.26	247.27	519.83	1,872.00
Other financial liabilities	4.89	10.97	102.56	3.49	121.91
Trade payables	279.54	452.33	634.60	-	1,366.47
Payables for purchase of Property, plant and equipments	-	207.04	298.53	0.62	506.18
Derivative instruments	-	-	9.73	3.21	12.94
	292.07	**1,767.59**	**1,292.68**	**527.15**	**3,879.50**

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on 31 March 2021 and 31 March 2020.

The cash flow hedges for such derivative contracts as at 31 March 2021 were assessed to be highly effective and a net unrealised gain of ₹ 21.04 crores, with a deferred tax liability of ₹ 5.30 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2020 were assessed to be highly effective and an unrealised gain of ₹ 18.83 crores, with a deferred tax liability of ₹ 4.75 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2021 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2022.

At 31 March 2021, the Company has currency/interest rate swap agreements in place with a notional amount of USD 1 crore (₹ 73.11 crores) (31 March 2020: USD 1.5 crores) whereby the Company receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at ₹ 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 for such derivative contracts as at 31 March 2021 were assessed to be highly effective and a net unrealised loss of ₹ 3.51 crores, with a deferred tax asset of ₹ 0.88 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2020 were assessed to be highly effective and an unrealised gain of ₹ 9.49 crores, with a deferred tax liability of ₹ 2.39 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2021 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2022.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

31 March 2021

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts - Assets	904.50	23.12	April 2021- February 2024	1:1	AED:INR - 21.26 AUD:INR - 56.77 EUR:INR - 93.94 GBP:INR - 108.43 USD:INR - 74.14	0.45	(0.45)
(ii) Foreign exchange forward contracts - Liabilities	149.13	(2.08)	April 2021- February 2024	1:1	AUD:INR - 54.52 EUR:INR - 89.64 GBP:INR - 102.38 USD:INR - 74.36	1.75	(1.75)
(iii) Foreign Currency Loan	(148.67)	5.82	3- January - 2023	1:1	USD:INR 66.39	(5.54)	5.54
Interest rate risk							
Interest rate swap	(73.11)	(0.69)	3- January - 2023	1:1	N/A	1.86	(1.86)

31 March 2020

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts - Assets	342.60	22.67	April 2020 - December 2023	1:1	AED:INR - 20.29 AUD:INR - 46.65 EUR:INR - 90.25 GBP:INR - 97.19 USD:INR - 73.84	(58.30)	58.30
(ii) Foreign exchange forward contracts - Liabilities	193.46	(3.83)	April 2020- January 2022	1:1	EUR:INR - 88.19 GBP:INR - 94.13 USD:INR - 73.25 CNH:INR -10.73	(3.18)	3.18
(iii) Foreign Currency Loan	(182.89)	11.36	03 January 2023	1:1	USD:INR 66.39	11.18	(11.18)
Interest rate risk							
Interest rate swap	(297.77)	(2.55)	03 January 2023	1:1	N/A	(1.51)	1.51

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.

The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

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(b) Disclosure of effects of hedge accounting on financial performance

31 March 2021

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(3.34)	-	(3.07)	Revenue and COGS
Interest Risk	1.86	-	-	N/A

31 March 2020

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(50.30)	-	(52.70)	Revenue and COGS
Interest Risk	(1.51)	-	-	N/A

The Company's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve.

Note 48: Capital Management

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

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

The recent investments by the Company in new businesses, increasing the capacity of existing businesses and increase in working capital due to certain projects has lead to increase in capital requirement. The Company expects to realise the benefits of these investments in near future.

Particulars	As at March 31, 2021 (₹ in crores)	As at March 31, 2020 (₹ in crores)
Interest Bearing Loans and borrowings	2,162.93	1,872.00
Less: Cash and Cash equivalents & current investment*	(306.14)	(395.53)
Net debt	**1,856.79**	**1,476.47**
Equity share capital	79.33	80.79
Other equity	1,747.03	1,728.78
Total capital	**1,826.36**	**1,809.57**
Capital and net debt	**3,683.15**	**3,286.04**
Gearing ratio	**50.41%**	**44.93%**

*includes other bank balance of ₹ 50.00 crores (31 March 2020: ₹ 86.00 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

Dividend Distribution Made And Proposed

As a part of Company's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2020: ₹ 3.5 per share (31 March 2019: ₹ 3.5 per share)	138.28	141.09
Dividend Distribution Tax on final dividend	-	29.00
	138.28	**170.09**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2021: ₹ 2 per share (31 March 2020: ₹ 3.5 per share)	79.31	141.35
Dividend Distribution Tax on proposed dividend	-	-
	79.31	**141.35**

The Finance Act 2020 has repealed the dividend distribution tax. Companies are now required to pay / distribute dividends after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rate.

During the year ended 31 March 2020, 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.

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Note 49: Fair Values

a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of 31 March 2021:

	31 March 2021			31 March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	8.53	-	-	1.53	-	-
Debentures	22.60	-	-	22.60	-	-
Preference shares	3.74	-	-	3.74	-	-
Mutual funds	180.00	-	-	233.00	-	-
Trade receivables	-	-	1,376.11	-	-	1,413.16
Loans	-	-	226.58	-	-	97.83
Cash and cash equivalents	-	-	131.31	-	-	170.45
Derivative financial assets	5.23	28.25	-	36.06	22.68	-
Other financials assets	-	-	20.15	-	-	15.00
Total financial assets	**220.10**	**28.25**	**1,754.15**	**296.93**	**22.68**	**1,696.44**
Financial liabilities						
Borrowings	-	-	2,162.93	-	-	1,872.00
Derivative financial liabilities	11.09	2.77	-	8.17	4.77	-
Trade Payables	-	-	1,869.66	-	-	1,366.47
Payables for purchase of Property, plant and equipment	-	-	428.44	-	-	506.18
Deposits from vendors	-	-	6.32	-	-	3.93
Other Financial Liabilities	-	-	64.76	-	-	117.98
Total financial liabilities	**11.09**	**2.77**	**4,532.11**	**8.17**	**4.77**	**3,866.56**

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Investments in Equity Shares of joint venture				
As at 31 March 2021	8.53	-	-	8.53
As at 31 March 2020	1.53	-	-	1.53
Investments in Debentures				
As at 31 March 2021	22.60	-	-	22.60
As at 31 March 2020	22.60	-	-	22.60
Investments in Preference shares				
As at 31 March 2021	3.74	-	-	3.74
As at 31 March 2020	3.74	-	-	3.74
Investments in Mutual Funds				
As at 31 March 2021	180.00	180.00	-	-
As at 31 March 2020	233.00	233.00	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at 31 March 2021	5.23	-	5.23	-
As at 31 March 2020	36.06	-	36.06	-

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative financial assets - Currency/Interest Rate Swaps				
As at 31 March 2021	28.25	-	28.25	-
As at 31 March 2020	22.68	-	22.68	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at 31 March 2021	11.09	-	11.09	-
As at 31 March 2020	8.17	-	8.17	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at 31 March 2021	2.77	-	2.77	-
As at 31 March 2020	4.77	-	4.77	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The fair values of the unquoted equity shares and debentures have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for these unquoted equity investments.

The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

₹ in crores

Particulars	Investments in Equity Shares of JV	Investments in Debentures	Investments in Preference share
As at 31 March 2020	**1.53**	**22.60**	**3.74**
Acquisitions	-	-	-
Changes in Fair value	7.00	-	-
As at 31 March 2021	**8.53**	**22.60**	**3.74**

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e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares, preference shares and debentures	DCF method	Terminal Growth Rate	31 March 2021: 5.0% 31 March 2020: 2.5%	1% (31 March 2020: 1%) increase/ (decrease) in the terminal growth rate would result in increase / (decrease) in fair value by ₹ 3.23/ (2.85) crores (31 March 2020: ₹ 2.87/ (2.35) crores)
		WACC (pre-tax)	31 March 2021: 21.50% 31 March 2020: 12.50%	1% (31 March 2020: 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 4.49/ (5.14) crores (31 March 2020: ₹ 3.27/ (4.01))
		Long-term operating margin	31 March 2021: (113.6)% - 32.6% 31 March 2020: (4.0)% - 25.2%	1% (31 March 2020: 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 2.62/ (2.62) crores (31 March 2020: ₹ 1.44/ (1.44))

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Valuation processes

The finance department of the company includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the company are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2021 and 31 March 2020 are as shown above.

g) Financial assets and liabilities measured at amortised cost

Particulars	31 March 2021	
	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.25%	290.00	290.22
Debentures @ 7.30%	150.00	150.00
Debentures @ 8.70%	150.00	150.12

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

NOTE 50: RELATED PARTY TRANSACTIONS

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

(ii) Subsidiaries

Jiangsu Sterlite Tongguang Fiber Co. Ltd.
Sterlite Global Ventures (Mauritius) Limited
Maharashtra Transmission Communication Infrastructure Limited
Sterlite Technologies UK Ventures Limited
Speedon Network Limited
Sterlite Telesystems Limited
Elitecore Technologies (Mauritius) Limited
Elitecore Technologies SDN BHD. (Malaysia)
Sterlite (Shanghai) Trading Company Limited
Sterlite Tech Holding Inc.
Sterlite Tech Holdings (UK) Limited (liquidated with effect from September 22, 2020)
Sterlite Technologies Inc.
Sterlite Technologies S.p.A
Metallurgica Bresciana S.p.A
Sterlite Innovative Solutions Limited
STL Digital Limited (earlier “Sterlite Tech Connectivity Solutions Limited”)
Sterlite Tech Cables Solutions Limited
Impact Data Solutions Limited
Impact Data Soultions B.V.
Vulcan Data Centre Solutions Limited
PT Sterlite Technologies Indonesia
Sterlite Technologies Pty. Ltd
Sterlite Technologies DMCC
STL Optical Interconnect S.p.A.
Optotec S.p.A.
Optotec International S.A.
STL Edge Networks Inc.
STL Networks Limited

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(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Fellow Subsidiaries

Cairn India Holdings Ltd
Sterlite Power Transmission Limited
Twin Star Technologies Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda (58:42 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limiteda)
Metis Eduventures Private Limited

(iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director)
Mr. A. R. Narayanaswamy (Non executive & Independent Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Mr. Sandip Das (Non executive & Independent Director)
Ms. Kumud Srinivasan (Non executive & Independent Director)
Mr. Pratik Agarwal (Non executive Director till January 20, 2021)
Mr. B. J Arun (Non executive & Independent Director w.e.f. January 20. 2021)
Mr. S Madhavan (Non executive & Independent Director w.e.f. January 20. 2021)
Mr. Ankit Agarwal (Whole-time Director w.e.f. January 20, 2021)

(iv) Relative of key management personnel (KMP)

Mr. Ankit Agarwal (till January 20, 2021)
Mrs. Jyoti Agarwal
Mrs. Ruchira Agarwal
Mrs. Sonakshi Agarwal
Mr. Navin Agarwal

(v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)

Universal Floritech LLP (EKMP)
Sterlite Tech Foundation (EKMP)
Pravin Agarwal Family Trust (EKMP)

(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 till September 11, 2020)
Mr. Mihir Modi (Chief Financial Officer from October 05, 2020)
Mr. Amit Deshpande (Company Secretary)

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

S. No.	Particulars	Subsidiaries		Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/ EKMP	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Remuneration	-	-	-	-	-	-	24.79	29.70	2.47	3.84	-	-
2	Sitting Fees	-	-	-	-	-	-	0.51	0.42	-	-	-	-
3	Commission	-	-	-	-	-	-	1.13	1.13	-	-	-	-
4	Consultancy	-	-	-	-	-	-	0.55	0.55	-	-	-	-
5	Dividend (received)/paid	-	-	-	-	73.29	73.29	0.93	0.94	0.42	0.41	1.67	1.67
6	Investment during the year	37.86	119.77	-	5.01	-	-	-	-	-	-	-	-
7	Sale of investments	-	0.82	-	-	-	-	-	-	-	-	-	-
8	Loans and advances given	160.13	28.72	-	-	-	-	-	-	-	-	0.85	0.30
9	Repayment of loans	14.37	31.59	-	-	-	-	-	-	-	-	-	29.14
10	Loan taken	-	-	-	-	-	-	-	-	-	-	-	4.05
11	Loan repaid	-	-	-	-	-	-	-	-	-	-	0.08	5.59
12	Interest charged on loans	4.77	2.97	-	-	-	-	-	-	-	-	0.84	-
13	Interest expense on loans	-	-	-	-	-	-	-	-	-	-	-	0.57
14	Management fees received	-	2.18	-	-	-	-	-	-	-	-	11.08	10.74
15	Reimbursement of expenses	10.31	9.70	-	-	-	-	-	-	-	-	1.62	3.10
16	Corporate guarantee & SBLC commission charged	2.12	1.94	-	-	-	-	-	-	-	-	-	-
17	Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	0.42
18	Sale of Fixed assets	31.16	-	-	-	-	-	-	-	-	-	-	-
19	Purchase of goods & services	103.98	130.42	-	-	-	-	-	-	-	-	142.53	2.51
20	Sale of goods & services	327.79	232.04	5.19	2.14	-	-	-	-	-	-	16.22	9.65
21	Contributions made for CSR	-	-	-	-	-	-	-	-	-	-	11.60	8.10
22	Rental income	-	-	-	-	-	-	-	-	-	-	0.06	0.06
	Outstanding Balances												
1	Loans/advance receivables##	204.10	59.25	-	-	-	-	-	-	-	-	11.95	11.11
2	Loans/advance payables	-	-	-	-	-	-	-	-	-	-	6.66	7.31
3	Interest payable on loans	-	-	-	-	-	-	-	-	-	-	1.27	0.70
4	Trade receivables	220.31	53.75	8.21	7.97	-	-	-	-	-	-	13.29	3.50
5	Other receivables	8.15	5.22	-	-	-	-	-	-	-	-	-	-
6	Trade payables	24.97	18.18	-	-	-	-	-	-	-	-	-	0.20
7	Advance to vendors	-	-	-	-	-	-	-	-	-	-	0.79	-
8	Investment in equity shares,preference shares & debentures	288.84	261.23	34.87	27.87	-	-	-	-	-	-	-	-
9	Investments classified as assets held for sale	31.52	28.27	-	-	-	-	-	-	-	-	-	-
10	Corporate and bank guarantees given and outstanding	5.78	7.60	-	-	-	-	-	-	-	-	114.00$	114.00$

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

(C) Disclosure in respect of material related party transaction during the year:

S. No.	Particulars	Relationship	31 March 2021	31 March 2020
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	9.96	14.86
	Dr. Anand Agarwal	KMP	10.95	10.76
	Mr. Ankit Agarwal	KMP	0.58	-
	Mr. Ankit Agarwal	Relatives of KMP	2.47	3.84
	Mr. Anupam Jindal	KMP	1.73	3.44
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.14	0.13
	Mr. A. R. Narayanaswamy	KMP	0.11	0.09
	Mr. Sandip Das	KMP	0.12	0.11
	Ms. Kumud Srinivasan	KMP	0.10	0.08
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.23	0.23
	Mr. A. R. Narayanaswamy	KMP	0.23	0.23
	Ms. Kumud Srinivasan	KMP	0.23	0.23
	Mr. Sandip Das	KMP	0.23	0.23
	Mr. Pratik Agarwal	KMP	0.23	0.23
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.55	0.55
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding Company	73.29	73.29
6	**Investment during the year**			
	Sterlite Global Ventures (Mauritius) Limited	Subsidiary	31.43	119.72
	Metis Eduventures Private Limited	Joint Venture	-	5.01
7	**Sale of investments**			
	Elitecore Technologies (Mauritius) Limited	Subsidiary	-	0.82
8	**Loans and advances given**			
	Speedon Network Limited	Subsidiary	3.04	1.95
	Sterlite Tech Holding Inc.	Subsidiary	24.35	21.46
	Sterlite Tech Cables Solutions Limited	Subsidiary	61.80	4.20
	Twinstar Display Technologies Limited.	Fellow Subsidiary	0.03	0.21
	STL Optical Interconnect S.p.A.	Subsidiary	59.70	-
9	**Repayment of loans**			
	Speedon Network Limited	Subsidiary	1.30	9.73
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	3.25	-
	Sterlite Tech Holding Inc.	Subsidiary	9.82	21.86
	Twinstar Display Technologies Limited	Fellow Subsidiary	-	29.07
10	**Loan taken**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	4.05
11	**Loan repaid**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.08	5.59
12	**Interest charged on loans**			
	Speedon Network Limited	Subsidiary	2.00	1.99
	Sterlite Technologies UK Ventures Limited	Subsidiary	0.22	0.33
	Sterlite Tech Holding Inc. USA	Subsidiary	0.44	0.64
	Sterlite Tech Cables Solutions Limited	Subsidiary	1.01	0.00
	Twin Star Technologies Limited	Fellow Subsidiary	0.81	-
	STL Optical Interconnect S.p.A.	Subsidiary	1.04	-
13	**Interest expense on loans**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	-	0.57

S. No.	Particulars	Relationship	31 March 2021	31 March 2020
14	**Management fees received**			
	Cairn India Holdings Ltd	Fellow Subsidiary	11.08	10.74
	Sterlite Technologies Inc.	Subsidiary	-	2.18
15	**Reimbursement of expenses**			
	Cairn India Holdings Ltd	Fellow Subsidiary	1.62	3.10
	Elitecore Technologies sdn. bhd.	Subsidiary	1.51	-
	Speedon Network Limited	Subsidiary	7.32	9.70
	STL Optical Interconnect S.p.A.	Subsidiary	1.48	-
16	**Corporate guarantee & SBLC commission charged**			
	Sterlite Technologies S.p.A	Subsidiary	-	1.81
	Metallurgica Bresciana S.p.A	Subsidiary	2.12	0.13
17	**Purchase of fixed assets**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	0.42
18	**Sale of Fixed assets**			
	Sterlite Tech Cables Solutions Limited	Subsidiary	31.16	-
19	**Purchase of goods & services**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	79.23	112.70
	Fujairah Gold FZE	Fellow Subsidiary	-	2.18
	Vedanta Limited	Fellow Subsidiary	142.50	0.01
20	**Sale of goods & services**			
	Metallurgica Bresciana S.p.A	Subsidiary	159.51	135.68
	Sterlite Technologies Inc.	Subsidiary	100.41	3.23
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	60.48	91.39
	Sterlite Power Transmission Limited	Fellow Subsidiary	16.22	9.65
	Sterlite Conduspar Industrial Ltda	Joint Venture	5.19	2.14
21	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	11.60	8.10
22	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.06

(D) Compensation of Key Management Personnel of the Company

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Short term employee benefits	22.69	28.37
Long term & Post employment benefits	1.43	1.45
Share based payment transaction*	3.14	3.72
Total compensation paid to key management personnel	**27.26**	**33.55**

##Includes interest & expenses incurred and recoverable.

$Refer note 39 for details

*Share-based payments include the perquisite value of stock incentives exercised during the year,determined in accordance with the provisions of the Income-tax Act,1961.

**The amount is gross of the expenses incurred towards provision of these services.

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Note 51: Changes in Accounting Policies

This note explains the impact of the adoption of Ind AS 116 Leases on the company's financial statements.

During the year ended March 31, 2020, the company had adopted Ind AS 116 retrospectively from 01 April 2019, but had not restated comparatives for the year March 31, 2019, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules were therefore recognised in the opening balance sheet on 01 April 2019. The new accounting policies were disclosed in note 2.

Particulars	01 April 2019 (₹ in crores)
Balances in retained earnings	1,225.07
Less: Adjustment on account of leases as per IND AS 116 (net of tax of ₹ 4.19 crore)	(12.48)
Balances in retained earnings after adjustment	**1,212.59**

Adjustments recognised on adoption of Ind AS 116

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 01 April 2019. The Lessee's incremental weighted average borrowing rate applied to the lease liabilities on April 01, 2019 was 10%.

(i) Measurement of lease liabilities:

Particulars	Amount (₹ in crores)
Operating lease commitments disclosed as at 31 March 2019	4.35
Discounted using the lessee's incremental borrowing rate at the date of initial application	2.52
Add: adjustments as a result of a different treatment of extension and termination options	103.79
Lease liability recognised as at 1 April 2019	**110.66**

(ii) Measurement of right of use assets:

The associated right-of-use assets for leases were measured on a retrospective basis as if the new rules had always been applied.

Particulars	Amount (₹ in crores)
Land	34.04
Building	44.81
Plant and machinery	49.18
Right of use assets recognised as at 1 April 2019	**128.03**

(iii) Adjustments recognised in the balance sheet as on 1 April 2019:

₹ in crores

Balance Sheet (Extract)	01 April 2019 (without adoption of Ind AS 116)	Increase/ (Decrease)	01 April 2019 (with adoption of Ind AS 116)
Non-current assets			
Property, Plant and Equipments (Refer note 4)	1,716.29	128.03	1,844.32
Equity			
Other Equity	1,507.70	(12.48)	1,495.22
Non-current liabilities			
Lease liabilities	-	96.59	96.59
Deferred tax liabilities (Refer note 24A)	-	(4.19)	(4.19)
Current liabilities			
Lease liabilities	-	14.07	14.07

Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- relying on the assessment of whether leases are onerous as an alternative to performing an impairment review. There were no onerous contracts as at April 01, 2019.

The company had also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix 4 Determining whether an Arrangement contains a Lease.

Note 52: Segment Reporting

The Company has only one operating segment which is Connectivity and Network Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
(1) Revenue from external customers		
- Within India	2,780.34	3,476.50
- Outside India	1,361.67	1,284.00
Total revenue as per statement of profit and loss	**4,142.01**	**4,760.50**
The revenue information above is based on the locations of the customers		
(2) Non-current operating assets		
- Within India	2,350.44	2,389.12
- Outside India	-	-
Total	**2,350.44**	**2,389.12**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets including Goodwill.

(3) Revenue from external customers

Revenue from two customers in India amounted to ₹ 841.00 crores (31 March 2020: ₹ 2,098.68 crores).

Notes
to the Standalone Financial Statements for the year ended March 31, 2021

Note 53: Previous Year Figures

The financial statements for the year ended 31 March 2020 incorporate the impact of the change in accounting policies as mentioned in Note 51.

Further, previous year figures have been reclassified to conform to this year's classification.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Independent Auditors' Report

(All amounts are in ₹ crores, unless otherwise stated)

To the Members of Sterlite Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity (refer Note 37 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph 17 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 46 to the consolidated financial statements which describes that the Group had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which has been amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Gujarat High Court. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(All amounts are in ₹ crores, unless otherwise stated)

Key audit matter	How our audit addressed the key audit matter
a. Revenue Recognition	
(Refer note 2.3 (e), 3 and 26 to the Consolidated Financial Statements) The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by Management with respect to: • Combination of contracts entered into with the same customer; • Identification of distinct performance obligations; • Total consideration when the contract involves variable consideration involved; • Allocation of consideration to identified performance obligations; • Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. For assessment of the date of transfer of control, Management has obtained legal opinion in respect of certain arrangements. Further, for contracts where revenue is recognised over a period of time, the group makes estimates which impact the revenue recognition. Such estimates include, but are not limited to: • costs to complete, • contract risks, • price variation claims, • liquidated damages Further in determining the above estimates for ongoing contracts, Management has also evaluated the estimates, especially those resulting from expected delays in the completion of the performance obligations and available contractual remedies. We focused on this area because a significant portion of the revenue generated requires management to exercise judgement and therefore, could be subject to material misstatement due to fraud or error.	We performed the following procedures: Understood and evaluated the design and tested the operating effectiveness of controls relating to revenue recognition. In respect of certain large and complex contracts and certain other contracts our procedures included, among other things: • Reading of selected contracts to identify significant terms of the contracts; • Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation; • Evaluation of the contract terms and consideration of the legal opinion obtained by Management with respect to assessment of the date of transfer of control; • Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts; • Testing the appropriateness of key assumptions used by Management including the appropriateness and reasonability of Management's conclusion regarding the expected delays in estimated completion of the performance obligations and possible impact on key estimates. Reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies. • Testing of journal entries for unusual/irregular revenue transactions; and • Evaluating adequacy of presentation and disclosures. Based on above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by the applicable accounting standard.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

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

8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the report of the other auditor as furnished to us (Refer paragraph 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(All amounts are in ₹ crores, unless otherwise stated)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associates and Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly

(All amounts are in ₹ crores, unless otherwise stated)

controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 518.58 crores and net assets of ₹ 326.80 crores as at March 31, 2021, total revenue of ₹ 221.69 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ (25.66) crores and net cash flows amounting to ₹ (7.34) crores for the year then ended; have been prepared in accordance with accounting principles generally accepted in its country and has been audited by other auditor under generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in its country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of this subsidiary located outside India, including other information, is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

18. We did not audit the financial statements of twenty five subsidiaries, whose financial statements reflect total assets of ₹ 1,869.33 crores and net assets of ₹ 491.15 crores as at March 31, 2021, total revenue of ₹ 903.17 crores, total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹ 53.74 crores and net cash flows amounting to ₹ 50.96 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 14.86 crores

(All amounts are in ₹ crores, unless otherwise stated)

and ₹ Nil for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of two associates and one jointly controlled entity respectively, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, associates and jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity– Refer Note 22, 40 and 44 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2021 – Refer (a) Note 20 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entity and (b) note 52 to the consolidated financial statements in respect of the Group's

(All amounts are in ₹ crores, unless otherwise stated)

share of net profit/loss in respect of its associates and jointly controlled entity.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

20. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 21108391AAAADG7415

Pune
April 29, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 19 (f) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Sterlite Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

(All amounts are in ₹ crores, unless otherwise stated)

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 21108391AAAADG7415

Pune
April 29, 2021

Consolidated Balance Sheet

as at March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

	Note	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,782.82	2,840.28
Capital work-in-progress		227.19	132.78
Goodwill	5,6	292.08	121.79
Other intangible assets	5	99.11	97.52
Deferred tax assets (net)	24A	17.79	14.47
Financial assets			
Investments	7	122.30	100.28
Loans	9	17.16	24.70
Other non-current financial assets	10	7.08	14.95
Other non-current assets	11	39.07	82.05
		3,604.60	**3,428.82**
Current assets			
Inventories	12	626.35	451.81
Financial assets			
Investments	13	180.90	233.04
Trade receivables	8	1,451.42	1,563.12
Loans	9	9.60	11.89
Cash and cash equivalents	14	192.79	149.60
Other bank balances	15	55.58	94.94
Other current financial assets	10	27.34	52.80
Contract assets	11	1,321.46	744.26
Other current assets	11	430.89	368.75
Assets classified as held for sale	16	171.68	109.97
		4,468.01	**3,780.18**
Total Assets		**8,072.61**	**7,209.00**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	79.33	80.79
Other Equity	18	1,908.06	1,838.99
Equity attributable to owners of the parent		**1,987.39**	**1,919.78**
Non-controlling interests		98.07	103.18
Total Equity		**2,085.46**	**2,022.96**
Non-current liabilities			
Financial liabilities			
Borrowings	19	1,255.72	969.99
Lease Liabilities	4	78.68	95.23
Other financial liabilities	20	25.17	22.55
Employee benefit obligations	25	53.42	47.24
Provisions	22	0.74	0.89
Deferred tax liabilities (net)	24A	103.30	71.72
		1,517.03	**1,207.62**
Current liabilities			
Financial liabilities			
Borrowings	19	1,233.99	1,230.57
Lease Liabilities	4	25.90	34.07
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		74.71	30.67
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,868.95	1,399.63
Other financial liabilities	20	908.46	950.89
Contract liabilities	23	71.27	135.94
Other current liabilities	23	73.81	76.07
Employee benefit obligations	25	13.37	14.53
Provisions	22	10.23	10.02
Current tax liabilities (Net)	24B	29.81	-
Liabilities directly associated with assets classified as held for sale	16	159.62	96.03
		4,470.12	**3,978.42**
Total liabilities		**5,987.15**	**5,186.04**
Total Equity & Liabilities		**8,072.61**	**7,209.00**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

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

Anand Agarwal
CEO & Whole-time Director
DIN: 00057364

Neeraj Sharma
Partner
Membership Number:108391

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Place: Pune
Date: 29 April 2021

Consolidated Statement of Profit and Loss
for the year ended 31 March 2021

(All amounts are in ₹ crores, unless otherwise stated)

	Note	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Continuing Operations			
INCOME			
Revenue from operations	26	4,825.18	5,154.40
Other income	27	33.07	25.39
Total Income (I)		**4,858.25**	**5,179.79**
EXPENSES			
Cost of raw materials and components consumed	29	2,534.14	2,367.74
Purchase of traded goods		0.69	2.12
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	(139.90)	97.63
Employee benefit expense	30	647.42	629.80
Other expenses	31	972.18	987.78
Total Expenses (II)		**4,014.53**	**4,085.07**
Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**843.72**	**1,094.72**
Depreciation and amortisation expense	32	285.26	290.28
Finance costs	33	203.00	221.04
Finance Income	28	(9.90)	(8.91)
Profit before exceptional item, tax & share of profit of joint venture		**365.36**	**592.31**
Share of profit of joint venture (refer note 52)		14.86	-
Profit before exceptional item and tax		**380.22**	**592.31**
Exceptional Item (refer note 44)		-	50.71
Profit before tax from continuing operations		**380.22**	**541.60**
Tax expense:			
Current tax	34	93.51	120.00
Deferred tax		17.76	(11.12)
Total tax expenses		**111.27**	**108.88**
Profit from continuing operations		**268.95**	**432.72**
Discontinued operation			
Loss from discontinued operation before tax (refer note 16)		(3.59)	(8.28)
Tax expense of discontinued operation (refer note 16)		-	-
Loss from discontinued operation		**(3.59)**	**(8.28)**
Profit for the year		**265.36**	**424.44**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(6.90)	(51.81)
Income tax effect on the above		1.73	20.20
Exchange differences on translation of foreign operations		44.23	(6.66)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**39.06**	**(38.27)**
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurements of defined benefits plan		3.29	0.35
Income tax effect on the above		(0.83)	(0.09)
Change in fair value of FVOCI equity instruments		-	1.35
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**2.46**	**1.61**
Other comprehensive income for the year, net of tax		**41.52**	**(36.66)**
Total comprehensive income for the year		**306.88**	**387.78**
Profit for the year attributable to:			
Owners of the Parent		275.47	433.90
Non-controlling interests		(10.11)	(9.46)
		265.36	**424.44**
Other comprehensive income attributable to:			
Owners of the Parent		35.61	(39.70)
Non-controlling interests		5.91	3.04
		41.52	**(36.66)**
Total comprehensive income attributable to:			
Owners of the Parent		311.08	394.20
Non-controlling interests		(4.20)	(6.42)
		306.88	**387.78**
Total comprehensive income attributable to owners arising from:			
Continuing Operations		313.44	399.66
Discontinued Operation		(2.36)	(5.46)
		311.08	**394.20**
Earnings per equity share to owners of the parent	36		
Basic			
From continuing operations		6.98	10.89
From discontinued operation		(0.05)	(0.13)
Diluted			
From continuing operations		6.90	10.77
From discontinued operation		(0.05)	(0.13)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

(All amounts are in ₹ crores, unless otherwise stated)

A. Equity Share Capital

	Note	No. in crores	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid			
At 01 April 2019		**40.25**	**80.51**
Changes in equity share capital	17	0.14	0.28
At 31 March 2020		**40.39**	**80.79**
Changes in equity share capital	17	(0.73)	(1.46)
At 31 March 2021		**39.66**	**79.33**

B. Other Equity

	Capital Reserve	Redemption liability reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign currency translation reserve	Total	Non-Controlling interest
As at 31 March 2019	**0.04**	**-**	**38.68**	**29.65**	**75.00**	**112.50**	**-**	**1,323.75**	**45.72**	**13.45**	**1,638.80**	**95.40**
Impact of change in accounting policy on adoption of Ind AS 115	-	-	-	-	-	-	-	(11.83)	-	-	(11.83)	-
Restated balance as at 01 April 2019	**0.04**	**-**	**38.68**	**29.65**	**75.00**	**112.50**	**-**	**1,311.92**	**45.72**	**13.45**	**1,626.97**	**95.40**
Profit for the year	-	-	-	-	-	-	-	433.90	-	-	433.90	(9.46)
Other comprehensive income for the year	-	-	-	-	-	-	-	1.61	(31.61)	(9.70)	(39.70)	3.04
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**435.51**	**(31.61)**	**(9.70)**	**394.20**	**(6.42)**
Addition on ESOPs Exercised	-	-	12.68	-	-	-	-	-	-	-	12.68	-
Transferred to Securities premium account	-	-	-	(12.68)	-	-	-	-	-	-	(12.68)	-
Employees stock option expenses for the year (refer note 35)	-	-	-	9.86	-	-	-	-	-	-	9.86	-
Amount transferred to general reserve	-	-	-	-	(18.75)	18.75	-	-	-	-	-	-
Equity dividend including taxes thereon (refer note 49)	-	-	-	-	-	-	-	(170.09)	-	-	(170.09)	-
Creation of Redemption liability (refer note 47)	-	(15.22)	-	-	-	-	-	-	-	-	(15.22)	-
Amount transferred to statement of profit and loss	-	-	-	-	-	-	-	-	(9.76)	-	(9.76)	-
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	3.04	3.04	-
Minority for IDS acquistion (refer note 47)	-	-	-	-	-	-	-	-	-	-	-	11.70
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	2.50
As at 31 March 2020	**0.04**	**(15.22)**	**51.36**	**26.83**	**56.25**	**131.25**	**-**	**1,577.34**	**4.35**	**6.79**	**1,838.99**	**103.18**
Profit for the year	-	-	-	-	-	-	-	275.47	-	-	275.47	(10.11)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	2.46	(5.17)	38.32	35.61	5.91
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**277.93**	**(5.17)**	**38.32**	**311.08**	**(4.20)**
Addition on ESOPs Exercised	-	-	14.83	-	-	-	-	-	-	-	14.83	-
Transferred to Securities premium account	-	-	-	(14.83)	-	-	-	-	-	-	(14.83)	-
Employees stock option expenses for the year (refer note 35)	-	-	-	11.42	-	-	-	-	-	-	11.42	-
Amount transferred to general reserve	-	-	-	-	(18.75)	18.75	-	-	-	-	-	-
Equity dividend including taxes thereon (refer note 49)	-	-	-	-	-	-	-	(138.28)	-	-	(138.28)	-
Utilised for Buy-back of equity shares	-	-	(51.36)	-	-	(48.42)	-	-	-	-	(99.78)	-
Tax on Buy-back of equity shares	-	-	-	-	-	-	-	(22.16)	-	-	(22.16)	-
Restatement of Redemption liability (refer note 47)	-	(3.45)	-	-	-	-	-	-	-	-	(3.45)	-
Capital redemption reserve created during the year	-	-	-	-	-	-	1.77	-	-	-	1.77	-
Amount transferred to statement of profit and loss	-	-	-	-	-	-	-	-	2.56	-	2.56	-
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	5.91	5.91	-
Minority for IDS acquistion (refer note 47)	-	-	-	-	-	-	-	-	-	-	-	(2.19)
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	1.28
As at 31 March 2021	**0.04**	**(18.67)**	**14.83**	**23.42**	**37.50**	**101.58**	**1.77**	**1,694.83**	**1.74**	**51.01**	**1,908.06**	**98.07**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Consolidated Statement of Cash Flows
for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
A. Operating activities		
From continuing operations	380.22	541.60
From discontinued operation	(3.59)	(8.28)
	376.63	**533.32**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	255.57	245.04
Amortisation & impairment of intangible assets	36.01	45.24
Provision for doubtful debts and advances	4.36	16.13
Bad debts / advances written off	0.92	5.05
(Profit) / Loss on sale of property, plant and equipment, net including gain on termination of lease	(2.91)	(2.56)
Rental income	(0.06)	(0.28)
Share of profit from joint venture	(14.86)	-
Change in Fair Value of Investment	(7.00)	-
Employees stock option expenses	11.42	9.86
Finance costs (including interest pertaining to Ind AS 116)	203.00	221.04
Finance income	(9.90)	(8.97)
Unrealised exchange difference	(8.97)	(6.69)
	467.58	**523.86**
Operating profit before working capital changes	**844.21**	**1,057.18**
Working capital adjustments:		
Increase/(decrease) in trade payables	460.92	(387.07)
Increase/(decrease) in long-term provisions	(0.69)	(0.17)
Increase/(decrease) in short-term provisions	0.21	(1.44)
Increase/(decrease) in other current liabilities	(4.24)	(9.47)
Increase/(decrease) in contract liabilities	(65.34)	(134.43)
Increase/(decrease) in other current financial liabilities	(50.87)	41.20
Increase/(decrease) in other non-current financial liabilities	(4.45)	2.81
Increase/(decrease) in current employee benefit obligations	(1.41)	(7.81)
Increase/(decrease) in non-current employee benefit obligations	2.89	15.24
Decrease/(increase) in current trade receivable	180.05	(222.72)
Decrease/(increase) in non current trade receivable	-	1.76
Decrease/(increase) in inventories	(112.56)	144.65
Decrease/(increase) in loans given to related parties	7.93	21.89
Decrease/(increase) in short-term loans	2.61	0.00
Decrease/(increase) in other current financial assets	24.11	(13.45)
Decrease/(increase) in other non-current financial assets	7.87	18.64
Decrease/(increase) in other current assets	(36.48)	19.60
Decrease/(increase) in contract assets	(577.20)	353.51
Decrease/(increase) in other non-current assets	4.77	(26.64)
Change in working capital	**(161.88)**	**(183.90)**
Cash generated from operations	**682.33**	**873.28**
Income tax paid (net of refunds)	(43.85)	(176.86)
Net cash flow from operating activities	**638.48**	**696.42**

Consolidated Statement of Cash Flows
for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
B. Investing activities		
Purchase of property, plant and equipments	(446.20)	(383.30)
Purchase of intangible assets	(9.47)	(37.13)
Proceeds from sale of property, plant and equipments	1.44	37.06
Investment in Associates/JVs	(31.43)	(33.71)
Investment in subsidiaries, net of cash acquired	(234.13)	(82.29)
Purchase of current investments	(180.86)	(233.00)
Proceeds from current investments	233.00	100.00
Proceeds from sale of investment	-	1.35
Net movement in other bank balance	39.35	(3.73)
Unpaid dividend	-	(0.79)
Rental income	0.06	0.28
Interest received (finance income)	9.67	8.69
Net cash flow used in investing activities	**(618.57)**	**(626.57)**
C. Financing activities		
Proceeds from long term borrowings	838.87	388.08
Repayment of long term borrowings	(331.60)	(289.75)
Proceeds/(repayment) from/of short term borrowings (net)	(4.29)	242.06
Proceeds from issue of shares against employee stock options	0.30	0.28
Interest paid (including interest pertaining to Ind AS 116)	(202.22)	(221.35)
Principal elements of leases payments	(18.15)	(17.13)
Dividend paid on equity shares	(137.77)	(141.08)
Buy-back of equity shares	(99.78)	-
Tax on Buy-back	(22.16)	-
Tax on equity dividend paid	-	(29.01)
Net cash flow from / (used in) financing activities	**23.20**	**(67.90)**
Net increase/(decrease) in cash and cash equivalents	**43.11**	**1.95**
Foreign exchange relating to cash and cash equivalents of Foreign operations	3.28	2.52
Cash and cash equivalents as at beginning of year	153.48	149.01
Cash and cash equivalents as at year end	**199.87**	**153.48**
Components of cash and cash equivalents:		
Balances with banks	192.76	149.56
Cash in hand	0.03	0.04
Total cash and cash equivalents	**192.79**	**149.60**
Cash & cash equivalents from discontinued operation	7.08	3.88
Total cash and cash equivalents	**199.87**	**153.48**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Note 3: Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

Revenue Recognition on Contracts with Customers

The Group’s contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The Group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Group excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Group recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Group in designing and manufacturing of the good.

Ind AS 116 - Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and equipment's, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and equipment leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed periodically whether an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35."

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Business Combinations

In accounting for business combinations, judgement is required for valuation of assets and determining whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable asset acquired and liabilities and contingent considerations involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions, such as discount rate, that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

Note 4: Property, Plant & Equipment

(₹ in crores)

	Freehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Right of Use asset	Total
Cost										
At 01 April 2019	**119.45**	**523.15**	**2,665.92**	**17.21**	**60.11**	**16.33**	**58.32**	**12.37**	**-**	**3,472.86**
Adjustment on transition to Ind AS 116 (refer note 55)	-	-	-	-	-	-	-	-	148.90	148.90
Additions	7.55	126.39	490.23	11.03	13.14	4.34	10.42	1.48	21.27	685.85
Assets acquired under business combination	-	-	0.22	-	-	0.06	-	0.26	-	0.54
Translation adjustments	-	4.77	13.74	0.59	0.00	0.17	-	0.01	(0.59)	18.69
Disposals/adjustments	-	(28.58)	(20.23)	(0.82)	(1.26)	(0.82)	(4.37)	(0.20)	(16.85)	(73.13)
At 31 March 2020	**127.00**	**625.73**	**3,149.88**	**28.01**	**71.99**	**20.08**	**64.37**	**13.92**	**152.73**	**4,253.72**
Additions	-	21.95	126.41	2.55	8.19	1.90	4.45	0.75	1.25	167.45
Asset disclosed as asset held for sale	(0.76)	(0.19)	-	-	-	-	-	-	-	(0.95)
Assets acquired under business combination (refer note 47)	-	2.14	-	-	-	-	-	-	-	2.14
Translation adjustments	1.93	7.80	38.86	0.16	(0.01)	0.44	0.01	0.27	4.09	53.55
Disposals/adjustments	-	(2.68)	(20.13)	(1.24)	(0.07)	(0.95)	(1.35)	(2.50)	(16.46)	(45.38)
At 31 March 2021	**128.17**	**654.75**	**3,295.02**	**29.48**	**80.10**	**21.47**	**67.48**	**12.44**	**141.62**	**4,430.52**
Accumulated Depreciation and Impairment										
At 01 April 2019	**-**	**87.01**	**1,008.95**	**11.99**	**41.92**	**11.42**	**31.39**	**3.35**	**-**	**1,196.03**
Charge for the year	-	28.62	175.40	2.22	9.49	2.57	5.54	2.14	19.06	245.04
Translation adjustments	-	1.12	7.89	0.58	-	0.23	-	0.11	0.04	9.97
Disposal / adjustments	-	(9.83)	(18.46)	(0.74)	(1.24)	(0.77)	(4.36)	(0.10)	(2.10)	(37.60)
At 31 March 2020	**-**	**106.92**	**1,173.78**	**14.05**	**50.17**	**13.45**	**32.57**	**5.50**	**17.00**	**1,413.44**
Charge for the year	-	28.07	176.80	2.95	10.70	2.77	4.88	1.96	21.12	249.25
Asset disclosed as asset held for sale	-	(0.10)	-	-	-	-	-	-	-	(0.10)
Translation Adjustments	-	2.70	16.44	0.11	(0.01)	0.40	0.01	0.26	1.50	21.41
Disposal/Adjustments	-	(2.38)	(20.00)	(0.79)	(0.02)	(0.89)	(1.33)	(1.95)	(8.94)	(36.30)
At 31 March 2021	**-**	**135.21**	**1,347.02**	**16.32**	**60.84**	**15.73**	**36.13**	**5.77**	**30.68**	**1,647.70**
Net Book Value										
At 31 March 2021	128.17	519.54	1,948.00	13.16	19.26	5.74	31.35	6.67	110.94	2,782.82
At 31 March 2020	127.00	518.81	1,976.10	13.96	21.82	6.63	31.80	8.42	135.74	2,840.28

Movement in Capital work in progress

Opening balance as at 01 April 2020	**132.78**
Additions during the year	275.48
Borrowing cost capitalised during the year (Refer Note 33)	2.75
Transfers during the year	(183.82)
Closing balance as at 31 March 2021	**227.19**

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

 # Buildings include those constructed on leasehold land:

	31 March 2021	31 March 2020
Gross Block	428.17	425.21
Depreciation for the year	15.85	7.15
Accumulated depreciation	76.96	61.11
Net Block	351.21	364.10

Refer note 19 for information on property, plant and equipment pledged as security by the Group.

Refer note 39 for disclosure of capital commitments for the acquisition of property, plant & equipments.

The Company had revised the useful life of certain assets effective from October 01, 2019 based on the available evidence of their expected use and the impact of same on depreciation charge for previous year is 15 crores. There is similar impact in current year and will also be there in future years.

(All amounts are in ₹ crores, unless otherwise stated)

Details of Leases:

The note provides information for leases where the group is a lessee. The group has taken land, various offices and equipments on lease. Rental contracts for offices and equipments are typically made for fixed periods of 2 to 15 years, but have extension options.

(i) Assets recognised in balance sheet

The balance sheet shows the following amount relating to lease:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Right of use assets - Gross assets		
Leasehold Land	22.34	23.07
Buildings	70.09	80.48
Plant & Machinery	49.18	49.18
Total	**141.62**	**152.73**

Additions to the right of use assets during the year is ₹1.25 crores (March 31, 2020: ₹ 21.27 crores).

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Lease liabilities		
Current	25.90	34.07
Non-current	78.68	95.23
Total	**104.58**	**129.30**

(ii) Amount recognised in the statement of profit & loss

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Depreciation charge on right of use assets		
Leasehold land	0.15	0.24
Buildings	16.89	14.79
Plant & Machinery	4.08	4.03
Total	**21.12**	**19.06**

Particulars	Note No.	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Interest expenses (included in finance cost)	33	10.01	11.38
Expenses related to short term leases, low value assets (disclosed as rent in other expenses)	31	4.41	10.00

The total cash outflow for leases for the year ended 31 March 2021 was ₹ 28.16 crores (March 31, 2020: ₹ 28.51 crores)

Extension and Termination option:

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Note 5: Intangible Assets

(₹ in crores)

Particulars	Software/ licenses	Patents	Customer acquisition / Customer Relationships	Non-Compete	Indefeasible right of use	Goodwill (Refer note 6)	Total
Cost							
At 01 April 2019	**34.48**	**9.32**	**36.09**	**-**	**1.00**	**211.26**	**292.14**
Additions	30.21	-	-	-	-	-	30.21
Assets acquired under business combination	0.46	-	37.40	1.06	-	46.46	85.38
Disposals /Adjustments	-	-	-	-	-	(4.57)	(4.57)
Translation Adjustments	0.10	-	0.00	0.00	-	2.19	2.29
At 31 March 2020	**65.25**	**9.32**	**73.49**	**1.06**	**1.00**	**255.34**	**405.43**
Additions	14.29	-	2.08	-	-	-	16.37
Assets acquired under business combination (Refer note 47)	0.05	-	-	-	-	172.98	173.04
Disposals /Adjustments	(0.46)	-	-	-	-	4.13	3.67
Translation Adjustments	0.54	-	5.71	0.00	-	7.84	14.09
At 31 March 2021	**79.67**	**9.32**	**81.28**	**1.06**	**1.00**	**440.29**	**612.60**
Accumulated Amortisation and Impairment							
At 01 April 2019	**20.83**	**9.32**	**7.23**	**-**	**0.46**	**103.91**	**141.73**
Charge for the year	7.10	-	8.38	-	0.07	29.64	45.24
Disposals /Adjustments	-	-	-	-	-	-	-
Translation adjustments	(0.86)	-	0.00	0.00	-	-	(0.86)
At 31 March 2020	**27.07**	**9.32**	**15.61**	**0.05**	**0.54**	**133.55**	**186.12**
Charge for the year	9.95	-	11.29	0.05	0.07	14.65	36.01
Disposals /Adjustments	(0.02)	-	-	-	-	-	(0.02)
Translation adjustments	(0.74)	-	0.01	0.00	-	-	(0.73)
At 31 March 2021	**36.27**	**9.32**	**26.91**	**0.11**	**0.60**	**148.20**	**221.39**
Net Book Value							
At 31 March 2021	43.40	-	54.37	0.96	0.39	292.08	391.19
At 31 March 2020	38.18	-	57.88	1.01	0.46	121.79	219.31

* Amount is below the rounding off norm followed by the Group.

Note 6: Impairment Testing of Goodwill

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Goodwill (refer note 5)	292.08	121.79

Goodwill is monitored by management at CGU level. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount.

A CGU level summary of the goodwill allocation is given below

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Network software CGU	-	14.66
Connectivity Solutions business in Europe Region CGU	61.55	60.67
Network service Solutions business in Europe Region CGU	57.55	46.46
Optical Inter-connect Solutions business in Europe Region CGU (refer note 47)	172.98	-
	292.08	**121.79**

(All amounts are in ₹ crores, unless otherwise stated)

Key assumptions used in the value in use calculations

The following table provides the key assumptions for those CGUs that have goodwill allocated to them:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
EBIDTA margins over the budgeted period	10.00%-19.00%	10.00%-24.00%
Long-term terminal Growth rate for Network software CGU	-	5.00%
Long-term terminal Growth rate for Connectivity Solutions business	2.00%	2.00%
Long-term terminal Growth rate for Network service Solutions	2.00%	2.00%
Pre-tax discount rate for Network software CGU	-	15.40%
Pre-tax discount rate for Connectivity Solutions business	4.21%	7.60%
Pre-tax discount rate for Network service Solutions	16.00%	16.00%

Management has determined the values assigned to each of the above key assumptions as follows:

Discount Rate

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

Growth rate assumptions

The Company has considered growth rate to extrapolate cash flows beyond the budget period, consistent with the industry forecasts.

EBITDA margins

EBITDA margins are based on the actual EBITDA of the CGU based on the past trend and future expectations.

Sensitivity to changes in assumptions - Network service Solutions business in Europe Region CGU

Discount rates

A rise in pre-tax discount rate to 31.50% would result in impairment.

EBITDA margins

A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 8.03% would result in impairment.

Sensitivity to changes in assumptions - Connectivity Solutions business in Europe Region CGU

Discount rates

A rise in pre-tax discount rate to 6.70% would result in impairment.

EBITDA margins

A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 4.29% would result in impairment.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Note 7: Investments

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current investments		
Investment in Joint Venture		
58.05% Equity investment in Sterlite Conduspar Industrial Ltda	-	-
Investment in Joint venture at fair value through P&L$		
511 (31 March 2020: 511) Equity shares of Metis Eduventures Private Limited	8.53	1.53
Investments - Other at fair value through OCI		
18,683 (31 March 2020: 18,683) Equity shares of Singularity Healthcare IT	-	-
Systems Private Limited of ₹ 10 each fully paid up		
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture at fair value through P&L		
17,600,000 (31 March 2020: 17,600,000) 0.001% Compulsorily	17.60	17.60
Convertible Debentures of Metis Eduventures Private Limited		
5,000,000 (31 March 2020: 5,000,000) 0.01% Cumulative Optionally	5.00	5.00
Convertible Debentures of Metis Eduventures Private Limited		
Investment in preference shares - Joint Venture (at fair value through P&L)		
313 (31 March 2020: 313) 0.01% Compulsorily Convetible	3.74	3.74
Preference Shares of Metis Eduventures Private Limited		
Investment in Associate Companies		
40% stake in MB Maanshan Special Cable Limited	27.30	12.44
12.5% stake in ASOCS**	60.13	59.97
Total Investments	**122.30**	**100.28**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	122.30	100.28
Amount of impairment in the value of investments	-	-

* Amount is below the rounding off norm followed by the Group.

$ As described in Significant accounting policies (refer note 2), the Group makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. As permitted by Ind AS 28, the Group has elected to measure such investments in joint ventures and associates in accordance with Ind AS 109. Accordingly fair value gain of ₹ 7 crores (Previous year: ₹ NIL) has been recognised during the year.

**Investment in ASOCS is classified as fair value through OCI.

Note 8: Trade Receivables

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current		
Trade receivables	1,435.49	1,544.66
Receivables from related parties (refer note 51)	74.55	72.72
Less: Loss allowance	(58.62)	(54.26)
	1,451.42	**1,563.12**
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,510.04	1,617.38
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	**1,510.04**	**1,617.38**
Less: Loss allowance	58.62	54.26
Total Current trade receivables	**1,451.42**	**1,563.12**

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

Refer note 19 for information on trade receivables hypothecated as security by the Group.

(All amounts are in ₹ crores, unless otherwise stated)

Note 9: Loans

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current (Unsecured, considered good)		
Loans to related parties (Refer note 51)	14.63	14.34
Security deposits	2.53	10.36
Less: Loss allowance	-	-
Total non-current loans	**17.16**	**24.70**
Break-up for security details		
Loans Considered good - secured	-	-
Loans Considered good - Unsecured	17.16	24.70
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	**17.16**	**24.70**
Less: Loss allowance	-	-
Total	**17.16**	**24.70**
Current		
Security deposits	9.43	11.57
Loans to employees	0.17	0.32
Total current loans	**9.60**	**11.89**

Note 10: Other Financial Assets

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	6.83	14.83
Others		
Others	0.25	0.12
Total other non-current financial assets	**7.08**	**14.95**
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	20.83	32.55
Currency/ Interest rate swaps	5.82	11.36
Others		
Interest accrued on investments/deposits	0.63	0.40
Others	0.06	8.49
Total other current financial assets	**27.34**	**52.80**

Refer note 19 for information on financial assets hypothecated as security by the Group.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

NOTE 11: OTHER ASSETS

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	9.74	28.52
Advance income tax, including TDS (net of provision)	2.19	22.82
Prepaid expenses	2.21	1.07
Advance to suppliers	24.93	29.64
Total other non-current assets	**39.07**	**82.05**
Contract assets	**1,321.46**	**744.26**

Significant changes in Contract assets

Contract assets have increased from previous year as entity has entered into new contracts during the year and provided more services ahead of the agreed billing timelines for fixed price contracts.

There is no impairment allowance of the contract assets for current year and previous year.

During the year ended March 31, 2021, ₹ 547.68 crores (March 31, 2020: ₹ 1,087.53 crores) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Refer note 19 for information on other assets hypothecated as security by the Company.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current		
Prepaid expenses*	36.37	30.84
Balances with Government authorities	358.35	305.68
Advance to suppliers	23.71	15.01
Other advances	12.46	17.22
Total other current assets	**430.89**	**368.75**

* Includes cost to obtain a contract of ₹ 7.95 crores (March 31, 2020: ₹ Nil) which is being amortised to Statement of Profit and Loss on a systematic basis that is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current year is ₹ 1.84 crores (March 31, 2020: ₹ Nil).

Note 12: Inventories

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Raw materials	206.16	174.57
[Includes stock in transit ₹ 26.14 crores (31 March 2020: ₹ 17.27 crores)]		
Work-in-progress	87.96	66.05
Finished goods	252.02	135.11
[Includes stock in transit ₹ 21.33 crores (31 March 2020: ₹ 28.88 crores)]		
Traded goods	4.02	2.94
Stores, spares, packing materials and others	76.19	73.14
Total	**626.35**	**451.81**

Amount recognised in Statement of Profit and Loss

Write-downs of inventories to net realisable value amounted to ₹ 34.19 crores (31 March 2020: ₹ 36.36 crores). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss of respective year.

Refer note 19 for information on inventories hypothecated as security by the Group.

(All amounts are in ₹ crores, unless otherwise stated)

Note 13: Current Investment

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
In mutual funds(at fair value through profit or loss) (quoted)		
248,357.27 (31 March 2020: 270,323.32) units of SBI Liquid fund- Direct Growth Plan	80.00	84.00
Nil (31 March 2020: 62,292.392) units of Kotak Liquid Fund - Direct growth plan	-	25.00
99,370.95 (31 March 2020: 103,122.62) units of Nippon India Liquid Fund - Direct growth plan growth option	50.00	50.00
1,640,873.05 (31 March 2020: 2,520,308.92) units of ICICI Prudential Liquid Fund- Direct Plan- Growth Option	50.00	74.00
Investment in other short term liquid funds	0.90	0.04
Aggregate amount of quoted investments [Market Value: ₹ 180.90 crores (March 31, 2020: ₹ 233.04 crores)]	180.90	233.04
Amount of impairment in the value of investments	-	-

Note 14: Cash and Cash Equivalents

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Balances with banks:		
In current accounts (in INR)	65.10	115.05
In current accounts (in foreign currency)	127.67	34.51
Cash in hand	0.02	0.04
Total cash and cash equivalents	**192.79**	**149.60**

There are no repatriation restrictions with regards to cash and cash equivalents.

Note 15: Other Bank Balances

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Deposits with original maturity of more than 12 months*	0.47	0.01
Deposits with original maturity of more than 3 months but less than 12 months**	50.44	88.86
In unpaid dividend account	4.67	4.16
Other bank balance	-	1.91
Total other bank balances	**55.58**	**94.94**

* Includes ₹ 0.47 crores (31 March 2020: ₹ 0.01 crores) held as lien by banks against bank guarantees.

** ₹ 0.44 crores (31 March 2020: ₹ 2.86 crores) held as lien by banks against bank guarantees.

Note 16: Asset Classified as Held for Sale

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Assets classified as held for sale		
Property, plant and equipment	81.73	85.32
Capital work-in-progress	8.64	0.95
Intangible assets	2.93	3.41
Other non-current financial assets	-	0.02
Other non-current assets	7.68	9.97
Trade receivables	62.71	5.00
Cash and cash equivalents	7.08	3.88
Other bank balances	0.25	1.26
Other current financial assets	-	0.07
Other current assets	0.66	0.09
Total assets of disposal group held for sale	**171.68**	**109.97**
Liabilities directly associated with assets classified as held for sale		

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(All amounts are in ₹ crores, unless otherwise stated)

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Borrowings	20.35	27.59
Trade payables	26.57	29.34
Employee benefit obligations	0.25	0.23
Other financial liabilities	1.02	10.16
Other liabilities	111.43	28.71
Total liabilities directly associated with assets classified as held for sale	**159.62**	**96.03**
Net assets of disposal group held for sale	**12.06**	**13.95**

1. Post demerger of the power business in the financial year ended March 31, 2017, the Company has been in the process of obtaining requisite approvals from government authorities to sell its equity interest in its subsidiary, Maharashtra Transmission Communication Infrastructure Limited (referred as disposal group or MTCIL) to Sterlite Power Transmission Limited. Management 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.

2. The Group has decided to sell land and building at Hyderabad and the sale is expected to be completed in financial year 2021-22 and hence it has been classified as held for sale during the reporting period and measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the building was determined using the sales comparison approach. No write down is required to be recognised as fair value of the assets is higher than cost.

Financial performance and cash flow information

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Revenue	10.27	6.24
Expenses	(13.86)	(14.52)
Loss before income tax	**(3.59)**	**(8.28)**
Income tax	-	-
Loss for the year	**(3.59)**	**(8.28)**
Other comprehensive income	-	-
Total comprehensive income	**(3.59)**	**(8.28)**
Net cash inflow / (outflow) from operating activities	24.38	17.83
Net cash inflow / (outflow) from investing activities	(10.95)	(17.34)
Net cash inflow / (outflow) from financing activities	(10.23)	(2.33)
Net (decrease) / increase in cash generated from discontinuing operation	**3.20**	**(1.84)**

Note 17: Share Capital

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2020: 75.00) equity shares of ₹2 each	**150.00**	**150.00**
Issued, subscribed and fully paid-up shares (no. crores)		
39.66 (31 March 2020: 40.39) equity shares of ₹ 2 each fully paid - up.	79.33	80.79
Total issued, subscribed and fully paid-up share capital	**79.33**	**80.79**

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

Particulars	31 March 2021		31 March 2020	
	Nos in crores	(₹ in crores)	Nos in crores	(₹ in crores)
At the beginning of the year	40.39	80.79	40.25	80.51
Issued during the year against employee stock options	0.16	0.31	0.14	0.28
Shares bought back during the year	(0.89)	(1.77)	-	-
Outstanding at the end of the year	**39.66**	**79.33**	**40.39**	**80.79**

(All amounts are in ₹ crores, unless otherwise stated)

Buy-back of shares:

On March 24, 2020, the Board of Directors had approved the buyback of Equity Shares for a total amount not exceeding ₹ 145 crores, being 9.95% and 9.32% of the aggregate of the total paid-up equity capital and free reserves (including securities premium) of the Company based on the audited standalone and consolidated financial statements, respectively, of the Company for the financial year ended March 31, 2019. The Company closed the buy back on August 27, 2020. The Company has bought back 88,67,000 shares for ₹ 99.78 crores (excluding taxes).

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	31 March 2021		31 March 2020	
	Nos in crores	% holding	Nos in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company])	20.94	52.80%	20.94	51.85%
Vedanta Limited	0.48	1.20%	0.48	1.18%

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

Particulars	31 March 2021		31 March 2020	
	Nos in crores	% holding	Nos in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.80%	20.94	51.85%

e. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 35.

Note 18: Other Equity

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
A. Securities premium account		
Opening balance	51.36	38.68
Add: Addition on ESOPs exercised	14.83	12.68
Less: Utilised for Buy-back of shares	(51.36)	-
Closing balance	**14.83**	**51.36**
B. Other Reserves		
Capital reserve	**0.04**	**0.04**
Redemption liability reserve		
Opening balance	(15.22)	-
Add: Restatement of Redemption liability (refer note 47)	(3.45)	(15.22)
Closing balance	**(18.67)**	**(15.22)**
Employee stock option outstanding		
Opening balance	26.83	29.65
Add: Employees stock option expenses for the year (refer note 35)	11.42	9.86
Less: Transferred to Securities premium account	(14.83)	(12.68)
Closing balance	**23.42**	**26.83**
Foreign currency translation reserve		
Opening balance	6.79	13.45
Add: Exchange differences on translation of foreign operations for the year	38.32	(9.70)
Add: Transaction with non-controlling interests	5.91	3.04
Closing balance	**51.02**	**6.79**

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Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Debenture redemption reserve		
Opening balance	56.25	75.00
Less: Amount transferred to general reserve	(18.75)	(18.75)
Closing balance	**37.50**	**56.25**
Capital redemption reserve		
Opening balance	-	-
Add: Capital redemption reserve created during the year (refer note 17 a)	1.77	-
Closing balance	**1.77**	**-**
General reserve		
Opening balance	131.25	112.50
Add: Amount transferred from debenture redemption reserve	18.75	18.75
Less: Utilised for Buy-back of shares	(48.42)	-
Closing balance	**101.58**	**131.25**
Cash flow hedge reserve		
Opening balance	4.35	45.72
Add / (Less): Cash flow hedge reserve created on currency forward contracts	(0.32)	(8.60)
Add / (Less): Cash flow hedge reserve created on swap contracts	(3.51)	9.49
Add / (Less): Amount reclassified to Statement of profit and loss	(3.07)	(52.70)
Add / (Less): Amount transferred to Statement of profit and loss	2.56	(9.76)
Add / (Less): Deferred tax	1.73	20.20
Closing balance	**1.74**	**4.35**
Total Other Reserves	**198.40**	**210.29**
C. Retained earnings		
Opening balance	1,577.34	1,323.75
Add /(Less): Impact of change in accounting policy on adoption of Ind AS 116 (refer note 55)	-	(11.83)
Add: Net profit for the year	275.47	433.90
Add / (Less): Remeasurement of post employment benefit obligation, net of tax	2.46	0.26
Less: Equity dividend and tax thereon (refer note 49)	(138.28)	(170.09)
Less: Tax on Buy-back	(22.16)	-
Add / (Less): Change in fair value of FVOCI equity instrument	-	1.35
Total retained earnings	**1,694.83**	**1,577.34**
Total other equity (A+B+C)	**1,908.06**	**1,838.99**

Nature and Purpose of reserves, other than retained earnings

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the

(All amounts are in ₹ crores, unless otherwise stated)

cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee stock option outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Group.

Redemption liability reserve

Redemption liability reserve is created on account of redemption liability pertaining to acquisition of IDS group. Refer note 47.

Capital reserve

Capital reserve is not available for distribution as dividend.

Debenture redemption reserve

The Group had created a debenture redemption reserve (DRR) of 25% of the total outstanding debentures out of the profits which are available for the purpose of redemption of debentures as per provisions of the Companies Act, 2013. The existing DRR is carried forward to the extent of outstanding amounts.

Capital redemption reserve

As per provisions of the Companies Act, 2013, the Company has created a capital redemption reserve (CRR) of ₹1.77 crores against face value of equity shares bought back by the Company during the year.

Note 19: Borrowings

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Debentures (Secured)		
Nil (31 March 2020: 750) 8.45% Non convertible debentures of ₹ 10 lacs each	-	75.00
1,500 (31 March 2020:1,500) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
2,900 (31 March 2020: Nil) 8.25% Non convertible debentures of ₹ 10 lacs each	290.00	-
1,500 (31 March 2020: Nil) 7.30% Non convertible debentures of ₹ 10 lacs each	150.00	-
Term loans		
Indian rupee loans from banks (secured)	249.00	90.00
Foreign currency loans from banks (secured)	707.69	633.80
Foreign currency loans from banks (unsecured)	38.94	-
Indian rupee loans from banks (unsecured)	19.45	129.61
Deferred payment liabilities (unsecured)	-	138.58
	1,605.08	**1,216.99**
The above amount includes		
Secured borrowings	1,546.69	948.80
Unsecured borrowings	58.39	268.19
Total Non-current borrowings	**1,605.08**	**1,216.99**
Less: Current maturities of long term borrowings disclosed under the head "other current financial liabilities" (refer note 20)	349.36	247.00
Net Amount	**1,255.72**	**969.99**

Notes:

Sterlite Technologies Limited (STL)

a) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures is due in the FY 2021-22. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.

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b) 8.25% Non convertible debentures carry 8.25% rate of interest. Total amount of non-convertible debentures is due in 4 equal annual installments starting from FY 2027-28 till FY 2030-31. These non-convertible debentures are secured by way of mortgage on specified movable fixed assets at Shendra plant (project Gaurav) (both present and future).

c) 7.30% Non convertible debentures carry 7.30% rate of interest. Total amount of non-convertible debentures is due in the FY 2023-24. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the Company located at Aurangabad.

d) Foreign Currency term loan from bank amounting to ₹ 73.11 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

e) Foreign Currency term loan from bank amounting to ₹ 75.56 crores carries interest @ GBP Libor+2.60 % p.a. Loan amount is repayable in 6 half yearly equated instalments of GBP 0.13 crores starting from Feb 2022. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) of the Company.

f) Indian rupee term loan from bank amounting to ₹ 249.00 crores carries interest @ One Year MCLR +15 Bps p.a. Loan amount is repayable in 12 quarterly instalments from October 21 of ₹ 20.75 crores per Quarter (excluding interest) . The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future).

g) Unsecured Indian rupee term loan from NBFC amounting to ₹ 19.45 crores carries interest @ 5.5% p.a. Loan amount of ₹ 12.89 crores is repayable in FY 2021-22 and remaining amount will be payable in FY 2022-23.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency loan from bank of Nil (31 March 2020: ₹ 8.90 crores) carries interest @ 4.75% p.a. This loan is secured by mortgage of immovable fixed assets of the company located at China.

b) Foreign currency loan from bank of ₹ 29.95 crores (31 March 2020: ₹ 55.40 crores) carries interest @ 4.72% p.a. This loan is secured by way of hypothecation of Plant and Machinery. Loan amount is repayable in 11 quarterly instalments of USD 0.08 crores per quarter starting from December 2019 (excluding interest)

Metallurgica Bresciana S.p.A.

a) Foreign currency term loan from bank of ₹ 185.97 crores (31 March 2020: ₹ 191.11 crores) carries interest of EURIBOR + 1.90% p.a. This loan is backed by corporate guarantee from Sterlite Technologies Limited. Loan amount is repayable in 10 half yearly instalments starting from September 2020 to March 2025 (excluding interest).

b) Foreign currency term loan from bank of ₹ 137.25 crores (31 March 2020: ₹ 166.76 crores) carries interest of EURIBOR + 1.70% p.a. This loan is backed by SBLC issued by Citi Bank, India. Loan amount is repayable in 8 half yearly instalments of Euro 0.20 crores starting from July 2020 to January 2023 and thereafter Euro 0.40 crores for the period July 2023 to January 2024 (excluding interest).

c) Foreign currency loan from bank of ₹ 13.72 crores (31 March 2020: ₹ 11.19 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.02 crores starting from November 2019 to November 2024 (excluding interest).

d) Foreign currency loan from bank of ₹ 18.01 crores (31 March 2020: ₹ 16.79 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.03 crores starting from August 2019 to August 2024 (excluding interest).

e) Foreign currency loan from bank of ₹ 5.15 crores carries interest of EURIBOR + 1.55% p.a. Loan amount is repayable in 10 half yearly instalments of Euro 0.03 crores starting from June 2017 to December 2021 (excluding interest).

(All amounts are in ₹ crores, unless otherwise stated)

f) Foreign currency loan from bank of ₹ 2.06 crores carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 4 half yearly instalments of Euro 0.02 crores starting from June 2018 to December 2019 and bullet repayment of Euro 0.02 crores in the month of June 21 (excluding interest).

STL Optical Interconnect S.p.A.

a) Foreign currency loan from bank of ₹ 205.86 crores carries interest of 6 months EURIBOR + 1.7% p.a. This loan is backed by corporate guarantee from Sterlite Technologies Limited. Loan amount is repayable in 9 half yearly instalments of Euro 0.24 crores starting from January 2023 to January 2025 and thereafter Euro 0.30 crores for the period July 2025 to January 2027 (excluding interest).

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	-	0.33
Working capital demand loans from banks (secured)	193.47	315.00
Commercial paper from bank (unsecured)	450.00	350.00
Foreign currency loan (unsecured)	76.94	125.40
Other loan from banks (secured)	317.68	403.00
Other loans (unsecured)	189.24	29.53
Loans from related party (unsecured)	6.66	7.31
	1,233.99	**1,230.57**
The above amount includes		
Secured borrowings	511.15	718.33
Unsecured borrowings	722.84	512.24
Net Amount	**1,233.99**	**1,230.57**

Note:

Sterlite Technologies Limited

(i) Cash credit is secured by hypothecation of raw material inventory, work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 7.10 % -11.50 % p.a.

(ii) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Company. Working Capital Demand Loan has been taken for a period of 7 days to 180 days and carries interest @ 5.11 % to 8.15% p.a.

(iii) Commercial Papers are unsecured and are generally taken for a period from 60 Days to 180 days and carry interest @ 4.90% to 6.70% p.a.

(iv) Other loans include buyer's credit arrangements (secured) and export packing credit (secured and unsecured). These secured loans are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges from 5.00% - 8.11% p.a.

(v) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency loan from bank of ₹ 34.72 crores (31 March 2020: ₹ 74.12 crores) carries interest @ 3.20% - 4.60% p.a.

Metallurgica Bresciana S.p.A.

a) Foreign currency working capital loan from bank of ₹ 42.22 crores (31 March 2020: ₹ 51.28 crores) carries interest @ EURIBOR + 0.75% - 3.50% p.a.

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Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Cash and cash equivalents*	199.87	153.48
Current investments **	230.90	319.04
Current Borrowings (including interest accrued but not due)	(1,233.99)	(1,231.27)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings.)***	(1,627.97)	(1,246.34)
Net Debt	**(2,431.19)**	**(2,005.09)**

The amount of net debt considering the amount of lease liability of ₹ 104.58 crores (31 March 2020: ₹ 129.30 crores) is ₹ 2,535.77 crores (31 March 2020: ₹ 2,134.39 crores)

*Includes cash and cash equivalents of ₹ 7.08 crores (31 March 2020: ₹ 3.88 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

** Includes other bank balance of ₹ 50.00 crores (31 March 2020: ₹ 86.00 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Group at any time without any major penalties.

*** Includes non current borrowing ₹ 20.35 crores (31 March 2020: ₹ 29.28 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

Non-current borrowings

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	1,246.34	1,111.17
Cashflows	373.19	146.27
Interest expense	55.88	70.99
Interest paid	(55.10)	(72.35)
Forex adjustment	7.66	(9.74)
Closing balance	**1,627.97**	**1,246.34**

Current borrowings

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	1,231.27	982.69
Cashflows	2.15	247.88
Interest expense	91.36	100.39
Interest paid	(90.79)	(99.69)
Closing balance	**1,233.99**	**1,231.27**

Cash and cash equivalent

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	153.48	149.01
Cashflows	46.39	4.47
Closing balance	**199.87**	**153.48**

Current Investments

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening balance	319.04	170.17
Cashflows	(90.84)	146.64
Realised gain on current investments	2.70	2.23
Closing balance	**230.90**	**319.04**

(All amounts are in ₹ crores, unless otherwise stated)

Note 20: Other Financial Liabilities

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	-	1.96
Currency / Interest Rate Swaps	-	1.25
Others		
Payables for purchase of property, plant and equipment	0.45	0.63
Redemption liability (refer note 47)	18.67	15.22
Deposits from vendors	6.05	3.49
Total non-current financial liabilities	**25.17**	**22.55**
Current		
Derivative instruments		
Foreign exchange forward contracts	13.86	8.26
Currency / Interest Rate Swaps	-	1.47
	13.86	**9.73**
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	2.54	1.76
Interest payable to related party	1.27	0.70
Current maturities of long-term borrowings (refer note 19)	349.36	247.00
Unclaimed dividend*	4.67	4.16
Deposits from customers	0.26	0.29
Deposits from vendors	0.27	0.44
Payables for purchase of property, plant and equipment (Including deferred payment liabilities)	453.04	552.05
Employee benefits payable	50.60	94.96
Others#	32.59	39.80
	894.60	**941.16**
Total current financial liabilities	**908.46**	**950.89**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

This includes amount of ₹ Nil (March 31, 2020: ₹ 31.26 crores) payable towards acquisition of an associate company.

Note 21: Trade Payables

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 41)	74.71	30.67
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 51)	-	0.20
Acceptances	153.91	-
Others	1,715.04	1,399.43
Total Trade Payables	**1,943.66**	**1,430.30**

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(All amounts are in ₹ crores, unless otherwise stated)

Note 22: Provisions

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non-current		
Provision for warranty	0.74	0.89
Total non-current provision	**0.74**	**0.89**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	0.73	0.52
Total current provision	**10.23**	**10.02**

Provision for litigations / contingencies
The provision of ₹ 9.50 crores as at 31 March 2021 (March 31, 2020: ₹ 9.50 crores) is towards contingencies in respect of disputed claims against the Group as described in note 40, the quantum of outflow and timing of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty
The Group has given warranty on network software and licenses sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
At the beginning of the year	**1.41**	**1.18**
Arising during the year	0.06	0.23
Utilised during the year	-	-
At the end of the year	**1.47**	**1.41**
Current portion	0.73	0.52
Non-current portion	0.74	0.89

Note 23: Other Current Liabilities

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Contract Liabilities		
Unearned revenue	31.52	43.59
Advance from customers	39.75	92.35
Total contract liabilities	**71.27**	**135.94**

Significant changes in Contract liabilities
Contract liabilities have decreased as entity has recognised the revenue from the opening unearned revenue & utilised the advance from customers during the year.

During the year ended 31 March 2021 , the group recognised revenue of ₹ 43.59 crores (March 31, 2020: ₹ 87.78 crores) arising from opening unearned revenue.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current		
Indirect taxes payable	5.85	7.26
Withholding taxes (TDS) payable	16.08	9.30
Others	51.88	59.51
Total other current liabilities	**73.81**	**76.07**

(All amounts are in ₹ crores, unless otherwise stated)

Note 24: Deferred Tax Liabilities (Net)

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	134.44	106.21
Impact of fair valuation of Land as at Ind AS transition date	11.44	11.44
Right to use assets	15.42	20.48
Net movement on cash flow hedges	4.59	5.49
Others	24.15	10.48
Gross deferred tax liability	**190.04**	**154.10**
Deferred tax assets		
Provision for doubtful debts, loans and advances, allowed for tax purpose on payment basis	17.90	15.18
Expenditure allowed for tax purposes on payment basis	26.09	19.58
Provision for inventory	7.20	6.56
Provision for litigations / contingencies	3.42	3.42
Impact of fair valuation of Plant & Machinery	1.33	2.66
Lease Liability	19.70	25.11
Impact of change in accounting policy on adoption of Ind AS 115	-	2.46
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 55)	2.80	4.19
Others	26.09	17.69
Gross deferred tax assets	**104.53**	**96.85**
Net deferred tax liability	**85.51**	**57.25**

Reconciliation of deferred tax liability / deferred tax asset

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening deferred tax liability, net	57.25	74.39
Deferred tax (credit) / charge recorded in statement of profit and loss	17.76	(11.12)
Deferred tax (credit) / charge recorded in OCI	(0.90)	(20.11)
Utilisation of Tax Credit	-	18.90
Impact of change in accounting policy on adoption of Ind AS 116 (refer note 55)	-	(4.19)
Others	11.40	(0.62)
Closing deferred tax liability, net	**85.51**	**57.25**

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Profit or loss section		
Current Tax		
Current tax on profit for the year	93.51	120.00
Deferred Tax		
Relating to origination and reversal of temporary differences	17.76	(11.12)
Income tax expenses reported in the statement of profit or loss	**111.27**	**108.88**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	(1.73)	(20.20)
Re-measurement loss defined benefit plans	0.83	0.09
Income tax charged through OCI	**(0.90)**	**(20.11)**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Profit before tax & share in profit of joint venture	380.22	541.60
Tax at India's statutory income tax rate of 25.17% (31 March 2020: 25.17%)	95.70	136.32
Tax at lower tax rate of subsidiaries	(1.86)	(2.08)
Adjustments in respect of current income tax of previous years	1.23	1.51
Tax benefits available under various sections of income tax act	(2.76)	(4.09)
Income taxed at lower tax rate	-	(5.47)
Income tax rate difference	-	(21.21)
Goodwill DTA written off	8.85	-
Other adjustments	10.11	3.90
Income tax expense	**111.27**	**108.88**
Income tax expense reported in the statement of profit and loss	**111.27**	**108.88**

Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the parent company has opted for a lower corporate tax rate as per section 115 BAA 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 year ended March 31, 2021 basis the revised lower tax rate.

Note 24B: Current Tax Liabilities (Net)

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Opening Current tax liabilities/(assets)	(22.82)	51.27
Add: Current tax payable for the year	93.51	120.00
Less: Tax paid	(43.85)	(176.86)
Less: Utilisation of Tax Credit	-	(18.90)
Add/(less): Other adjustments	0.78	1.67
Total current tax liabilities	**27.62**	**(22.82)**
Disclosed as current tax assets in note 11	2.19	22.82
Disclosed as current tax liability	(29.81)	-

Note 25: Employee Benefit Obligations

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Non Current		
Provision for gratuity	29.03	25.66
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	5.10	6.08
Provision for compensated absences	19.29	15.50
Total non-current employee benefits obligation	**53.42**	**47.24**
Current		
Provision for gratuity	10.09	9.88
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	0.01	0.13
Provision for compensated absences	3.27	4.52
Total current employee benefits obligation	**13.37**	**14.53**

i) Compensated Absences

The compensated absences cover The Group's liability for sick and earned leave. The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

(All amounts are in ₹ crores, unless otherwise stated)

ii) Post employment benefit - Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to fund managed by Life insurance corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

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

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Defined benefit obligation at the beginning of the year	40.86	34.18
Current service cost	5.84	5.29
Interest cost	2.68	2.61
Actuarial (gain)/loss	(3.46)	(0.35)
Benefits paid	(1.76)	(0.87)
Defined benefit obligation, at the end of the year	**44.16**	**40.86**

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Fair value of plan assets at the beginning of the year	5.32	4.32
Expected return on plan assets	0.35	0.33
Contribution by employer	1.30	1.54
Benefits paid	(1.76)	(0.87)
Actuarial gain / (loss)	(0.17)	-
Fair value of plan assets at the end of the year	**5.04**	**5.32**

The parent company expects to contribute ₹ 2.50 crores (31 March 2020: ₹ 2.50 crores) to its gratuity plan in FY 2021-22.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2021 (%)	31 March 2020 (%)
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Present value of defined benefit obligation	44.16	40.86
Fair value of plan assets	(5.04)	(5.32)
Benefit liability	**39.12**	**35.54**

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Present value of funded obligations	44.16	40.86
Fair value of plan assets	(5.04)	(5.32)
Deficit of funded plan (A)	**39.12**	**35.54**
Unfunded plans (B)	-	-
Total net obligation (A+B)	**39.12**	**35.54**

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

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

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current service cost	5.84	5.29
Interest cost on benefit obligation	2.68	2.61
Expected return on plan assets	(0.35)	(0.33)
Net benefit expense	**8.17**	**7.57**

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Actuarial (gains)/losses on Obligation For the Period	(3.46)	(0.35)
Return on Plan Assets, Excluding Interest Income	0.17	0.00
Net (income)/expense For the Period Recognised in OCI	**(3.29)**	**(0.35)**

Amounts for the current and previous periods are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)
Defined benefit obligation	44.16	40.86	34.18	22.80	19.65
Plan assets	5.04	5.32	4.32	3.77	3.37
(Surplus) / deficit	39.12	35.54	29.86	19.03	16.28
Experience adjustments on plan liabilities	(3.43)	(3.22)	3.08	(0.01)	(0.14)
Experience adjustments on plan assets	-	-	-	-	(0.15)

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

Particulars	31 March 2021 (%)	31 March 2020 (%)
Discount rate	6.57	6.56
Expected rate of return on plan asset	6.57	6.56
Employee turnover	10.00	10.00
Expected rate of salary increase	10.00	10.00

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity Analysis

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
+1% Change in discount rate	(2.82)	(2.66)
-1% Change in discount rate	3.22	3.04
+1% Change in rate of salary increase	3.09	2.91
-1% Change in rate of salary increase	(2.76)	(2.61)
+1% Change in rate of employee turnover	(0.76)	(0.73)
-1% Change in rate of employee turnover	0.85	0.81

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(All amounts are in ₹ crores, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.

The Group's assets are maintained in a trust fund managed by public sector insurance Company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

Changes in bond yields:

A decrease in bond yields will increase plan liabilities.

Future salary escalation and inflation risk:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

Life expectancy

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation is 8 years (2020 - 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2021 (Funded)	31 March 2020 (Funded)
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	5.94	5.55
Between 1 to 2 years	3.24	2.76
Between 2 to 5 years	13.20	9.58
Over 5 years	55.13	54.36

(iii) Employee benefit obligations of Metallurgica Bresciana S.p.A.

The provision for the staff leaving indemnity were calculated in accordance with the terms of article 2120 of the Italian Civil Code, taking into account legal provisions and the specific nature of the contracts and professional categories, and includes the annual amounts accrued and revaluations performed based on ISTAT coefficients. The amount of the provision is assessed net of advances paid and the amounts used for terminations of employment occurring during the fiscal year and represents the certain payable due to the employees on the fiscal year’s closing date.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Note 26: Revenue From Operations

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
Finished goods	2,554.63	2,438.69
Traded goods	4.48	2.63
Revenue from sale of products	**2,559.11**	**2,441.32**
Revenue from sale of services	82.39	76.66
Revenue from network integration projects	2,028.34	2,466.37
Revenue from software products/licenses and implementation activities	105.24	92.60
	4,775.08	**5,076.95**
Other Operating income		
Scrap sales	25.88	23.55
Export incentives	24.22	53.90
Revenue from operation	**4,825.18**	**5,154.40**

Revenue disaggregation in terms of nature of good and service has been included above.

The total contract price of ₹ 4,808.86 crores is reduced by the consideration of ₹ 33.78 crores towards variable components.

Refer note 2 and 3 for accounting policy and significant judgements respectively.

The Group's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 2,986.59 crores which is expected to be recognised over a period of one to five years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Group has applied the practical expedient in Ind AS 115.

Note 27: Other Income

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Management Fees	11.08	10.74
Rental Income	0.06	0.28
Profit on sale of assets, net	2.57	2.57
Gain on fair value of investment in joint venture (at fair value through profit and loss)	7.00	-
Miscellaneous Income	12.36	11.80
Total other income	**33.07**	**25.39**

Note 28: Finance Income

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Interest income on		
- Bank deposits	5.61	6.31
- Loans to related parties (refer note 51)	0.84	-
- Others	0.75	0.37
Income from current investment	2.70	2.23
Total finance income	**9.90**	**8.91**

(All amounts are in ₹ crores, unless otherwise stated)

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Inventory at the beginning of the year (refer note 12)	174.57	209.62
Adjustment on account of business combination (refer note 47)	52.46	-
Add: Purchases	2,513.27	2,332.69
	2,740.30	**2,542.31**
Less: Inventory at the end of the year (refer note 12)	206.16	174.57
Cost of raw material and components consumed	**2,534.14**	**2,367.74**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	2.94	7.91
Work-in-progress	66.05	74.46
Finished goods	135.11	219.36
	204.10	**301.73**
Closing inventories		
Traded goods	4.02	2.94
Work-in-progress	87.96	66.05
Finished goods	252.02	135.11
	344.00	**204.10**
(Increase) / decrease in inventories	**(139.90)**	**97.63**

Note 30: Employee Benefit Expense

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Salaries, wages and bonus	571.03	563.85
Contribution to provident fund (refer note below)	28.98	25.62
Gratuity expenses (refer note 25)	12.11	10.35
Employees stock option expenses (refer note 35)	11.42	9.86
Staff welfare expenses	23.88	20.12
Total Employee benefits expense	**647.42**	**629.80**

Defined Contribution Plans:

The Parent Company has a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the government in India for employees at the rate of 12% of basic salary as per local regulations.

Metallurgica Bresciana S.p.A. has a social security fund which is a defined contribution plan. Contributions are made to social security fund administered by Italian Goverment for employees at the rate of 16%-25% of salary as per the local laws present in the country.

The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Group has recognised the following expenses in the Statement of Profit and Loss for the year.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Contribution to Employees Provident Fund	28.98	25.62
Total	**28.98**	**25.62**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Note 31: Other Expenses

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Consumption of stores and spares	119.45	97.35
Consumption of packing materials	90.93	78.49
Power, fuel and water	142.43	139.18
Labour Charges	61.41	53.95
Repairs and maintenance		
Building	1.42	1.67
Plant & machinery	16.68	11.53
Others	25.17	23.07
Corporate Social Responsibility (CSR) expenses (refer note 45)	11.60	9.15
Sales commission	41.84	48.54
Sales promotion	13.78	24.33
Carriage outwards	108.19	60.98
Rent	4.41	10.00
Insurance	23.73	20.28
Legal and professional fees	70.90	86.24
Rates and taxes	11.40	11.28
Travelling and conveyance	23.39	54.87
Bad debts / advances written off	0.92	5.05
Provision for doubtful debts and advances	4.36	16.13
Directors sitting fee and commission	1.55	1.55
Exchange difference, (net)	0.01	1.65
Payment to auditor	1.20	1.50
Research and development expenses (refer note 42)		
Salaries, wages and bonus	66.29	49.39
Raw materials consumed	1.06	0.88
General expenses	45.80	24.12
Total Research and development expenses	**113.15**	**74.39**
Less Amount transferred to individual expense line item	(113.15)	(74.39)
Research and development expenses	-	-
Miscellaneous expenses	197.41	230.98
Total other expenses	**972.18**	**987.78**

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Depreciation of tangible assets	228.13	225.98
Depreciation of right of use assets	21.12	19.06
Amortisation of intangible assets	36.01	45.24
Total depreciation and amortisation expense	**285.26**	**290.28**

Note 33: Finance Cost

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	147.24	171.38
Interest on lease liabilities	10.01	11.38
Bank charges	29.30	18.54
Exchange difference to the extent considered as an adjustment to borrowing costs	16.45	19.74
Total finance cost	**203.00**	**221.04**

* During the year, the Group has capitalised borrowing costs of ₹ 2.75 crores (31 March 2020: ₹ 11.12 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings, in this case 8.26% p.a. (March 31, 2020: 8.49% p.a.).

(All amounts are in ₹ crores, unless otherwise stated)

Note 34: Tax Expenses

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current tax*	93.51	120.00
Deferred tax#	17.76	(11.12)
Total tax expenses	**111.27**	**108.88**
Unused tax losses for which no deferred tax asset has been recognised	21.61	31.93
Potential tax benefit @ 25.17% (31 March 2020: 25.17%)	5.44	8.04

Certain subsidiaries of the Group have undistributed earnings aggregating to ₹ 372.12 crores (March 31, 2020: ₹ 521.35 crores). The Group plans to reinvest these undistributed earnings in the foreseeable future and consequently did not recognise a deferred tax liability on the same.

These undistributed earnings even if distributed by subsidiaries in the form of dividend will be eligible for tax deduction if it is utilised for further distribution of dividend to shareholders of the Parent company within timelines specified and as per the provisions of Income Tax Act, 1961.

*For current year, the current tax expense is net of adjustment of ₹ 0.42 crores pertaining to current tax of previous year.

#For current year, the deferred tax includes ₹ 1.65 crores for adjustment pertaining to deferred tax expense of previous year.

Note 35: Employee Share Based Payments

The Group has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Group has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of one year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹ 2 per option.

The Group has charged ₹ 11.42 crores (31 March 2020: ₹ 9.86 crores) to the statement of profit and loss in respect of options granted under ESOP schemes

a) Set Out Below is the summary of options granted under the plan.

Particulars	31 March 2021		31 March 2020	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	39,33,890	2	46,14,478
Granted During the year	2	18,71,240	2	17,41,630
Forfeited During the year	2	-	2	-
Exercised During the year	2	(15,32,391)	2	(14,21,264)
Expired During the year	2	(7,04,276)	2	(10,00,954)
Closing Balance		**35,68,463**		**39,33,890**
Vested and Exercisable		7,20,421		4,23,130

Average share price for the year ended 31 March 2021 is 148.49 (31 March 2020: ₹ 141.89).

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(All amounts are in ₹ crores, unless otherwise stated)

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2021	Share options outstanding on 31 March 2020
30 April 2014	01 June 2024	2	13,200	33,050
30 March 2015	01 June 2025	2	1,06,981	4,38,500
13 July 2016	01 June 2025	2	21,361	85,521
25 July 2016	01 August 2026	2	1,53,900	2,93,290
19 July 2017	01 August 2027	2	2,25,055	3,90,470
16 October 2017	16 October 2027	2	10,770	20,650
17 January 2018	17 January 2028	2	3,660	5,260
19 July 2018	01 August 2028	2	5,04,274	10,13,749
24 January 2019	25 January 2027	2	37,875	44,600
24 October 2019	24 October 2029	2	9,24,735	16,08,800
22 July 2020	31 July 2030	2	14,85,412	-
19 January 2021	19 January 2031	2	81,240	-
Total			**35,68,463**	**39,33,890**
Weighted Average remaining contractual life of the options outstanding at the end of the period			3.27	3.11

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved two grants. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

Date of Grant- July 22, 2020

The Group has granted options under ESOP scheme based on following two criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company

   Fair Valuation Method - Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	01-Aug-21	01-Aug-22	01-Aug-23	01-Aug-24	01-Aug-25
Weighted Average Stock Price	135.40	135.40	135.40	135.40	135.40
Expected volatility	54.60%	54.60%	54.60%	54.60%	54.60%
Risk Free rate	3.92%	3.92%	3.92%	3.92%	3.92%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.50%	2.50%	2.50%	2.50%	2.50%
Outputs					
Option Fair value	126.69	126.69	126.69	126.69	126.69
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**126.69**

The expected price volatility is based on historical volatality (based on remaining life of the options) adjusted for any expected change to future volatility due to publicly available information.

2. Vesting criteria - 30% Vesting based on total Shareholders return based on market performance

   Fair Valuation Method - Monte Carlo Simulation model

Vesting of these options is dependent on the shareholder return during the performance as compared to comparator group identified by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the Group and comparator group companies:

(All amounts are in ₹ crores, unless otherwise stated)

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

Assumptions used are as follows:

Variables	
Price of underlying stock	135.40
Expected volatility	54.60%
Risk Free rate	3.92%
Exercise Price (₹ per Option)	2.00
Dividend Yield	2.50%
Fair Value of the option	**63.00**

3. Vesting criteria - 40% Vesting based on achivement of target EBITDA

   Fair Valuation Method - Monte Carlo Simulation model

Vesting of these options is dependent on the achivement of target EBITDA during the performance of FY' 2020-21 as per the criteria determined by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the company:

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the company
- Dividend yield based on historical dividend payments
- Estimate of EBITDA as per approved business plan

Assumptions used are as follows:

Variables	
Price of underlying stock	135.40
Expected volatility	54.60%
Risk Free rate	3.92%
Exercise Price (₹ per Option)	2.00
Dividend Yield	2.50%
Fair Value of the option	**22.30**

Date of Grant- January 19, 2021

Vesting criteria - Continuous employment with the company.

Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	20-Jan-22	20-Jan-23	20-Jan-24	20-Jan-25	20-Jan-26
Weighted Average Stock Price	192.40	192.40	192.40	192.40	192.40
Expected volatility	57.90%	57.90%	57.90%	57.90%	57.90%
Risk Free rate	3.99%	3.99%	3.99%	3.99%	3.99%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.50%	2.50%	2.50%	2.50%	2.50%
Outputs					
Option Fair value	180.75	180.75	180.75	180.75	180.75
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**180.75**

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Note 36: Earnings Per Share (EPS)

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Profit/(Loss) for the year from continuing operations attributable to owners of the company	277.83	439.36
Profit /(Loss) for the year from discontinued operations attributable to owners of the company	(2.36)	(5.46)
Weighted average number of equity shares in calculating basic EPS	39.82	40.33
Adjustments for classification of diluted EPS:		
Employee stock options outstanding during the year	0.46	0.45
Weighted average number of equity shares in calculating diluted EPS	40.28	40.78
Earnings/(loss) per share		
Basic		
From continuing operations	6.98	10.89
From discontinued operations	(0.05)	(0.13)
Diluted		
From continuing operations	6.90	10.77
From discontinued operations	(0.05)	(0.13)

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 35.

Note 37: The list of subsidiaries, joint venture and associates which are included in the consolidation and the group's effective holding therein

Name of the Group	Effective ownership as on 31 March 2021	Effective ownership as on 31 March 2020	Country of incorporation
List of subsidiaries			
Speedon Network Limited	100.00%	100.00%	India
Maharashtra Transmission Communication Infrastructure Limited	64.98%	65.99%	India
Sterlite Telesystems Limited	100.00%	100.00%	India
Sterlite Innovative Solutions Limited	100.00%	100.00%	India
STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited")	100.00%	100.00%	India
Sterlite Tech Cables Solutions Limited	100.00%	100.00%	India
Sterlite Global Ventures (Mauritius) Limited	100.00%	100.00%	Mauritius
Jiangsu Sterlite and Tongguang Fiber Co. Limited	75.00%	75.00%	China
Sterlite (Shanghai) Trading Co. Limited	100.00%	100.00%	China
Sterlite Technologies S.p.A*	-	100.00%	Italy
Metallurgica Bresciana S.p.A.	100.00%	100.00%	Italy
Elitecore Technologies (Mauritius) Limited	100.00%	100.00%	Mauritius
Elitecore Technologies SDN. BHD	100.00%	100.00%	Malaysia
Sterlite Technologies UK Ventures Limited	100.00%	100.00%	United Kingdom
Sterlite Tech Holdings (UK) Limited##	-	100.00%	United Kingdom
Sterlite Tech Holding Inc.	100.00%	100.00%	USA
Sterlite Technologies Inc.	100.00%	100.00%	USA
Impact Data Solutions Limited	80.00%	80.00%	United Kingdom
Impact Data Solutions B.V.	80.00%	80.00%	Netherlands
Vulcan Data Centre Solutions Limited	80.00%	80.00%	United Kingdom
PT Sterlite Technologies Indonesia	100.00%	100.00%	Indonesia
Sterlite Technologies DMCC	100.00%	-	United Arab Emirates
Sterlite Technologies Pty. Ltd.	100.00%	-	Australia
STL Edge Networks Inc.	100.00%	-	USA
STL Networks Limited	100.00%	-	India
STL Optical Interconnect S.p.A.	100.00%	-	Italy
Optotec S.p.A.	100.00%	-	Italy
Optotec International S.A.	100.00%	-	Switzerland

(All amounts are in ₹ crores, unless otherwise stated)

Name of the Group	Effective ownership as on 31 March 2021	Effective ownership as on 31 March 2020	Country of incorporation
List of Associate companies			
MB Maanshan Special Cable Limited	40.00%	40.00%	China
ASOCS**	12.50%	12.50%	Israel
List of joint venture			
Sterlite Conduspar Industries Ltda	58.05%	58.05%	Brazil

*Merged with Metallurgica Bresciana S.p.A. during the year.

** Associate company is not considered for consolidation as the operations of the associate company is insignificant for the Group.

This company is liquidated with effect from 22 September 2020.

Joint Venture with Metis Eduventures Private Limited is not considered for consolidation as the same is accounted as per Ind AS 109 (Refer note 2s(ii))

Note 38: Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Parent Company and it's Indian subsidiaries towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Parent Company and its Indian subsidiaries are in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules are notified become effective.

Note 39: Capital and other Commitments

a] Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹ 129.58 crores (31 March 2020: ₹ 100.09 crores)

b] The Group has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below:

Year of Issue	Year upto which export obligation to be fulfilled	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
2017-18	2023-24	117.97	596.55
2018-19	2024-25	13.32	224.78
2019-20	2025-26	9.78	35.22
2020-21	2026-27	69.44	-

In this respect, the Group has given bonds of ₹ 878.20 crores (31 March 2020: ₹ 881.49 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

c] For commitments relating to lease arrangements please refer note 4.

Note 40: Contingent Liabilities

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
1. Disputed liabilities		
a) Excise duty [refer note 22 and note 44]	-	18.50
b) Customs duty	89.64	74.90
c) Goods and Service tax	0.69	0.57
d) Income tax	11.87	11.44
e) Claims lodged by a bank against the Group*	18.87	18.87
f) Claims against the Group not acknowledged as debt$	20.53	1.11

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2. The Company had issued Corporate guarantees amounting to ₹ 114 crores to the Income tax Authorities in FY 2003-04 on behalf of the Group companies. The matter against which corporate guarantee was paid by STL was decided in favour of the Group companies by both ITAT and HC orders against which the Department has filed an appeal with the Supreme Court. The above corporate guarantee is backed by the corporate guarantee issued by the Volcan Investments Limited (ultimate holding Company) in the favour of the Group.

   The Group has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

* In an earlier year, one of the Bankers of the Group had wrongly paid an amount of ₹ 18.87 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the Group, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Group in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the Group and has dismissed the appeal filed by the bank. The bank has challenged the said order in WRIT petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

$Claims against the company not acknowledged as debt mainly includes ₹ 14.80 crores pertaining to an order against the Parent Company with respect to claim made by a supplier and ₹ 4.62 crores is related to claim made on one of the subsidiary by it's employees.

NOTE 41: Details of Dues to Micro and Small Enterprises as Defined Under Msmed Act, 2006

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprises*	74.71	30.66
Interest due on above	0.54	0.96
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.50	0.96
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

* includes amount of ₹ 33.32 crores (31 March 2020: 11.53 crores) outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2021.

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers as Micro and Small enterprises.

(All amounts are in ₹ crores, unless otherwise stated)

Note 42: Research and Development Expenditure

STL through its extensive research capabilities, constant innovation and unique capabilities at following R&D centres is able to provide customers end to end solutions from manufacturing of cable to system integration to providing software products required by telecom players:

- **Aurangabad** – R&D activities to manufacture cable which can cater most bandwidth demand
- **Gurgaon** – R&D activities to design, build, manage broadband network for global service providers, smart cities, rural broadband etc.
- **Ahmedabad** – R&D activities to develop innovative telecom software products which can cater demand for business support system and operating support system
- **Pune** – R&D activities for Product Engineering towards Programmable Networking & Intelligence

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Capital expenditure		
- Plants and machinery - purchased and capitalised during the year	9.03	24.83
- Plants and machinery - purchased during the year but pending for capitalisation	2.21	2.95
- Software - capitalised during the year	0.42	4.33
- IT Equipments - capitalised during the year	0.63	2.10
- Furniture & Fixtures - capitalised during the year	-	4.14
- Office equipments and Electrical Installation - capitalised during the year	0.02	3.13
- Right of use assets - capitalised during the year	-	4.25
	12.31	**45.73**
Revenue expenditure		
- Salaries, wages and bonus	66.29	49.39
- Raw materials consumed	1.06	0.88
- General expenses	45.80	24.12
Total	**113.15**	**74.39**

The Group has four Research and Development Centres. Centre wise breakup of expenditure is as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Sterlite Technologies - Aurangabad		
- Capital Expenditure	3.78	13.12
- Revenue Expenditure	15.02	17.67
	18.80	**30.79**
Sterlite Technologies - Gurgaon		
- Capital Expenditure	8.45	16.94
- Revenue Expenditure	48.82	13.84
	57.27	**30.78**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	-	-
- Revenue Expenditure	20.44	27.76
	20.44	**27.76**
Sterlite Technologies - Pune		
- Capital Expenditure	0.07	15.67
- Revenue Expenditure	28.87	15.12
	28.94	**30.79**

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Note 43: Impact of COVID-19 Pandemic

Management has made an assessment of the impact of COVID-19 in preparation for these financial statements. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial statements have been identified. Since telecom networks have been identified as an essential service, the Group is operating at its normal operating capacity at all locations. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration and no significant impact is envisaged on the operations.

Further due to the ongoing lockdown restrictions, independent confirmations of balances of 5 bank accounts having a cumulative book balance of ₹ 0.07 crores and balance with LIC of ₹ 5.08 crores with respect to the Company's funded Gratuity plan assets could not be obtained as at March 31, 2021 from the respective parties. Management has prepared the financials based on the latest available statements available with Management, which fairly represent the respective balances. For balance with LIC the statement available is for balance as at December 31, 2020 and for the 5 bank balances the statements are for balances as at March 31, 2021.

Note 44: Excise / Customs Matter Pending With Hon. Supreme Court

During the previous 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 ₹ 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at Honourable 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 and paid duty in respect of all matters offered for settlement under the scheme and accordingly recognised expense of ₹ 50.71 crores in the previous year which has been disclosed as exceptional item in the Statement of profit and loss.

Note 45: Corporate Social Responsibility

The Group has spent an amount of ₹ 11.60 crores (31 March 2020: ₹ 9.15 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹ 11.60 crores.

Details of CSR expenditure:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
A. Gross amount required to be spent by the Group	11.59	9.15
B. Amount spent during the year	11.60	9.15
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	11.60	9.15

Note 46: Amortisation of Recognised Goodwill on Acquisition

During the year 2015-16, The Group had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product company. ETPL has been merged with The Group with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "Scheme"). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) was being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 14.65 crores (31 March 2020: ₹ 29.64 crores) for the year. The Goodwill attributable to ETPL has been completely amortised in the current year ended March 31, 2021.

Note 47: Business Combinations

Summary of acquisition FY 2020-21

The Group,through its subsidiary Sterlite Optical Interconnect S.p.A. has acquired 100% of the shares of Optotec S.p.A. (Optotec) including its wholly owned subsidiary, Optotec International S.A for a purchase consideration of EUR 29.90 million as per share purchase agreement dated November 02, 2020 as amended on January 8, 2021.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Book Value Amount in Euro crores	Book Value Amount in ₹ crores
Tangible Assets	0.02	2.14
Intangible Assets	0.00	0.05
Inventories	0.61	52.46
Current investment	0.01	0.86
Cash & Cash equivalents	0.38	32.59
Trade receivables	0.49	41.85
Other assets	0.23	20.15
Borrowings	(0.04)	(3.38)
Trade and other payables	(0.48)	(41.29)
Other liabilities	(0.11)	(10.23)
Net identifiable asset required	**1.11**	**95.20**
Non-controlling interest	-	-
Net identifiable asset required	**1.11**	**95.20**

Calculation of goodwill	Amount Euro in crores	Amount ₹ in crores
Consideration transferred	2.99	268.18
Less: Net identifiable assets required	(1.11)	(95.20)
Goodwill	1.88	172.98

The goodwill is attributable to the synergies from combining operations with group and workforce.

Revenue & Profit Contribution:

If the acquisitions had occurred on 1 April 2020, consolidated pro-forma revenue and profit for the year ended 31 March 2021 would have been ₹ 4,950.42 crores and ₹ 279.89 crores respectively. These amounts have been calculated using the subsidiary's results.

Calculation of goodwill	Revenue (₹ in crores)	Profit (₹ in crores)
Total revenue and profit of group excluding Optotech Group	4,785.60	259.04
Revenue and profit of Optotech Group	164.82	20.85
Total	**4,950.42**	**279.89**

Purchase Consideration - cash outflow

The cash outflow for acquisition of Optotec is ₹ 234.13 crores, net of cash acquired.

Acquisition related costs

Acquisition related costs of ₹ 5.43 crores is included in other expenses in Statement of profit & loss.

Measurement period

Considering para 45 of Ind AS 103, management will complete the measurement of acquisition before 1 year from the date of acquisition and accordingly has considered provisional goodwill in the books of accounts as at March 31, 2021.

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Summary of acquisition FY 2019-20

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

Group has an obligation to acquire the balance 20% over the next 2 to 5 years for a consideration based on an earn out model. Accordingly, the Group has recognised ₹ 18.67 crores with respect to the redemption liability.

In the current year, the group has received a refund of GBP 0.45 million (₹ 4.35 crores) against purchase consideration paid for acquisition of IDS Group in the previous year. This refund was made for the subsequent adjustment based on actual enterprise value calcuated in accordance with the agreement. This refund of purchase consideration has been deducted from the goodwill amount recognised in previous year (refer note 5).

Note 48: Financial Risk Management

The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Group also enters into derivative transactions.

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's senior management oversees the activities to manage of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in market conditions and the Group's activities. Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risks to which Group is exposed and related risk management policies are summarised below -

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk such as equity price risk and commodity risk. Financial instruments affected by market risk mainly including loans given and borrowings, financial assets and liabilities in foreign currency, quoted investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2021 and 31 March 2020.

Interest rate risk

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

The Group is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2021, after taking into account the effect of interest rate swaps, approximately 67% of the Group's borrowings are at a fixed rate of interest (31 March 2020: 70%).

(All amounts are in ₹ crores, unless otherwise stated)

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Variable rate borrowings	1,007.90	849.36
Fixed rate borrowings	1,831.17	1,598.20
Total borrowings	**2,839.07**	**2,447.56**

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31 March 2021		31 March 2020	
	Balance (₹ In crores)	% of total loans	Balance (₹ In crores)	% of total loans
Variable rate borrowings	1,007.90	36%	849.36	35%
Interest rate swaps (notional principal amount)	73.11		113.49	
Net exposure to cash flow interest rate risk	934.79		735.87	

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

(₹ in crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/ (increase)
31 March 2021		
Base Rate	+50	4.67
Base Rate	-50	(4.67)
31 March 2020		
Base Rate	+50	3.68
Base Rate	-50	(3.68)

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP and Chinese renminbi (RMB). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in foreign currency risk. During the years ended 31 March 2021 and 2020, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

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(All amounts are in ₹ crores, unless otherwise stated)

Out of total foreign currency exposure the Group has hedged significant exposure as at March 31, 2021 and as at March 31, 2020. The Group's foreign currency exposure at the year end is as follows:

31 March 2021

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	142.65	90.63	111.04	4.95
Bank Balances	9.66	7.39	15.76	-
Loans and advances	-	-	2.68	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	85.92	78.83	106.00	4.19
Net Exposure to foreign currency risk (Assets)	**66.39**	**19.19**	**23.48**	**0.76**

31 March 2021

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	AUD
Foreign currency				
Bank Loan (including deferred payment liabilities)	189.79	25.38	75.56	-
Payables for purchase of property, plant & equipments	82.13	133.44	-	-
Trade Payables	111.96	12.16	0.19	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	227.09	165.04	-	-
Principal Swap	73.11	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**83.68**	**5.94**	**75.75**	**-**

31 March 2020

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	91.21	98.03	72.45	17.61
Bank Balances	10.33	19.98	4.21	-
Loans and advances	-	-	3.23	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	75.73	77.76	66.74	15.55
Net Exposure to foreign currency risk (Assets)	**25.81**	**40.24**	**13.14**	**2.06**

31 March 2020

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	MYR
Foreign currency				
Bank Loan (including deferred payment liabilities)	480.78	74.08	69.81	-
Payables for purchase of property, plant & equipments	97.19	108.54	7.55	-
Trade Payables	215.46	6.49	0.40	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	525.96	164.49	0.27	-
Principal Swap	113.08	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**154.40**	**24.62**	**77.50**	**-**

(All amounts are in ₹ crores, unless otherwise stated)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows-

(₹ in crores)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
31 March 2021	+5%	(0.86)/0.21	+5%	0.66/12.80	+5%	(2.61)/16.78
	-5%	0.86/(0.21)	-5%	(0.66)/(12.80)	-5%	2.61/(16.78)
31 March 2020	+5%	(6.43)/(5.32)	+5%	0.78/22.00	+5%	(3.22)/(1.63)
	-5%	6.43/5.32	-5%	(0.78)/(22.00)	-5%	3.22/1.63

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet these requirements the Group enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 122.30 crores (31 March 2020: ₹ 100.28 crores).

The group invests into highly liquid funds which are subject to price risk changes. These investments are generally for short durations and therefore impact of price change is generally not significant

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

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(All amounts are in ₹ crores, unless otherwise stated)

Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account its financial position, past experience and other factors, eg. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the group made write-offs of ₹ 0.92 crores (31 March 2020: ₹ 5.05 crores) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The contract assets have substantially the same risk characteristics as trade receivables for same type of contract etc. Therefore management has concluded that the expected loss for trade recievables are at reasonable approximation for loss rates for contract assets.

The Group's customer profile for customer contracts and software services include public sector enterprises, state owned companies and private corporates. Accordingly, the group's customer credit risk is low. The group's average network integration project execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The group provides for expected credit loss based on life-time expected credit losses (simplified approach).

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2021			31 March 2020		
	less than 365 days	more than 365 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	2,469.56	361.94	2,831.50	2,053.19	308.45	2,361.64
Expected credit loss rate	0.47%	13.00%		0.39%	15.00%	
Expected credit loss provision	11.57	47.05	58.62	7.99	46.27	54.26
Carrying amount of trade receivable (net of provision)	**2,457.99**	**314.89**	**2,772.88**	**2,045.20**	**262.18**	**2,307.38**

Financial assets and cash deposits

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

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The Group assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The Group charges interest on such loans at arms length rate considering countparty's credit rating. Based on the assessment performed, the Group considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amounts of each class of financial assets.

(All amounts are in ₹ crores, unless otherwise stated)

(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 90 - 120 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2021						
Borrowings	13.62	1,296.89	272.83	1,204.27	51.47	2,839.07
Other financial liabilities	5.20	42.26	44.74	24.72	-	116.92
Trade payables	263.17	788.02	892.47	-	-	1,943.66
Payables for purchase of Property, plant and equipments	-	165.48	287.56	0.45	-	453.49
Derivatives	-	-	13.86	-	-	13.86
	281.99	**2,292.65**	**1,511.46**	**1,229.44**	**51.47**	**5,367.01**
As at March 31, 2020						
Borrowings	7.64	1,149.77	320.19	969.96	-	2,447.56
Other financial liabilities	4.91	42.23	94.96	18.72	-	160.82
Trade payables	279.54	510.11	640.65	-	-	1,430.30
Payables for purchase of Property, plant and equipments	-	207.04	345.02	0.62	-	552.68
Derivatives	-	-	9.73	3.21	-	12.94
	292.09	**1,909.15**	**1,410.56**	**992.51**	**-**	**4,604.31**

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on 31 March 2021 and 31 March 2020.

The cash flow hedges for such derivative contracts as at 31 March 2021 were assessed to be highly effective and a net unrealised gain of ₹ 21.04 crores, with a deferred tax liability of ₹ 5.30 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2020 were assessed to be highly effective and an unrealised gain of ₹ 18.83 crores, with a deferred tax liability of ₹ 4.75 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2021 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2022.

At 31 March 2021, The Group has currency/interest rate swap agreements in place with a notional amount of USD 1 crore (₹ 73.11 crore) (31 March 2020: USD 1.5 crores) whereby The Group receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-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.

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The cash flow hedges for such derivative contracts as at 31 March 2021 were assessed to be highly effective and a net unrealised loss of ₹ 3.51 crores, with a deferred tax asset of ₹ 0.88 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2020 were assessed to be highly effective and an unrealised gain of ₹ 9.49 crores, with a deferred tax liability of ₹ 2.39 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2021 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2022.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

31 March 2021

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	904.50	23.12	April 2021- February 2024	1:1	AED:INR- 21.26 AUD:INR- 56.77 EUR:INR- 93.94 GBP:INR- 108.43 USD:INR- 74.14	0.45	(0.45)
(ii) Foreign exchange forward contracts- Liabilities	149.13	(2.08)	April 2021- February 2024	1:1	AUD:INR- 54.52 EUR:INR- 89.64 GBP:INR- 102.38 USD:INR- 74.36	1.75	(1.75)
(iii) Foreign Currency Loan	(148.67)	0.40	3-January-23	1:1	USD:INR 66.39	(10.96)	10.96
Interest rate risk							
Interest rate swap	(73.11)	(0.69)	3-January-23	1:1	N/A	1.86	(1.86)

31 March 2020

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	342.60	22.67	April 2020 - December 2023	1:1	AED:INR- 20.29 AUD:INR- 46.65 EUR:INR- 90.25 GBP:INR- 97.19 USD:INR- 73.84	(58.30)	58.30
(ii) Foreign exchange forward contracts- Liabilities	193.46	(3.83)	April 2020- January 2022	1:1	EUR:INR- 88.19 GBP:INR- 94.13 USD:INR- 73.25 CNH:INR-10.73	(3.18)	3.18
(iii) Foreign Currency Loan	(182.89)	11.36	03 January 2023	1:1	USD:INR 66.39	11.18	(11.18)
Interest rate risk							
Interest rate swap	(297.77)	(2.55)	03 January 2023	1:1	N/A	(1.51)	1.51

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

(All amounts are in ₹ crores, unless otherwise stated)

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.

The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1."

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2021

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(8.76)	-	(3.07)	Revenue and COGS
Interest Risk	1.86	-	-	N/A

31 March 2020

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(50.30)	-	(52.70)	Revenue and COGS
Interest Risk	(1.51)	-	-	N/A

The Group's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

"Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument. "

Refer note 18 for the details related to movement in cash flow hedging reserve.

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Note 49: Capital Management

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

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

The recent investments by the Company in new businesses, increasing the capacity of existing businesses and increase in working capital due to certain projects has lead to increase in capital requirement. The Company expects to realise the benefits of these investments in near future.

Particulars	As at March 31, 2021 (₹ in crores)	As at March 31, 2020 (₹ in crores)
Interest bearing loans and borrowings	2,839.07	2,447.56
Less: Cash and cash equivalents & current investment*	(423.69)	(468.64)
Net debt	**2,415.38**	**1,978.92**
Equity share capital	79.33	80.79
Other equity	1,908.06	1,838.99
Total capital	**1,987.39**	**1,919.78**
Capital and net debt	**4,402.77**	**3,898.70**
Gearing ratio	54.86%	50.76%

*includes other bank balance of ₹ 50.00 crores (31 March 2020: 86.00 crores) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Dividend distribution made and proposed

As a part of Group's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Sterlite Technologies Limited		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2020: ₹ 3.5 per share (31 March 2019: ₹ 3.5 per share)	138.28	141.09
Dividend Distribution Tax on final dividend	-	29.00
	138.28	**170.09**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2021: ₹ 2 per share (31 March 2020: ₹ 3.5 per share)	79.31	141.35
Dividend Distribution Tax on proposed dividend	-	-
	79.31	**141.35**

(All amounts are in ₹ crores, unless otherwise stated)

The Finance Act 2020 has repealed the dividend distribution tax. Companies are now required to pay / distribute dividends after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rate.

During the year ended 31 March 2020, the Group has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 50: Fair Values

a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of March 31, 2021:

	31 March 2021			31 March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	8.53	60.13	-	1.53	59.97	-
Debentures	22.60	-	-	22.60	-	-
Preference shares	3.74	-	-	3.74	-	-
Mutual funds	180.90	-	-	233.04	-	-
Trade receivables	-	-	1,451.42	-	-	1,563.12
Loans	-	-	26.76	-	-	36.59
Cash and cash equivalents	-	-	248.37	-	-	244.54
Derivative financial assets	5.23	28.25	-	36.06	22.68	-
Other financials assets	-	-	0.94	-	-	9.01
Total financial assets	**221.00**	**88.38**	**1,727.49**	**296.97**	**82.65**	**1,853.26**
Financial liabilities						
Borrowings	-	-	2,839.07	-	-	2,447.56
Trade Payables	-	-	1,943.66	-	-	1,430.30
Derivative financial liabilities	11.09	2.77	-	8.17	4.77	-
Payables for purchase of Property, plant and equipment's	-	-	453.49	-	-	552.68
Deposits from vendors	-	-	6.32	-	-	3.93
Other Financial Liabilities	-	-	110.60	-	-	156.89
Total financial liabilities	**11.09**	**2.77**	**5,353.14**	**8.17**	**4.77**	**4,591.36**

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(All amounts are in ₹ crores, unless otherwise stated)

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments in Equity Shares of joint venture				
As at 31 March 2021	8.53	-	-	8.53
As at 31 March 2020	1.53	-	-	1.53
Investments in Equity Shares of Associates				
As at 31 March 2021	60.13	-	-	60.13
As at 31 March 2020	59.97	-	-	59.97
Investments in Debentures				
As at 31 March 2021	22.60	-	-	22.60
As at 31 March 2020	22.60	-	-	22.60
Investments in Preference shares				
As at 31 March 2021	3.74	-	-	3.74
As at 31 March 2020	3.74	-	-	3.74
Investments in Mutual funds				
As at 31 March 2021	180.90	180.90	-	-
As at 31 March 2020	233.04	233.04	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at 31 March 2021	5.23	-	5.23	-
As at 31 March 2020	36.06	-	36.06	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at 31 March 2021	28.25	-	28.25	-
As at 31 March 2020	22.68	-	22.68	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at 31 March 2021	11.09	-	11.09	-
As at 31 March 2020	8.17	-	8.17	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at 31 March 2021	2.77	-	2.77	-
As at 31 March 2020	4.77	-	4.77	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The fair values of the unquoted equity shares and debentures have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

₹ in crores

Particulars	Investments in Equity Shares of Associate	Investments in Equity Shares of JV	Investments in Debentures	Investments in Preference share
As at 31 March 2020	**59.97**	**1.53**	**22.60**	**3.74**
Acquisitions	-	-	-	-
Changes in Fair value	0.16	7.00	-	-
As at 31 March 2021	**60.13**	**8.53**	**22.60**	**3.74**

e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares, preference shares and debentures	DCF method	Terminal Growth Rate	31 March 2021: 5.0% 31 March 2020: 2.5%	1% (31 March 2020: 1%) increase/ (decrease) in the terminal growth rate would result in increase /(decrease) in fair value by ₹ 3.23/ (2.85) crores (31 March 2020: ₹ 2.87/ (2.35) crore)
		WACC (pre-tax)	31 March 2021: 21.50% 31 March 2020: 12.50%	1% (31 March 2020: 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 4.49/ (5.14) crores (31 March 2020: ₹ 3.27/ (4.01))
		Long-term operating margin	31 March 2021: (113.6)% - 32.6% 31 March 2020: (4.0)% - 25.2%	1% (31 March 2020: 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 2.62/ (2.62) crores (31 March 2020: ₹ 1.44/ (1.44))
FVOCI assets in unquoted equity shares	DCF method	Terminal Growth Rate	31 March 2021: 2.0%	1% increase/ (decrease) in the terminal growth rate would result in increase /(decrease) in fair value by ₹ 2.87/ (2.57) crore
		WACC (pre-tax)	31 March 2021: 20.00%	1% increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 4.18/ (4.70) crore
		Long-term operating margin	31 March 2021: (78%) - 52.5%	1% increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 2.62/ (2.62) crore

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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(All amounts are in ₹ crores, unless otherwise stated)

f) Valuation processes
The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the Group are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2021 and 31 March 2020 are as shown above.

g) Financial assets and liabilities measured at amortised cost

Particulars	31 March 2021 (₹ in crores)	
	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.25%	290.00	290.22
Debentures @ 7.30%	150.00	150.00
Debentures @ 8.70%	150.00	150.12

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

(All amounts are in ₹ crores, unless otherwise stated)

Note 51: Related Party Transactions

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Fellow Subsidiaries

Cairn India Holdings Ltd
Sterlite Power Transmission Limited
Twin Star Technologies Limited
Twin Star Display Technologies Limited
Vedanta Limited

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda (58:42 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limiteda)
Metis Eduventures Private Limited

(iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director)
Mr. A. R. Narayanaswamy (Non executive & Independent Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Mr. Sandip Das (Non executive & Independent Director)
Ms. Kumud Srinivasan (Non executive & Independent Director)
Mr. Pratik Agarwal (Non executive Director till January 20, 2021)
Mr. B. J Arun (Non executive & Independent Director w.e.f. January 20. 2021)
Mr. S Madhavan (Non executive & Independent Director w.e.f. January 20. 2021)
Mr. Ankit Agarwal (Whole-time Director w.e.f. January 20, 2021)

(iv) Relative of key management personnel (KMP)

Mr. Ankit Agarwal (till January 20, 2021)
Mrs. Jyoti Agarwal
Mrs. Ruchira Agarwal
Mrs. Sonakshi Agarwal
Mr. Navin Agarwal

(v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)

Universal Floritech LLP (EKMP)
Sterlite Tech Foundation (EKMP)
Pravin Agarwal Family Trust (EKMP)

(vi) Associates

M.B Maanshan Special Cables Co. Ltd
ASOCS

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)

Mr. Anupam Jindal (Chief Financial Officer till September 11, 2020)
Mr. Mihir Modi (Chief Financial Officer from October 05, 2020)
Mr. Amit Deshpande (Company Secretary)

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(All amounts are in ₹ crores, unless otherwise stated)

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

S. No.	Particulars	Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/ EKMP	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Remuneration	-	-	-	-	24.79	29.70	2.47	3.84	-	-
2	Sitting Fees	-	-	-	-	0.51	0.42	-	-	-	-
3	Commission	-	-	-	-	1.13	1.13	-	-	-	-
4	Consultancy	-	-	-	-	0.55	0.55	-	-	-	-
5	Dividend (received)/paid	-	-	73.29	73.29	0.93	0.94	0.42	0.41	1.67	1.67
6	Investment during the year	-	64.98	-	-	-	-	-	-	-	-
7	Loans and advances given	0.28	0.39	-	-	-	-	-	-	0.85	0.30
8	Repayment of loans	-	-	-	-	-	-	-	-	-	29.14
9	Loan taken	-	-	-	-	-	-	-	-	-	4.05
10	Loan repaid	-	-	-	-	-	-	-	-	0.08	5.59
11	Interest charged on loans	-	-	-	-	-	-	-	-	0.84	-
12	Interest expense on loans	-	-	-	-	-	-	-	-	-	0.57
13	Management fees received	-	-	-	-	-	-	-	-	11.08	10.74
14	Reimbursement of expenses	-	-	-	-	-	-	-	-	1.62	3.10
15	Purchase of fixed assets	-	-	-	-	-	-	-	-	-	0.42
16	Purchase of goods & services	-	-	-	-	-	-	-	-	142.53	2.51
17	Sale of goods & services	26.18	33.13	-	-	-	-	-	-	16.22	9.65
18	Contributions made for CSR	-	-	-	-	-	-	-	-	11.60	8.10
19	Rental income	-	-	-	-	-	-	-	-	0.06	0.06
	Outstanding Balances										
1	Loans/advance receivables##	2.68	3.23	-	-	-	-	-	-	11.95	11.11
2	Loans/advance payables	-	-	-	-	-	-	-	-	6.66	7.31
3	Interest payable on loans	-	-	-	-	-	-	-	-	1.27	0.70
4	Trade receivables	61.26	69.22	-	-	-	-	-	-	13.29	3.50
5	Trade payables	-	-	-	-	-	-	-	-	-	0.20
6	Advance to vendors	-	-	-	-	-	-	-	-	0.79	-
7	Investment in equity shares,preference shares & debentures	122.30	100.28	-	-	-	-	-	-	-	-
8	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114.00[$]	114.00[$]

(All amounts are in ₹ crores, unless otherwise stated)

S. No.	Particulars	Relationship	31 March 2021	31 March 2020
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	9.96	14.86
	Dr. Anand Agarwal	KMP	10.95	10.76
	Mr. Ankit Agarwal	Relatives of KMP	2.47	3.84
	Mr. Anupam Jindal	KMP	1.73	3.44
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.14	0.13
	Mr. A. R. Narayanaswamy	KMP	0.11	0.09
	Mr. Sandip Das	KMP	0.12	0.11
	Ms. Kumud Srinivasan	KMP	0.10	0.08
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.23	0.23
	Mr. A. R. Narayanaswamy	KMP	0.23	0.23
	Ms. Kumud Srinivasan	KMP	0.23	0.23
	Mr. Sandip Das	KMP	0.23	0.23
	Mr. Pratik Agarwal	KMP	0.23	0.23
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.55	0.55
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding Company	73.29	73.29
6	**Investment during the year**			
	Metis Eduventures Private Limited	Joint Venture	-	5.01
	ASOCS	Associate	-	59.97
7	**Loans and advances given**			
	Twinstar Display Technologies Limited.	Fellow Subsidiary	0.03	0.21
	Twin Star Technologies Ltd	Fellow Subsidiary	0.82	0.09
	Sterlite Conduspar Industrial Ltda	Joint Venture	0.28	0.39
8	**Repayment of loans**			
	Twinstar Display Technologies Limited	Fellow Subsidiary	-	29.07
9	**Loan taken**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	4.05
10	**Loan repaid**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.08	5.59
11	**Interest charged on loans**			
	Twin Star Technologies Ltd	Fellow Subsidiary	0.81	-
12	**Interest expense on loans**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	-	0.57
13	**Management fees received**			
	Cairn India Holdings Ltd	Fellow Subsidiary	11.08	10.74
14	**Reimbursement of expenses**			
	Cairn India Holdings Ltd	Fellow Subsidiary	1.62	3.10
15	**Purchase of fixed assets**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	0.42
16	**Purchase of goods & services**			
	Fujairah Gold FZE	Fellow Subsidiary	-	2.18
	Vedanta Limited	Fellow Subsidiary	142.50	0.01
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	0.23

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S. No.	Particulars	Relationship	31 March 2021	31 March 2020
17	**Sale of goods & services**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	16.22	9.65
	Sterlite Conduspar Industrial Ltda	Joint Venture	17.19	2.14
	M.B Maanshan Special Cables Co. Ltd	Associate	8.99	13.86
18	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	11.60	8.10
19	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.06

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Short term employee benefits	22.69	28.37
Long term & Post employment benefits	1.43	1.45
Share based payment transaction*	3.14	3.72
Total compensation paid to key management personnel	**27.26**	**33.55**

##Includes interest & expenses incurred and recoverable.

*Share-based payments include the perquisite value of stock incentives excercised during the year,determined in accordance with the provisions of the Income-tax Act,1961.

**The amount is gross of the expenses incurred towards provision of these services.

$ Refer note 39 for details

Note 52: Interests in Joint Venture and Associates

Joint Venture - Sterlite Conduspar Industrial Ltda

Set out below are the details of Joint venture of the Group which in the opinion of management are material to the Group. The Group has a 58.05% (31 March 2020: 58.05%) interest in Sterlite Conduspar Industrial Ltda, a joint venture engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda ('Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Current assets	32.92	29.54
Non-current assets	6.92	8.15
Total Asset (A)	**39.84**	**37.69**
Current liabilities	10.53	20.05
Non-current liabilities	34.79	26.82
Total Liabilities (B)	**45.32**	**46.87**
Net Assets (A+B)	**(5.48)**	**(9.18)**
Proportion of the Group's ownership	58.05%	58.05%
Carrying amount of the investment	-	-

(All amounts are in ₹ crores, unless otherwise stated)

Summarised statement of profit and loss of the Joint Venture:

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Revenue	65.80	67.89
Other Income	0.20	0.19
Cost of raw material and components consumed	44.25	50.20
Depreciation & amortisation	0.96	1.02
Finance cost	1.00	1.53
Employee benefit	4.75	6.32
Other expense	12.46	15.99
Loss before tax	**2.58**	**(6.99)**
Income tax expense	-	-
Loss for the year	**2.58**	**(6.99)**
Other comprehensive income	-	-
Total comprehensive income for the year	**2.58**	**(6.99)**
Group's share of loss for the year	**1.50**	**(4.06)**
Unrecognised share of profit / (loss) of joint venture	**1.50**	**(4.06)**

As per paragraph 39 of Ind AS 28, the group has not recongnised the share of loss of joint venture, as the equity investment in joint venture is reduced to zero. The group will resume recognising its share of profits in the joint venture only after its share of the profits equals the share of losses not recognised.

The group had no contingent liabilities or capital commitments relating to its interest in joint venture as at 31 March 2021 and 31 March 2020.

Associate Company - M.B Maanshan Special Cables Co. Ltd

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
Aggregate carrying amount	**27.30**	**12.44**
Aggregate amounts of the group's share of:		
Profit/(loss) from continuing operations	14.86	-
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	**14.86**	**-**

Note 53: Disclosure for Non-Controlling Interests

This information is based on amounts before inter-company eliminations.

Financial information of subsidiaries that have material non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Name of the Company	Principal activity	Effective ownership as on 31 March 2021	Effective ownership as on 31 March 2020	Country of incorporation
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Data Transmission	35.02%	34.01%	India
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)	Manufacturing of Optical Fibre	25.00%	25.00%	China
Impact Data Solutions Limited*	Data centre network infrastructure design and deployment	20.00%	20.00%	United Kingdom
Impact Data Solutions B.V.*		20.00%	20.00%	Netherlands
Vulcan Data Centre Solutions Limited*		20.00%	20.00%	United Kingdom

*collectively referred as "IDS Group" and disclosed below. The numbers for IDS Group for the year ended March 31, 2020 are reported from the acquisition date to balance sheet date.

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(All amounts are in ₹ crores, unless otherwise stated)

Summarised statement of profit and loss for the year ended 31 March 2021:

	31 March 2021			31 March 2020		
	MTCIL	JSTFCL	IDS Group	MTCIL	JSTFCL	IDS Group
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Revenue	10.27	221.69	114.54	6.24	277.33	47.20
Profit for the year	(3.59)	(42.45)	10.57	(8.28)	(30.07)	4.37
Total comprehensive income	**(3.59)**	**(25.66)**	**19.01**	**(8.28)**	**(19.35)**	**6.11**
Attributable to non-controlling interests	(1.23)	(6.42)	3.45	(2.81)	(4.83)	1.22
Dividends paid to non-controlling interests	-	-	-	-	-	-

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

	31 March 2021			31 March 2020		
	MTCIL	JSTFCL	IDS Group	MTCIL	JSTFCL	IDS Group
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Non current assets	100.12	445.82	54.24	99.67	448.48	55.27
Current assets	70.70	72.76	56.71	10.30	115.61	52.45
Total Asset (A)	**170.82**	**518.58**	**110.95**	**109.97**	**564.09**	**107.72**
Non current liability	(54.07)	(4.89)	(19.06)	(54.07)	(64.29)	(0.13)
Current liability	(105.55)	(186.90)	(22.88)	(41.97)	(147.34)	(43.00)
Total Liability (B)	**(159.62)**	**(191.79)**	**(41.94)**	**(96.04)**	**(211.62)**	**(43.12)**
Net assets (A+B)	**11.20**	**326.79**	**69.01**	**13.95**	**352.47**	**64.60**
Accumulated NCI	**2.57**	**81.70**	**13.80**	**2.37**	**87.89**	**12.92**

Summarised cash flows

	31 March 2021			31 March 2020		
	MTCIL	JSTFCL	IDS Group	MTCIL	JSTFCL	IDS Group
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Net cash inflow from operating activities	24.38	59.10	9.78	17.83	3.50	12.35
Net cash inflow from investing activities	(10.95)	(0.40)	(1.75)	(17.34)	(51.50)	(0.79)
Net cash inflow from financing activities	(10.23)	(71.13)	(1.66)	(2.33)	(6.23)	0.15
Net increase /(decrease) in cash and cash equivalents	**3.20**	**(12.43)**	**6.37**	**(1.84)**	**(54.24)**	**11.71**

(All amounts are in ₹ crores, unless otherwise stated)

Note 54: Statutory Group Information

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in 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 2021	59.97%	1,250.66	94.59%	251.01	26.35%	10.94	85.36%	261.95
Balance as at 31 March 2020	54.44%	1,101.38	108.61%	460.99	108.29%	(39.70)	108.64%	421.29
Subsidiaries								
Indian								
1. Speedon Network limited								
Balance as at 31 March 2021	-0.22%	(4.51)	-3.02%	-8.02	0.00%	-	-2.61%	(8.02)
Balance as at 31 March 2020	0.17%	3.51	-1.70%	(7.22)	0.00%	-	-1.86%	(7.22)
2. Maharashtra Transmission Communication Infrastructure Limited								
Balance as at 31 March 2021	0.33%	6.79	-0.89%	(2.36)	0.00%	-	-0.77%	(2.36)
Balance as at 31 March 2020	0.36%	7.18	-1.29%	(5.46)	0.00%	-	-1.41%	(5.46)
3. Sterlite Telesystems Limited								
Balance as at 31 March 2021	-0.01%	(0.16)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Balance as at 31 March 2020	-0.01%	(0.15)	-0.01%	(0.03)	0.00%	-	-0.01%	(0.03)
4. STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")								
Balance as at 31 March 2021	0.00%	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Balance as at 31 March 2020	0.00%	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
5. Sterlite Innovative Solutions Limited								
Balance as at 31 March 2021	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Balance as at 31 March 2020	0.00%	-	0.00%	(0.02)	0.00%	-	-0.01%	(0.02)
6. Sterlite Tech Cables Solutions Limited								
Balance as at 31 March 2021	-0.08%	(1.75)	-0.67%	(1.79)	0.00%	-	-0.58%	(1.79)
Balance as at 31 March 2020	0.00%	0.04	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
7. STL Networks Limited								
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
1. Sterlite Global Ventures (Mauritius) Limited								
Balance as at 31 March 2021	13.09%	273.05	-0.11%	(0.30)	0.00%	-	-0.10%	(0.30)
Balance as at 31 March 2020	11.96%	241.92	-0.07%	(0.30)	0.00%	-	-0.08%	(0.30)

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(All amounts are in ₹ crores, unless otherwise stated)

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
2. Jiangsu Sterlite and Tongguang Fibre Co. Ltd.								
Balance as at 31 March 2021	11.75%	245.10	-12.00%	(31.84)	30.33%	12.59	-6.27%	(19.25)
Balance as at 31 March 2020	13.08%	264.56	-5.31%	(22.55)	0.00%	-	-5.82%	(22.55)
3. Sterlite (Shanghai) Trading Company Limited								
Balance as at 31 March 2021	0.01%	0.30	0.86%	2.29	0.00%	-	0.75%	2.29
Balance as at 31 March 2020	-0.10%	(2.00)	-0.71%	(3.02)	0.00%	-	-0.78%	(3.02)
4. Sterlite Technologies S.p.A (Italy)*								
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2020	0.44%	8.96	-2.09%	(8.85)	0.00%	-	-2.28%	(8.85)
5. Metallurgica Bresciana S.p.A (Italy)								
Balance as at 31 March 2021	3.13%	65.33	13.65%	36.21	6.57%	2.73	12.69%	38.94
Balance as at 31 March 2020	13.92%	281.66	6.71%	28.49	0.00%	-	7.35%	28.49
6. Sterlite Technologies UK Ventures Limited								
Balance as at 31 March 2021	-0.25%	(5.28)	-1.25%	(3.33)	0.00%	-	-1.09%	(3.33)
Balance as at 31 March 2020	-0.10%	(1.95)	-0.16%	(0.68)	0.00%	-	-0.18%	(0.68)
7. Elitecore Technologies (Mauritius) Limited								
Balance as at 31 March 2021	0.03%	0.68	0.01%	0.02	0.00%	-	0.01%	0.02
Balance as at 31 March 2020	0.03%	0.66	0.03%	0.12	0.00%	-	0.03%	0.12
8. Elitecore Technologies Sdn Bhd.								
Balance as at 31 March 2021	0.24%	5.09	0.67%	1.79	0.00%	-	0.58%	1.79
Balance as at 31 March 2020	0.16%	3.29	0.31%	1.31	0.00%	-	0.34%	1.31
9. Sterlite Tech Holding Inc.								
Balance as at 31 March 2021	-0.09%	(1.89)	-0.18%	(0.49)	0.00%	-	-0.16%	(0.49)
Balance as at 31 March 2020	-0.07%	(1.40)	-0.20%	(0.86)	0.00%	-	-0.22%	(0.86)
10. Sterlite Technologies Inc								
Balance as at 31 March 2021	-0.44%	(9.09)	1.84%	4.88	0.00%	-	1.59%	4.88
Balance as at 31 March 2020	-0.69%	(13.97)	-2.71%	(11.50)	0.00%	-	-2.97%	(11.50)
11. Impact Data Solutions Limited#								
Balance as at 31 March 2021	1.23%	25.67	4.41%	11.70	0.52%	0.69	4.04%	12.39
Balance as at 31 March 2020	0.54%	10.90	0.77%	3.28	0.00%	-	0.85%	3.28
12. Vulcan Data Centre Solutions Limited#								
Balance as at 31 March 2021	0.10%	2.18	-0.06%	(0.15)	1.53%	0.16	0.00%	0.01
Balance as at 31 March 2020	0.13%	2.72	0.05%	0.22	0.00%	-	0.06%	0.22
13. PT Sterlite Technologies Indonesia								
Balance as at 31 March 2021	0.11%	2.34	0.09%	0.24	-0.29%	(0.12)	0.04%	0.12
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-

(All amounts are in ₹ crores, unless otherwise stated)

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
14. Sterlite Technologies Pty. Ltd								
Balance as at 31 March 2021	0.01%	0.11	0.05%	0.12	-0.02%	(0.01)	0.04%	0.11
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
15. Sterlite Technologies DMCC								
Balance as at 31 March 2021	-0.13%	(2.61)	-1.08%	(2.86)	0.36%	0.15	-0.88%	(2.71)
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
16. STL Optical Interconnect S.p.A.								
Balance as at 31 March 2021	0.32%	6.61	-1.06%	(2.80)	20.57%	8.54	1.87%	5.74
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
17. Optotec S.p.A.$								
Balance as at 31 March 2021	4.87%	101.46	2.39%	6.33	-0.14%	(0.06)	2.04%	6.27
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
18. Optotec International S.A.$								
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
19. STL Edge Networks Inc.								
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
20. Share of profit of Joint Venture/ Associate Company								
Balance as at 31 March 2021	1.31%	27.30	5.60%	14.86	0.00%	-	4.84%	14.86
Balance as at 31 March 2020	0.00%	12.44	0.00%	-	0.00%	-	0.00%	-
Non controlling interest in all subsidiaries								
Balance as at 31 March 2021	4.70%	98.07	-3.81%	(10.11)	14.23%	5.91	-1.37%	(4.20)
Balance as at 31 March 2020	5.10%	103.18	-2.23%	(9.46)	-8.29%	3.04	-1.66%	(6.42)
Total								
Balance as at 31 March 2021	**100.00%**	**2,085.47**	**100.00%**	**265.37**	**100.00%**	**41.52**	**100.00%**	**306.89**
Balance as at 31 March 2020	**100.00%**	**2,022.96**	**100.00%**	**424.44**	**100.00%**	**(36.66)**	**100.00%**	**387.78**

All eliminations and adjustments are netted off against balances of parent company for disclosure purpose

*Merged with Metallurgica Bresciana S.p.A. during the year.

The numbers for the year ended March 31, 2020 are reported from the acquisition date to balance sheet date.

$ The numbers for the year ended March 31, 2021 are reported from the acquisition date to balance sheet date.

ASOCS (Associate company) is not considered for consolidation as the operations of the associate company is insignificant for the Group.

Joint Venture with Metis Eduventures Private Limited is not considered for consolidation as the same is accounted as per Ind AS 109 (Refer note 2s(ii))

Notes
to the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in ₹ crores, unless otherwise stated)

Note 55: Changes in Accounting Policies

This note explains the impact of the adoption of Ind AS 116 Leases on the company's financial statements.

During the year ended March 31, 2020, the Group had adopted Ind AS 116 retrospectively from 01 April 2019, but had not restated comparatives for the year March 31, 2019, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules were therefore recognised in the opening balance sheet on 01 April 2019. The new accounting policies were disclosed in note 2.

Particulars	01 April 2019 (₹ in crores)
Balances in retained earnings	1,323.75
Less: Adjustment on account of leases as per IND AS 116 (net of tax of ₹ 4.19 crore)	(11.83)
Balances in retained earnings after adjustment	**1,311.92**

Adjustments recognised on adoption of Ind AS 116

On adoption of Ind AS 116, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 01 April 2019. The Lessee's incremental weighted average borrowing rate applied to the lease liabilities on April 01, 2019 was 10%.

(i) Measurement of lease liabilities:

Particulars	Amount in ₹ crores
Operating lease commitments disclosed as at 31 March 2019	5.88
Discounted using the lessee's incremental borrowing rate at the date of initial application	2.52
Add: adjustments as a result of a different treatment of extension and termination options	115.90
Lease liability recognised as at 1 April 2019	**124.30**

(ii) Measurement of right of use assets:

The associated right-of-use assets for leases were measured on a retrospective basis as if the new rules had always been applied.

Particulars	Amount in ₹ crores
Land	40.63
Building	59.09
Plant and machinery	49.18
Right of use assets recognised as at 1 April 2019	**148.90**

(iii) Adjustments recognised in the balance sheet as on 1 April 2019:

Balance Sheet (Extract)	01 April 2019 (without adoption of Ind AS 116)	Increase/ (Decrease)	01 April 2019 (with adoption of Ind AS 116)
Non-current assets			
Property, Plant and Equipments (refer note 4)	2,276.83	148.90	2,425.73
Equity			
Other Equity (refer note 18)	1,323.75	(11.83)	1,311.92
Non-current liabilities			
Lease liabilities (refer note 4)	-	108.21	108.21
Deferred tax liabilities (refer note 24A)	-	(4.19)	(4.19)
Current liabilities			
Lease liabilities (refer note 4)	-	16.08	16.08

(All amounts are in ₹ crores, unless otherwise stated)

Practical expedients applied

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- relying on the assessment of whether leases are onerous as an alternative to performing an impairment review. There were no onerous contracts as at April 01, 2019.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying Ind AS 17 and Appendix 4 Determining whether an Arrangement contains a Lease.

Note 56: Segment Reporting

The Group has only one operating segment which is Connectivity and Network Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2021 (₹ in crores)	31 March 2020 (₹ in crores)
(1) Revenue from external customers		
- Within India	2,791.90	3,375.47
- Outside India	2,033.28	1,778.93
Total revenue as per statement of profit and loss	**4,825.18**	**5,154.40**
(2) Non-current operating assets		
- Within India	2,442.49	2,505.91
- Outside India	958.71	686.46
Total	**3,401.20**	**3,192.37**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets including Goodwill.

(3) Revenue from external customers

Revenue from two customers in India amounted to ₹ 841.00 crores (31 March 2020: ₹ 2,098.68 crores).

Note 57: Previous Year Figures

The financial statements for the year ended 31 March 2020 incorporate the impact of the change in accounting policies as mentioned in Note 55.

Further, previous year figures have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number:108391

Place: Pune
Date: 29 April 2021

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

(All amounts are in ₹ crores, unless otherwise stated)

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)

Sr. No.	Name of Subsidiary	Country of Incorporation	Reporting currency	Exchange rate (INR)	Share Capital	Reserve & Surplus	Total Liabilities	Total Assets	Investment	Turnover (Gross Revenue)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Holding
1	Speedon Network Limited	India	INR	NA	1.55	(6.06)	37.35	32.84	0.02	10.95	(8.02)	-	(8.02)	-	100.00
2	Sterlite Telesystems Limited	India	INR	NA	0.02	(0.18)	0.19	0.03	-	-	(0.01)	-	(0.01)	-	100.00
3	Elitecore Technologies (Mauritius) Limited	Mauritius	MUR	1.79	0.14	0.54	0.17	0.85	-	1.32	0.06	0.04	0.02	-	100.00
4	Elitecore Technologies Sdn Bhd.	Malaysia	MYR	17.63	-	5.09	3.36	8.45	-	10.35	1.85	0.07	1.79	-	100.00
5	Sterlite Global Ventures (Mauritius) Limited	Mauritius	US$	73.11	218.17	54.88	0.41	273.46	266.05	-	(0.30)	-	(0.30)	-	100.00
6	Maharashtra Transmission Communication Infrastructure Limited*	India	INR	NA	34.55	(25.19)	161.47	170.83	-	10.27	(3.59)	-	(3.59)	-	64.98
7	Jiangsu Sterlite Tongguang Fiber Co. Limited	China	RMB	11.14	154.52	172.27	191.79	518.58	-	221.69	(49.94)	(7.49)	(42.45)	-	75.00
8	Sterlite Technologies UK Ventures Limited	UK	GBP	100.78	0.04	(5.33)	28.05	22.76	19.14	-	(3.33)	-	(3.33)	-	100.00
9	Sterlite Tech Holding Inc.	America	US$	73.11	-	(1.89)	30.82	28.93	-	-	(0.49)	-	(0.49)	-	100.00
10	Sterlite Technologies Inc	America	US$	73.11	-	(9.09)	97.23	88.14	-	70.10	4.87	(0.01)	4.88	-	100.00
11	Sterlite Conduspar Industrial Ltda	Brazil	Real	12.98	19.14	(24.63)	45.32	39.84	-	65.80	2.58	-	2.58	-	58.05
12	Sterlite (Shanghai) Trading Co. Limited	China	RMB	11.14	1.53	(1.24)	1.30	1.59	-	6.10	2.29	-	2.29	-	100.00
13	Sterlite Technologies S.P.A.#	Italy	EUR	85.78	-	-	-	-	-	-	-	-	-	-	100.00
14	Sterlite Innovative Solutions Limited	India	INR	NA	0.05	(0.06)	0.03	0.02	-	-	(0.01)	-	(0.01)	-	100.00
15	STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited")	India	INR	NA	0.05	(0.03)	0.01	0.03	-	-	(0.01)	-	(0.01)	-	100.00
16	Sterlite Tech Cables Solutions Limited	India	INR	NA	0.05	(1.80)	114.98	113.23	-	1.31	-	1.79	(1.79)	-	100.00
17	Impact Data Solutions Limited	UK	GBP	100.78	0.02	38.91	33.98	72.91	-	114.54	17.30	3.83	13.47	-	80.00
18	Impact Data Solutions B.V.	Netherlands	EUR	NA											80.00
19	Vulcan Data Centre Solutions Limited	UK	GBP	100.78	-	2.73	0.05	2.78	0.01	-	(0.19)	-	(0.19)	-	80.00
20	Metallurgica Bresciana S.P.A.#	Italy	EUR	85.78	56.18	21.58	537.46	615.22	12.47	641.06	47.80	11.59	36.21	-	100.00
21	PT Sterlite Technologies Indonesia	Indonesia	IDR	0.01	2.22	0.12	2.45	4.79	-	4.61	0.24	-	0.24	-	100.00
22	Sterlite Technologies DMCC	United Arab Emirates	AED	19.91	0.10	(2.71)	14.22	11.61	-	1.43	(2.86)	-	(2.86)	-	100.00
23	Sterlite Technologies Pty. Ltd.	Australia	AUD	55.56	-	0.11	3.58	3.69	-	1.82	0.16	0.04	0.12	-	100.00
24	STL Optical Interconnect S.p.A.	Italy	EUR	85.78	0.87	5.74	267.83	274.44	268.18	-	(2.80)	-	(2.80)	-	100.00
25	Optotec S.p.A.	Italy	EUR	85.78	31.31	70.15	43.27	144.73	0.86	39.58	8.90	2.58	6.33	-	100.00
26	Optotec International S.A.	Switzerland	CHF	NA											100.00
27	STL Edge Networks Inc.$	America	US$	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100.00
28	STL Networks Limited$	India	INR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100.00
29	ASOCS$	Israel	ILS	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	12.50%
30	MB Maanshan Special Cable Limited	China	RMB	NA	NA	NA	NA	NA	NA	NA	NA	NA	14.86	NA	40.00%

* The figures for this company have not been consolidated as it has been classified as 'Asset held-for-sale' under IndAS

Merged with Metallurgica Bresciana S.p.A. during the year.

$ These entities are not considered for consolidation as there are no transactions or are immaterial.

(All amounts are in ₹ crores, unless otherwise stated)

FORM AOC-1 - PART B

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Sr. No.	Name of Associate / Joint Ventures	Sterlite Conduspar Industrial Ltda	MB Maanshan Special Cable Limited
1	Latest audited Balance Sheet date	31-03-2021	31-12-2020
2	Shares of Associate/Joint Ventures held by the Company on the year end		
a	Number	NA	NA
b	Amount of investment (At face value)	19.14	12.44
c	% of holding	58.05	40.00
3	Description of how there is significant influence	By way of ownership	By way of ownership
4	Reason why the associate / joint venture is not consolidated	Equity Method Of Accounting (Refer IND AS 28)	Equity Method Of Accounting (Refer IND AS 28)
5	Networth attributable to shareholding as per latest audited Balance sheet	(5.48)	NA
6	Profit/Loss for the year	2.58	37.15
a	Considered in consolidation	1.50	14.86
b	Not considered in consolidation	1.08	22.29

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

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Corporate Information

Board of Directors
Anil Agarwal
Pravin Agarwal
Dr. Anand Agarwal
Sandip Das
Kumud Srinivasan
S. Madhavan
B.J. Arun
Ankit Agarwal

Advisory Council
Sandip Das
BS Shantharaju
Krish Prabhu
JS Deepak
John B Medamana
Hank Kafka
Guy Lupo

Chief Financial Officer
Mihir Modi

Company Secretary
Amit Deshpande

Leadership Team
Dr. Anand Agarwal
Group CEO and Whole-time Director

Mihir Modi
Chief Financial Officer

Ankit Agarwal
CEO - Connectivity Solutions Business and Whole-time Director

KS Rao
CEO - Network Services and Software Business

Chris Rice
CEO - Access Solutions Business

Dr. Badri Gomatam
Group Chief Technology Officer

Gaurav Basra
Chief Strategy Officer

Anjali Byce
Chief Human Resources Officer

Manish Sinha
Chief Marketing Officer

Manuj Desai
Chief Information Officer

Sandeep Girotra
Global Sales Head

Akanksha Sharma
Head - CSR and Sustainability

Bankers
Axis Bank Ltd.
Bank of Baroda
Citi Bank
CTBC Bank Co. Ltd.
Deutsche Bank
Export-Import Bank of India
FirstRand Bank Limited
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IDFC First Bank Ltd.
IndusInd Bank Limited
Kotak Mahindra Bank Ltd.
RBL Bank Ltd.
Shinhan Bank
State Bank of India
The Federal Bank Limited
Union Bank of India
Yes Bank Ltd.
UNICREDIT, Italy
BNL Paribas, Italy
UBI BANCA, Italy

Registered Office
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Koregaon Road 9, STS 12/1,
Pune-411001, Maharashtra

Locations
Albania, Australia, Belgium, Brazil, China, Denmark, Egypt, France, Germany, Greece, India, Indonesia, Italy, Ivory Coast, Korea, Malaysia, Mauritius, Mexico, Netherlands, Philippines, Russia, South Africa, Spain, Sudan, Sweden, Thailand, UAE, UK, USA

Registrar and Transfer agents
Kfin Technologies Private Limited, (Unit – Sterlite Technologies Limited) Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad 500 008, India

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Vishal Kumar, Pankaj Dhawan

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Risk Management
Manish Bhansali

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Akanksha Sharma, E K Kishanchand, Louette Pai, Umesh Dharmendra

Business Responsibility Report
Akanksha Sharma, Louette Pai, Umesh Dharmendra

Directors' Report and Corporate Governance Report
Amit Deshpande, Mrunal Dixit, Palash Mutha, Rohit Kulkarni, Sangeet Hunjan, Ekta Patodia

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Navin Sharma, Ankur Baser, Yogesh Deshpande

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