Placement Document
Not for Circulation and Strictly Confidential
Serial Number: _____

STERLITE TECHNOLOGIES LIMITED

Registered Office: 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra;
Corporate Office: Equinox Business Park, Unit 1&2, Ground Floor, Tower 4, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra
Tel: +91 22 3015 0400; **Contact Person**: Amit Deshpande, Company Secretary and Compliance Officer; **E-mail**: secretarial@stl.tech; **Website**: www.stl.tech; **Corporate Identity Number**: L31300PN2000PLC202408

Our Company was incorporated as "*Sterlite Telecom Systems Limited*" under the Companies Act, 1956 at Mumbai, pursuant to a certificate of incorporation dated March 24, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai and a certificate of commencement of business dated March 31, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, the name of our Company was changed to "*Sterlite Optical Technologies Limited*" and consequently, a fresh certificate of incorporation dated August 21, 2000 was issued by the Registrar of Companies, Maharashtra at Mumbai. Further, the name of our Company was changed to "*Sterlite Technologies Limited*", and a fresh certificate of incorporation dated August 25, 2007 was issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, by way of certificate dated July 6, 2021 issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**"), our Company now falls within the jurisdiction of the RoC, pursuant to the change in the registered office of our Company from Mumbai to Pune. For further details, see "***General Information***" on page 257.

Issue of 8,84,56,435 equity shares of face value of ₹ 2 each (the "**Equity Shares**") at a price of ₹ 113.05 per Equity Share (the "**Issue Price**"), including a premium of ₹ 111.05 per Equity Share, aggregating to ₹ 1,000 crores (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 34.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED.

Our Company's outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on April 5, 2024 was ₹ 128.70 and ₹ 128.60 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from each of BSE and NSE each dated April 8, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES HAVE BEEN RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 44 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THE ISSUE. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND / OR LEGAL ADVISOR.

A copy of the Preliminary Placement Document and this Placement Document, which include disclosures prescribed under Form PAS-4 (as defined hereinafter), have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 (as defined hereinafter) and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). The Preliminary Placement Document and this Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations for subscription, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document, together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined herein). For further details, see "***Issue Procedure***" on page 208. This Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws in the United States and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively.

The information the website of our Company and Subsidiaries, any website directly or indirectly linked to the website of our Company or Subsidiaries or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Placement Document is dated April 12, 2024.

BOOK RUNNING LEAD MANAGERS

NUVAMA WEALTH MANAGEMENT LIMITED (*FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED*)	**MOTILAL OSWAL INVESTMENT ADVISORS LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, its Subsidiaries, its Joint Venture and its associates, as applicable, and the Equity Shares, which our Company considers material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiaries, its Joint Venture and its associates, as applicable, and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document regarding our Company, its Subsidiaries, its Joint Venture and its associates, as applicable and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available with our Company. There are no other facts in relation to our Company, its Subsidiaries, its Joint Venture and its associates, as applicable and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Unless otherwise stated, the information contained in this Placement Document has been provided as of the date of this Placement Document and neither our Company nor Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) and Motilal Oswal Investment Advisors Limited (together, the "**Book Running Lead Managers**"), have any obligation to update such information to a later date. Further, the information has been provided by our Company and from other sources identified herein. The Book Running Lead Managers have made reasonable enquiries but have not separately verified all of the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with our Company, its Subsidiaries, its Joint Venture and its associates, as applicable and the Issue of the Equity Shares or their distribution. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has neither relied on any of the Book Running Lead Managers nor on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document, this Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections titled "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries, its Joint Venture and its associates, as applicable, and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, tax, accounting or investment advice. The prospective investor should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an eligible QIB and is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document.

This Placement Document contains summaries of certain terms of documents, which are qualified in their entirety by the terms and conditions of such documents.

The information on website of our Company, www.stl.tech, and the websites of our Subsidiaries, any website directly and indirectly linked to the website of our Company or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute or form part of this Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company, its Subsidiaries, its Joint Venture and its associates, as applicable, which is not set forth in this Placement Document;

2. You are a "**Qualified Institutional Buyer**" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you a person resident outside India and a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and that you are investing under Schedule II of the FEMA Rules. Further, you confirm that you are not an FVCI under the SEBI FVCI Regulations. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

5. You will provide the information as required under the Companies Act, 2013, the PAS Rules and the applicable provisions of the SEBI ICDR Regulations and any other applicable laws ,for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number, occupation, nationality, category and bank account details and other such details as may be prescribed or otherwise required even after the closure of the Issue;

6. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on page 221 and 227, respectively);

7. You are aware that the Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC or SEBI under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by SEBI, the RBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and will be displayed on the websites of our Company and the Stock Exchanges;

8. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

9. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you and are not in any way acting in any fiduciary capacity;

10. All statements other than statements of historical fact included in this Placement Document, including, without

limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

11. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

12. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 208, 221 and 227, respectively;

13. You have been provided serially numbered copies of the Preliminary Placement Document and this Placement Document, and have read them in their entirety, including in particular the "***Risk Factors***" beginning on page 44;

14. In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiaries, its Joint Venture, and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries, its Joint Venture and its associates, as applicable, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

15. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the purchase, ownership and disposal of Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

16. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise , (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

17. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

18. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters, in a manner set out in paragraph 19 below, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent the Promoters or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

19. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights solely in the capacity of a lender shall not be deemed to be a person related to our Promoters);

20. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

21. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

22. The Bid made by you would not ultimately result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

23. The number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

24. You are aware that in relation to the Issue, (i) in-principle approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

25. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

26. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers;

27. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that the Issue is subject to our Company making necessary filings with the RoC as may be required under the Companies Act, 2013;

28. You acknowledge that the Preliminary Placement Document and this Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

29. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

30. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set

out therein, severally and not jointly, undertaken to use their best efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

31. The contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

32. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

33. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

34. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue (the "**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information that was not publicly available;

35. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. For more information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively;

36. You are outside the United States and are purchasing the Equity Shares in an 'offshore transaction' within the meaning of Regulation S and in compliance with laws of all jurisdictions applicable to you and are not our Company's or the Lead Manager's affiliate or a person acting on behalf of such an affiliate;

37. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively;

38. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in *"**Selling Restrictions**" and "**Transfer Restrictions**"* on pages 221 and 227, respectively;

39. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated or in a citizen of such country (in each which case, investment can only

be through the Government approval route), and that your investment is in accordance with press note no.3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

40. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

41. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others can rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable; and

42. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), FPIs including the affiliates of the Book Running Lead Managers, who are registered as category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such P-Notes. Such P-Notes can be issued post compliance with all applicable laws, including the KYC norms and such other conditions as specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless the conditions specified under Regulation 21 of SEBI FPI Regulations are complied with. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document or this Placement Document. Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) is not permitted to be 10.00% or above of our post-Issue paid-up Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI investments and P-Notes position held in the underlying company. Further, the Eligible FPIs are permitted to invest in the Equity Shares of our Company, subject to the restrictions and limits on the Foreign Portfolio Investment as specified in the section "***Issue Procedure***" beginning on page 208.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations. Also see "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 221 and 227, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or

(2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investors’, ‘prospective investors’ and ‘potential investor’ are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the ‘Company’, the ‘Issuer’ are to Sterlite Technologies Limited and references to ‘we’, ‘us’ or ‘our’ are to Sterlite Technologies Limited together with its Subsidiaries, Joint Venture and its associates, as applicable, on a consolidated basis.

Currency and units of presentation

In this Placement Document, all references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India, and references to ‘USD’, ‘U.S. Dollars’ and ‘US$’ are to the legal currency of the United States. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or the ‘Central Government’ or the ‘State Government’ of ‘GoI’ are to the Government of India, central or state, as applicable. All references herein to the ‘US’ or the ‘U.S.’ or the ‘United States’ or the ‘U.S.A.’ are to the United States of America, its territories and possessions, any state of the United States and the District of Columbia. All references herein to ‘U.K.’, “UK’ or the ‘United Kingdom’ are to the United Kingdom of Great Britain and its territories and possessions. All references herein to ‘Italy’ are to Italy and its territories and possessions. All references herein to ‘China’ are to China and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Placement Document have been presented in crores or whole numbers, unless stated otherwise. One crore represents 1,00,00,000 or “10 million” or “100 lakhs”.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘Fiscal Year’, ‘Fiscal’ or ‘FY’ are to the twelve month period ended on March 31 of that year and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

In this Placement Document, we have included the following consolidated financial statements of our Company prepared in accordance with the Indian Accounting Standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended (“**Ind AS**”):

(a) the audited consolidated financial statements for Fiscal 2021 of our Company as of and for the year ended March 31, 2021 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS (“**Fiscal 2021 Audited Financial Statements**”);

(b) the audited consolidated financial statements for Fiscal 2022 of our Company as of and for the year ended March 31, 2022 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS (“**Fiscal 2022 Audited Financial Statements**”); and

(c) the audited consolidated financial statements for Fiscal 2023 of our Company as of and for the year ended March 31, 2023 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS (“**Fiscal 2023 Audited Financial Statements**” and, together with the Fiscal 2022 Audited Financial Statements and the Fiscal 2021 Audited Financial Statements, the “**Audited Financial Statements**”).

Further, we have included the (i) unaudited consolidated financial results for the quarter and nine months ended December 31, 2023 (“**Unaudited December 2023 Results**”) and the unaudited consolidated financial results for the quarter and nine months ended December 31, 2022 (“**Unaudited December 2022 Results**”); (ii) unaudited consolidated financial results for the quarter and six months ended September 30, 2023 (“**Unaudited September 2023 Results**”); and (iii) unaudited consolidated financial results for the quarter ended June 30, 2023 (“**Unaudited June 2023 Results**”).

The Audited Financial Statements were audited by the statutory auditors of our Company, Price Waterhouse Chartered Accountants LLP (“**Statutory Auditors**”), on which they have issued the respective audit reports, each dated April 29, 2021, April 28, 2022 and May 17, 2023.

For further information on the Audited Financial Statements, see “***Financial Information***” on page 259.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals, including those from or derived from the Audited Financial Statements have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Placement Document as at and for the year ended March 31, 2023 is derived from the Fiscal 2023 Audited Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Financial Statements except for certain financial information which is derived from Fiscal 2022 Audited Financial Statements where there have been no adjustments on account of discontinued operations (refer below), and financial information as at and for the year ended March 31, 2021 is derived from the Fiscal 2021 Audited Financial Statements. During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK and therefore, the Fiscal 2023 Audited Financial Statements are not directly comparable with the Fiscal 2022 Audited Financial Statements and Fiscal 2021 Audited Financial Statements. See "***Risk Factors – Our audited consolidated financial information as of and for the year ended March 31, 2023 is not comparable with the audited consolidated financial information as of and for the years ended March 31, 2022 and as of and for the year ended March 31, 2021.***" on page 63. Further, unless otherwise stated or unless the context requires otherwise, the financial information contained in this Placement Document for the period ended December 31, 2023 is derived from Unaudited December 2023 Results and for the period ended December 31, 2022 is derived from the comparative financial information included for the period ended December 31, 2022 in the Unaudited December 2023 Results except for certain financial information which is derived from Unaudited December 2022 Results where there have been no adjustments on account of discontinued operations. Also see "***Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP measures and statistical information are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***" on page 64.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and certain other industry data forecasts pertaining to our businesses contained in this Placement Document consists of estimates based on data and reports compiled by government bodies, professional organizations, industry publications and analysts, data from other external sources and knowledge of the markets in which we compete and more particularly described in the section titled "***Industry Overview***" beginning on page 127.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled 'CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Report on Assessment of the optical fibre cable, EPC and IT services industries released in Mumbai in February 2024' ("**CRISIL Report**") prepared by CRISIL Market Intelligence & Analytics ("**CRISIL**"), which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated February 8, 2024 in connection with the Issue. Further, certain information which has been reported by CRU, which has been exclusively commissioned and paid for by us, has been used to enable the investors to understand the industry in which we operate in connection with the Issue.

The CRISIL Report contains the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing its report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). The Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Sterlite Technologies Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of the Report may be published/reproduced in any form without CRISIL's prior written approval.*"

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Certain sections of this Placement Document disclose information from the CRISIL Report and information reported by CRU which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***" on page 63.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute ‘forward-looking statements’. The prospective investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘goal’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘seek to’, ‘should’, ‘will’, ‘will continue’, ‘will pursue’, ‘would’, ‘expected to’, ‘will likely result’, ‘is likely’, ‘are likely’, ‘will continue’, ‘will achieve’ or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by such forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Our business depends on capital expenditure by companies and government in the telecommunications sector, which includes rollout of a new generation of mobile network, investments in data centres as well as the investment in fibre infrastructure and deployment.
- Any delay, interruption or reduction in the supply of raw materials to manufacture our products or volatility in the prices of raw materials, may adversely affect our business, results of operations, financial condition and cash flows.
- We derive a sizable portion of our revenue from our top 10 customers, and the termination, non-renewal or any material modification of our agreements with them could have an adverse effect on our business, results of operations, financial condition and cash flows.
- While we are a fully backward integrated manufacturer, there is significant competition from large and established companies globally.
- We may not be able to meet our contractual obligations under customer contracts, including an inability to fulfil our contractual commitments due to logistics, quality or other issues, which can result in penalties, or in more severe cases, contract termination, which could result in a material adverse impact on our business, financial condition, results of operations and cash flows.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled “***Risk Factors***”, “***Industry Overview***”, “***Our Business***” and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** on pages 44, 127, 173 and 87, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and members of Senior Management are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India vis-à-vis the civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgements under the civil liability provisions of the federal securities laws of the United States.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, respectively. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained are opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign decree rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards, even if such an award is enforceable as a decree or judgment. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code.

Each of the United Kingdom, Republic of Singapore, United Arab Emirates and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all.

EXCHANGE RATES

Fluctuations in the exchange rate between the Indian Rupee and foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Indian Rupee and the U.S. dollar (in ₹ per USD). The exchange rates are based on the reference rates released by the RBI/ FBIL, which are available on the website of the RBI/ FBIL. No representation is made that any Indian Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On April 12, 2024, the exchange rate (the RBI reference rate) was ₹ 83.47 to USD 1.

(₹ per US$)

	Period end(1)	Average(2)	High(3)	Low(4)
	US$	US$	US$	US$
Fiscal ended				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended*				
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15

(Source: www.fbil.org.in, www.oanda.com and www.xe.com)

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.

Notes:
** If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

The exchange rates set out above were not the exchange rates used in, and may have differed at all relevant times from, the exchange rates used in the preparation of our financial statements.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

*The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled "**Indian Taxation**", "**Industry Overview**", "**Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Legal Proceedings**" on pages 234, 127, 259, 87 and 247, respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"the Company" or "our Company" or "the Issuer" or "STL"	Sterlite Technologies Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Joint Venture and its associates, as applicable, on a consolidated basis

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee constituted by the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 202
"Statutory Auditors"	The current statutory auditors of our Company, namely, M/s Price Waterhouse Chartered Accountants LLP
Authorization and Allotment Committee	Authorization and Allotment committee constituted by the Board of our Company
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or any duly constituted committee thereof
Audited Financial Statements	Fiscal 2023 Audited Financial Statements, Fiscal 2022 Audited Financial Statements and Fiscal 2021 Audited Financial Statements
Compliance Officer	Amit Deshpande, Company Secretary and Compliance Officer of our Company
Corporate Office	The corporate office of our Company located at Equinox Business Park, Unit 1&2, Ground Floor, Tower 4, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra
Director(s)	The directors on the Board of our Company as at the date of this Placement Document
Equity Shares	Equity shares having a face value of ₹ 2 each of our Company
ESOP 2006	Sterlite Technologies Limited – Employee Stock Option Scheme 2006
ESOP 2010	Sterlite Technologies Limited – Employee Stock Option Scheme 2010
ESOP 2016	Sterlite Technologies Limited – Employee Stock Option Scheme 2016
Financial Information	Audited Financial Statements, Unaudited December 2023 Results, Unaudited December 2022 Results, Unaudited June 2023 Results and Unaudited September 2023 Results
Fiscal 2023 Audited Financial Statements	The audited consolidated financial statements for Fiscal 2023 of our Company comprising the balance sheet as at March 31, 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year ended March 31, 2023 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Act
Fiscal 2022 Audited Financial Statements	The audited consolidated financial statements for Fiscal 2022 of our Company comprising the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year ended March 31, 2022 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Indian Accounting

Term	Description
	Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Act
Fiscal 2021 Audited Financial Statements	The audited consolidated financial statements for Fiscal 2021 of our Company comprising the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year ended March 31, 2021 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Act
Independent Director(s)	A non-executive, independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations
Joint Venture	Sterlite Conduspar Industries Limited
Key Managerial Personnel	Key managerial personnel of our Company as disclosed in "***Board of Directors and Senior Management***" on page 201
Material Subsidiaries	Metallurgica Bresciana S.p.A., Italy; Sterlite Technologies Inc., USA; Sterlite Tech Cables Solutions Limited and Sterlite Global Ventures (Mauritius) Limited* **Identified as a material subsidiary solely for the purpose of this Issue*
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, being ₹ 970 crores
Nomination and Remuneration Committee	Nomination and remuneration committee constituted by the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 202
Non-Independent Non-Executive Director	A non-independent, non-executive Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations as disclosed in "***Board of Directors and Senior Management***" on page 197
Promoters	The promoters of our Company, namely Twin Star Overseas Limited and Anil Agarwal
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Pune
Risk Management Committee	Risk management committee constituted by the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 202
Scheme of Arrangement	The scheme of arrangement dated August 2, 2000 entered into between Sterlite Industries (India) Limited and our Company under Sections 391 and 394 of the Companies Act, 1956, pursuant to which, *inter alia*, the whole of the optical fibre business, the optical fibre cable business and the jelly filled telecom cable business of Sterlite Industries (India) Limited was transferred to our Company.
Senior Management	The members of the senior management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in "***Board of Directors and Senior Management***" on page 201
Shareholders	Equity shareholders of our Company, from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee constituted by the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 202
Subsidiaries	Subsidiaries of our Company, being: 1. Sterlite Global Venture (Mauritius) Limited; 2. Sterlite Technologies UK Ventures Limited; 3. Sterlite Tech Cables Solutions Limited; 4. Sterlite Tech Holding Inc; 5. Metallurgica Bresciana S.p.A; 6. STL Optical Interconnect S.p.A.; 7. Sterlite (Shanghai) Trading Company Limited; 8. Sterlite Technologies DMCC; 9. PT Sterlite Technologies Indonesia; 10. Sterlite Technologies Pty. Limited; 11. STL Tech Solutions Limited; 12. STL Networks Limited; 13. Speedon Networks Limited; 14. STL UK Holdco Limited; 15. Sterlite Innovative Solutions Limited; 16. STL Digital Limited; and 17. Elitecore Technologies SDN, BHD (Malaysia). The following are the step-down subsidiaries of our Company: 1. Sterlite Technologies Inc;

Term	Description
	2. Optotec S.p.A; 3. Optotec International S.A.; 4. Jiangsu Sterlite Fiber Technology Co. Limited; 5. STL Solutions Germany GMBH; 6. STL Optical Tech Limited; 7. Clearcomm Group Limited; 8. STL Digital Inc.; 9. STL Digital UK Limited; and 10. Elitecore Technologies (Mauritius) Limited.
Sustainability and Corporate Social Responsibility Committee	Sustainability and Corporate Social Responsibility Committee constituted by the Board of our Company as disclosed in ***"Board of Directors and Senior Management"*** on page 202
Unaudited December 2023 Results	The unaudited consolidated financial results for the quarter and nine months ended December 31, 2023 prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI Listing Regulations
Unaudited December 2022 Results	The unaudited consolidated financial results for the quarter and nine months ended December 31, 2022 prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI Listing Regulations
Unaudited June 2023 Results	The unaudited consolidated financial results for the quarter ended June 30, 2023 prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI Listing Regulations
Unaudited September 2023 Results	The unaudited consolidated financial results for the quarter and six months ended September 30, 2023 prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI Listing Regulations
Whole-time Director	An executive non-independent director in terms of Companies Act, 2013 as disclosed in "***Board of Directors and Senior Management***" on page 197

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares, by our Company in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted" or "Allot"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares are issued and allotted pursuant to the Issue
Application Form	Serially numbered, specifically addressed bid cum application form (including any revisions thereof) which has been submitted by the Eligible QIBs for registering a Bid in the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Nuvama	Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)
Bid(s)	Indication of a Bidder's interest including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any Eligible QIB, who made a Bid pursuant to the terms of this Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs" or "Lead Manager(s)"	Nuvama and Motilal Oswal
"CAN" or "Confirmation of Allocation Note"	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about April 12, 2024
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by the Company with the RoC, whichever is later
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices, that are eligible to participate in this Issue, participating through Schedule II of the FEMA Rules
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which were not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. However, FVCIs are not permitted to participate in the Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank accounts, without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Application Amount has been deposited by the Bidders and from which refunds, if any, shall be remitted to unsuccessful Bidders, as set out in the Application Form

Term	Description
Escrow Agent	Axis Bank Limited
Escrow Agreement	Agreement dated April 7, 2024, entered into by and amongst our Company, the Escrow Agent and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹119.00 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 5% on the Floor Price in accordance with the approval of our Shareholders accorded on August 11, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
GIR	General index registration
Issue	Offer, issuance and Allotment of 8,84,56,435 Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	April 12, 2024, the date after which our Company (or Book Running Lead Managers on behalf of our Company) ceased acceptance of Application Forms and the Application Amount
Issue Opening Date	April 8, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) had commenced acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 113.05, including a premium of ₹ 111.05
Issue Size	Aggregate size of the Issue, ₹ 1,000 crores
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	Agreement dated April 8, 2024 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency in accordance with regulation 173A of the SEBI ICDR Regulations, for monitoring the utilisation of the net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue
Motilal Oswal	Motilal Oswal Investment Advisors Limited
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Placement Agreement	Placement agreement dated April 8, 2024 by and among our Company and the Book Running Lead Managers
Placement Document	This placement document dated April 12, 2024, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document cum application form, dated April 8, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
"QIB" or "Qualified Institutional Buyer"	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the applicable rules of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	April 8, 2024, which is the date of the meeting in which the Authorisation and Allotment Committee decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount and who have been Allocated Equity Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Business and Industry Related Terms

Term	Description
AI	Artificial intelligence
ACS	Access Control Systems
AR/VR	Augmented and Virtual Reality
BEAD Programme	Broadband Equity, Access and Deployment Programme
BTSs	Base Transceiver Stations
CAF	Connect America Fund
CEF	Connecting Europe Facility
CRM	Customer Relationship Management
CSPs	Communication Service Providers or Cloud Service Providers, as applicable
EMEA	Europe, Middle-east and Africa
Fkm	Fibre kilometer
FOS	Fibre Optic Sensing
FTR	First Time Right

Term	Description
GRN	Goods Receipt Notes
HCM	Human Capital Management
IaaS	Infrastructure as a Service
ICCC	Integrated Command and Control Center
ICT	Information and Communication Technology
IGI	Incoming Good Inspection
IoT	Internet of Things
ITSM	IT Service Management
ITOM	IT Operations Management
MEP	Mechanical, Electrical and Plumbing
ML	Machine Learning
NLP	Natural Language Processing
OC	Optical Fibre
ODN	Optical Distribution Network
OEE	Overall Equipment Effectiveness
OFC	Optical Fibre Cable
PaaS	Platform as a Service
PON	Passive Optical Network
Q/Q	Quarter over quarter
RMS	Raw Material Specification
RPA	Robotic Process Automation
SaaS	Software-as-a-Service
SMOF	Single-Mode Optical Fibre
SoC	Security Operations Centre
TSPs	Telecom Service Providers
USOF	Universal Service Obligation Fund
YTD	Year to Date
Y/Y	Year on year
5G SA	5G Standalone

Conventional and General Terms/ Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CBI	Central Bureau of Investigation
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956, as amended and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013, as amended and the rules made thereunder
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
EPS	Earnings per share
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment
FDI Policy	Consolidated FDI policy issued by the Department for Promotion of Industry and Internal Trade Ministry of Commerce and Industry, Government, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, as amended and the regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FII	Foreign institutional investors
FIR	First information report

Term	Description
"Financial Year" or "Fiscal Year(s)" or "Fiscal"	Period of 12 months ended March 31 of that particular year in respect of our Company unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
General Meeting	AGM or EGM
Government or GoI	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
Income Tax Act	The Income Tax Act, 1961, as amended
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended
"INR" or "Rupees" or "₹" or "Indian Rupees" or "Rs."	Indian Rupees
IPC	Indian Penal Code, 1860
IT	Information technology
IT Act	Information Technology Act, 2000, as amended
MCA	The Ministry of Corporate Affairs, Government of India
NR	A person resident outside India, as defined under the FEMA
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit After Tax
RBI	The Reserve Bank of India
Relevant Member State	Each member state of the European Economic Area which has implemented the Prospectus Directive
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SEC	United States Securities and Exchange Commission
SFA	The Securities and Futures Act Chapter 289 of Singapore
SI-NBFC	Systemically important non-banking financial companies
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
U.K.	United Kingdom
UOI	Union of India
VCF	Venture capital fund
"U.S.$" or "U.S. dollar" or "USD"	United States Dollar, the legal currency of the United States of America
"USA" or "U.S." or "United States"	The United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
U.S. Securities Act	The United States Securities Act of 1933, as amended
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 44, 259 and 87, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or unless the context requires otherwise, the financial information contained in this section as at and for the year ended March 31, 2023 is derived from Fiscal 2023 Audited Financial Statements, the financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Financial Statements except for certain financial information which is derived from Fiscal 2022 Audited Financial Statements where there have been no adjustments on account of discontinued operations (refer below), the financial information as at and for the year ended March 31, 2021 is derived from Fiscal 2021 Audited Financial Statements, the financial information for the nine months period ended December 31, 2022 is derived from the comparative financial information included for the nine months period ended December 31, 2022 in Unaudited December 2023 Results except for certain financial information which is derived from Unaudited December 2022 Results where there have been no adjustments on account of discontinued operations (refer below) and the financial information for the nine months period ended December 31, 2023 is derived from Unaudited December 2023 Results. During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK and therefore, the Fiscal 2023 Audited Financial Statements are not directly comparable with the Fiscal 2022 Audited Financial Statements and Fiscal 2021 Audited Financial Statements.

*Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiaries, our Joint Venture and our associate, as applicable, on a consolidated basis. Also, see "Definitions and Abbreviations" on page 16 for certain terms used in this section. Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Optical Fibre Cable, EPC and IT Services Industry" dated February 2024 (the "**CRISIL Report**"), prepared and issued by CRISIL Limited which has been exclusively commissioned and paid for by us, as well as other information reported by CRU International Ltd ("**CRU**") to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CRISIL Report and information reported by CRU and may have been re-ordered by us for the purposes of presentation.*

*Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and information reported by CRU and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 127. For further information, see "**Risk Factors – Certain sections of this Placement Document disclose information from the CRISIL Report and information reported by CRU which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**" on page 63. Also see "**Industry and Market Data**" on page 12.*

Overview

We are an integrated digital network provider, headquartered in India, with a global presence and manufacturing capabilities across countries including India, Italy, Brazil, the United States and China. According to CRU, we were one of the largest cable producers globally in terms of installed preform and draw capacity and cable production volume in 2023, which positioned us as one of the global market leaders in the optical cable market in 2023. We offer our customers a wide range of products across fibre, cable and optical connectivity and services including fibre deployment, system integration and managed services. We have a long and established operating history, particularly in the optical networking business, where we have over 25 years of experience with a track record of manufacturing high quality products to meet the demands of our customers.

We have three main business units, comprising the following:

- **Optical networking business:** We are a fully backward integrated manufacturer and possess the capabilities to produce glass preform from pure silicon, optical fibres from glass preform as well as optical fibre cables from optical fibres, which we believe enables us to maintain control over our value chain to offer our customers high quality products and end-to-end optical networking hardware, including optical fibre and specialty cables and optical connectivity products. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our optical networking business accounted for 68.29%, 78.54%, 77.88% and 70.38% of our revenue from operations, respectively.

- **Digital and technology solutions:** We believe that our digital and technology solutions enable businesses to experience digital transformation and enhance operational efficiency. We focus on offering customised solutions across product engineering, cloud and cyber security, data analytics and artificial intelligence ("**AI**") and enterprise SaaS services. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our digital and technology solutions accounted for 0.11%, 1.01%, 0.69% and 5.07% of our revenue from operations, respectively.

- **Global services business:** Our global services business comprises three main service offerings, namely (a) fibre deployment, (b) system integration, and (c) managed services. Our system integrations services include network services, data centre services, cloud services and security services. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our global services business accounted for 33.92%, 21.82%, 22.97% and 26.12% of our revenue from operations, respectively.

We offer our products and service offerings mainly to our customers in four key categories, namely telecommunications companies, large enterprises/defense, citizen networks and cloud companies. Our customers are located in key markets such as Europe, North America and India and as of December 31, 2023, we have served customers located in more than 75 countries. In the nine months ended December 31, 2023, our revenue from America, Europe, Middle East and Africa ("**EMEA**"), India and rest of the world accounted for 23.74%, 39.01%, 35.47% and 1.78% of our revenue from operations, respectively.

We manufacture our products in the optical networking business primarily through 10 manufacturing facilities, which are located in India, Italy, Brazil, the United States and China. We believe that our manufacturing facilities are strategically positioned at locations which are closer to our customers to mitigate supply chain risks. Our fully backward integrated manufacturing operations, through the production of glass preform from pure silicon, optical fibres from glass preform, optical fibre cables from optical fibres, and the manufacturing of optical connectivity and specialty cables, enables us to achieve operational efficiencies and economies of scale to maintain our costs while ensuring quality control. As of December 31, 2023, our manufacturing facilities have a combined installed capacity of 51.66 million fibre kilometer ("**fkm**") per year for optical fibre production and 43.09 million fkm per year for optical fibre cables production.

We have developed an extensive global distribution network through our order fulfilment centers located in our downstream manufacturing facilities and distribution centers. Our finished goods manufactured in our optical fibre cable manufacturing facilities located in India, Italy, Brazil and United States are transported either directly to our customers, or to our other distribution centers in the United Kingdom, United States, France and UAE.

In relation to our global services business, we offer our customers three main service offerings, namely (a) fibre deployment, (b) system integration and (c) managed services. Our systems integration services include network services, data centre services, cloud services and security services.

In addition to our optical networking business and global services business, we offer digital and technology solutions across product engineering, cloud and cybersecurity, data and analytics, enterprise Software-as-a- Service ("**SaaS**") services. Our cloud services include consulting, infrastructure modernization, application transformation, API empowerment, cloud security, and cloud FinOps, enabling enterprises leverage the power of the cloud for increased scalability and efficiency. In terms of cybersecurity, we offer solutions such as advanced threat management, identity and access management and cloud security to safeguard digital landscapes and ensure compliance and privacy. Additionally, we offer data analytics and AI solutions to help enterprises derive valuable insights from their data and make informed business decisions. We also provide enterprise SaaS solutions such as enterprise resource planning solutions, supply chain management solutions, customer relationship management solutions, human capital management solutions and contract lifecycle management solutions. Our product engineering services include product lifecycle management, digital experience design, product management, software engineering, embedded cybersecurity, automation AI, machine learning, and consulting services.

Over the years, we have received several leading awards and recognitions such as HSE Award at the Global Safety Summit in 2023, 'Excellence in Use of Technology' winner at the 8th Annual ISM – India Conference and CPO Awards 2023, 'Excellence in Risk Mitigation' winner at the 8th Annual ISM – India Conference and CPO Awards 2023, Gold at the prestigious League of American Communications Professionals (LACP) Spotlight Award in 2023, Economic Times Datacon Award in 2023, the Gold Award 2022 at the 4th ICC Occupational Health and Safety Awards by Indian Chamber of Commerce in 2022, Tata Innovista Award for our product "Stellar Fibre" in 2022, Cabling Innovators Award for our products "*Optotec Compact Optical Ribbon Closure*" and "*Celesta Intelligently Bonded Ribbon Optical Fibre Cable*" in 2022, and the CII-ITC Sustainability Awards for Excellence in sustainable business in 2020.

The following tables set forth certain financial information for the years/ periods indicated:

Particulars	**For the year ended March 31,**			**For the nine months ended December 31,**	
	2021	**2022**	**2023**	**2022**	**2023**
Revenue from operations (₹ crores)	4,825	5,437	6,925	5,054	4,338
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ crores) **(A)**	844	723	931	652	559
EBITDA margin (%)[(1)]	17.49%	13.30%	13.44%	12.90%	12.89%
Depreciation and amortization expense **(B)**	285	308	309	231	250
EBIT (₹ crores) **(C) = (A) – (B)**	559	415	622	421	309
Finance costs (₹ crores) **(D)**	203	238	311	222	281

Profit before exceptional items and tax (₹ crores) **(E)**	380	182	315	202	32
Exceptional Items (₹ crores) **(F)**	-	16	-	-	-
Share of net profit of associates and joint ventures (₹ crores) **(G)**	15	5	4	3	4
Profit before tax (before share of net profit of associates and joint venture) (₹ crores) **(H) = (E) + (F) – (G)**	365	193	311	199	28
Total tax expenses (₹ crores)	111	52	84	50	14
Profit from continuing operations (₹ crores) **(I)**	269	147	231	152	18
Profit/ (loss) for the year/period attributable to non-controlling interests **(J)**	(10)	(15)	(14)	(11)	(6)
Adjusted Net Profit (after share of associates and joint venture and non-controlling interest) (₹ crores) **(K) = (I) – (J)**	279	162	245	163	24
Profit /(loss) from discontinued operations (₹ crores) **(L)**	(4)	(102)	(104)	(89)	6
Profit/ (loss) for the year/ period attributable to owners of the parent (₹ crores) **(M) = (K) + (L)**	275	60	141	74	30
Net Profit Margin (%)[2]	5.78%	2.98%	3.54%	3.23%	0.55%
Profit for the year/ period (₹ crores) **(N)**	265	45	127	63	24
Interest Coverage Ratio (in times) **(O) = ((M) + (B) + (D)) /(D)** [3]	3.76	2.55	2.45	2.37	2.00

(1) EBITDA margin is calculated as EBITDA divided by revenue from operations.

(2) Net Profit Margin is calculated as adjusted net profit (after share of associates and joint venture and non-controlling interest) divided by revenue from operations.

(3) Interest coverage ratio is calculated as profit for the year/ period attributable to owners of the parent plus depreciation and amortization and finance costs divided by finance costs.

Particulars	**For the year ended March 31,**		
	2021	**2022**	**2023**
Total Equity (₹ crores) **(A)**	2,085	2,047	2,095
Net Debt (₹ crores)[1] **(B)**	2,431	2,791	3,128
Total of the total equity and net debt (₹ crores) **(C) = (A) + (B)**	4,516	4,838	5,223
Fixed Assets (₹ crores)[2] **(D)**	2,677	3,016	2,977
Goodwill (₹ crores) **(E)**	292	270	225
Net working capital (₹ crores)[3] **(F)**	1,197	1,551	2,023

[1] *Net debt is calculated as cash and cash equivalents plus current investments, current borrowings (including interest accrued but not due) and non-current borrowings.*

[2] *Fixed assets is calculated as total of property, plant and equipment, capital work-in-progress, intangible assets, capital advances and investments – non-current less payables for purchase of property, plant and equipment – current, payables for purchase of property, plant and equipment – non-current and right of use asset.*

[3]*Net working capital is net current assets less net current liabilities. Net current assets is calculated as total of trade receivables, contract assets, inventories, deferred tax assets (net), loans – non-current, other non-current financial assets, other non-current assets, loans – current, other current financial assets, other current assets, asset classified as held for sale, deposits with original maturity of more than 12 months and unpaid dividend account less capital advances and asset classified as held for sale – cash and cash equivalents. Net current liabilities is calculated as total of lease liabilities (non-current), other non-current financial liabilities, employee benefit obligations non-current, provisions non-current, other non-current liabilities, deferred tax liabilities (net), lease liabilities - current, trade payables, other financial liabilities (current), contract liabilities, other current liabilities, employee benefit obligations – current, provisions – current, current tax liabilities (net) and liabilities directly associated with assets classified as held for sale less payables for purchase of property, plant and equipment – non-current, payables for purchase of property, plant and equipment – current, right of use of assets, liabilities associated with assets classified as held for sale – borrowings and interest accrued but not due on borrowings.*

For reconciliation of EBITDA Margin, Net Debt, Fixed Assets and Net Working Capital, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Results of Operations –Non GAAP Measures*" on page 107.

In addition, we believe we have secured a strong order book to support our future growth. As of December 31, 2023, our order book was ₹ 9,849 crores and 46.85%, 20.52%, 25.26% and 7.37% of our order book was from our optical networking business, global services business (i.e., from the supply and/ or installation of our products and/ or services), global services business (i.e., in connection with the operation and maintenance of the networks which we installed) and digital and technology solutions, respectively, and out of which, 55.00%, 23.89%, 21.10% of our order book was from our telecommunications companies, large enterprises and citizen networks customers, respectively.

Our Strengths

Our fully backward integrated optical networking business model provides us with control over the value chain of production and enables us to offer our customers comprehensive end-to-end solutions.

The majority of our segment revenue is derived from our optical networking business, which accounted for 68.29%, 78.54% and 70.38% of our revenue from operations in Fiscal 2022 and 2023 and the nine months ended December 31, 2023, respectively. According to CRU, we were ranked 8th and 9th globally in terms of installed preform and draw capacity in 2023, which positioned us as one of the global market leaders in the optical cable market in 2023. In Europe, our manufacturing facility in Italy was ranked as the second largest in terms of our share in total production in 2023. (*Source: CRU*) Furthermore, it is expected that we would cement our position as a major player in the optical cable market in 2024 in the United States on account of the establishment of our new optical cable plant in South Carolina in September 2023. (*Source: CRU*)

Our fully backward integrated manufacturing operations, through the production of glass preform from pure silicon, optical fibres from glass preform, optical fibre cables from optical fibres, and the manufacture of optical connectivity and specialty cables, enables us to achieve operational efficiencies and economies of scale to maintain our costs while ensuring quality control. Through our fully backward integrated manufacturing capabilities, we are able to manufacture products across the value chain such as optical fibre which is the key raw material in the production of optical fibre, thereby enabling us to maintain a degree of supply chain security and better cost efficiencies. As our products and certain raw materials such as optical fibre, which is the key raw material used to manufacture optical fibre cables, are manufactured in-house by us, we are able to maintain a consistent standard of quality across our product offerings. We have implemented various quality control measures to enable us to meet the quality standards for our products which are imported into or exported to different markets. For instance, some of our manufacturing facilities have been awarded the ISO 9001:2015 (quality management systems) and/or TL 9000:2016 (telecommunications sector-specific extension to ISO 9001:2015). In addition, our optical fibre and optical fibre cable such as "Intelligently Bonded Ribbon Lite Optical Fibre Cable", "G.652.D/G.657.A1 OH-LITE NOVA 250 Micron Coated Optical Fibers with DSM coating", "Hardened Fiber Optic Connectors (OPTO-BOLT) and Hardened Fiber Optic Adapters", "864-Fiber Ribbon MLT Duct Lite Gel Free Optical Fiber Cable", "Stellar 250 Fiber ITU-T G.657.A2 250 Micron Coated Optical Fibers with DSM Coating" and "864-Fiber Ribbon MLT Duct Lite Gel Free Optical Fiber Cable", have awarded the Telcordia certification, which is a testament to our stringent quality standards. Additionally, as we have control over the entire manufacturing cycle through our fully backward integration capabilities, we are able to adopt a design-to-cost approach to achieve cost efficiencies. We also monitor our cost efficiencies by running operational and cost assessments on the entire manufacturing process periodically through certain key performance indicators including First Time Right ("**FTR**"), Overall Equipment Effectiveness ("**OEE**") rates and utilization rates of assets.

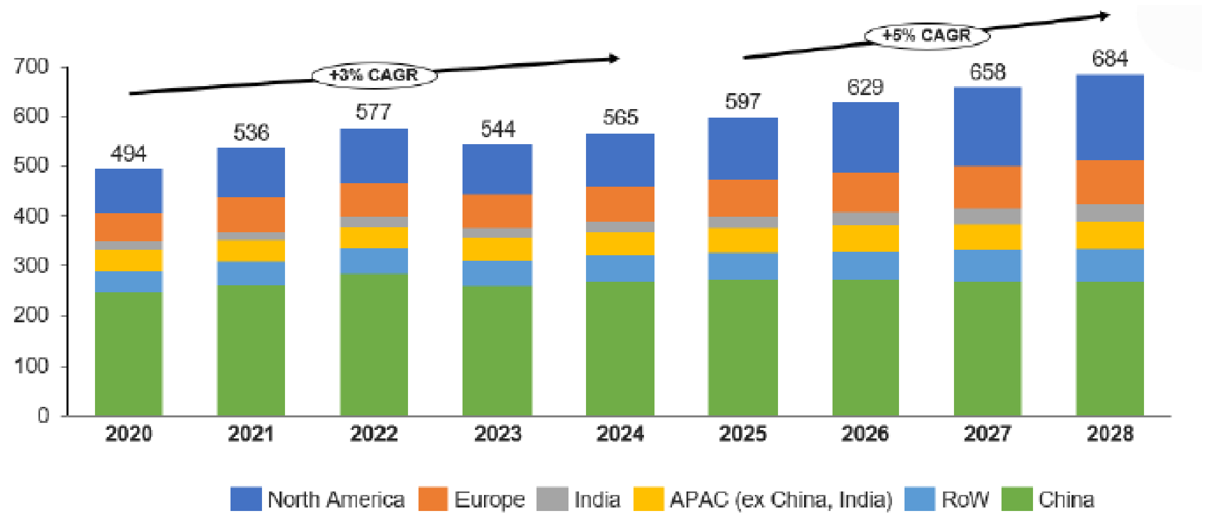
Strategically positioned manufacturing facilities

We conduct our optical fibre, optical fibre cable and optical connectivity manufacturing operations through 10 manufacturing facilities located in India, Italy, Brazil, the United States and China, which are either owned by us or held through a joint venture arrangement. Our optical fibre, optical fibre cable and optical connectivity manufacturing facilities are strategically positioned to mitigate supply chain risks. We strategically adopt a hub and spoke model for our manufacturing activities. The manufacture of our optical fibres is carried out by our manufacturing facilities in Shendra and Waluj in Aurangabad in India and our manufacturing facility in China which we believe generally have lower manufacturing and labor costs as compared to our other manufacturing facilities in Brazil, Italy and the United States. Such bare optical fibres are then transported to our downstream 'spokes' optical fibre cable manufacturing facilities, which serves as the primary raw material used to manufacture our optical fibre cables and specialty cables. We strategically position our downstream 'spokes' manufacturing facilities at a mix of low cost locations in Aurangabad (Waluj) in India and Silvassa (Rakholi and Dadra) in India and China to lower our costs, as well as in Brazil, Italy and the United States, to be closer to where our North America and Europe customers are located. In 2013, we expanded our manufacturing presence and set up Sterlite Conduspar Industrial Ltda in Brazil through a joint venture with Conduspar Condutores Eletricos Limitada, of which we have a 50% effective shareholding, enabling us to manufacture optical fibre cables and specialty cables in South America to reduce the delivery times for our customers located near the region. In addition, in 2018, we acquired Metallurgica Bresciana S.p.A., a European specialized optical cable manufacturer based in Italy with a global presence that designs and manufactures special precision optical fibre cables and specialized copper cables for various communication applications and Optotec S.p.A in 2020, also a company based in Italy which is involved in the manufacturing of optical connectivity products. Further, in 2023, we expanded our 'spokes' manufacturing presence through our new optical fibre cable facilities in South Carolina, United States to produce high-end ribbonised cables that are essential for high-capacity deployment in North America.

We believe our hub and spoke model enables us to lower our upstream manufacturing costs by producing optic fibres at our 'hub' manufacturing facilities in India. In addition, through our downstream 'spoke' manufacturing facilities, which are located both in low cost countries and locations which are closer to our customers, we are also able to shorten our delivery lead times, lower our shipping costs and create a more efficient supply chain.

As a market leader in the optical cable business, we are well-positioned to take advantage of the favorable industry growth dynamics.

According to CRU, the total optical fibre cable demand of regions including North America, Europe, India, APAX (excluding China and India), China and rest of the world, is expected to grow at a CAGR of 5% from 597 million fkm in 2025 to 684 million fkm in 2028. The below graph set forth details of the optical fibre cable demand by region in million fkm:

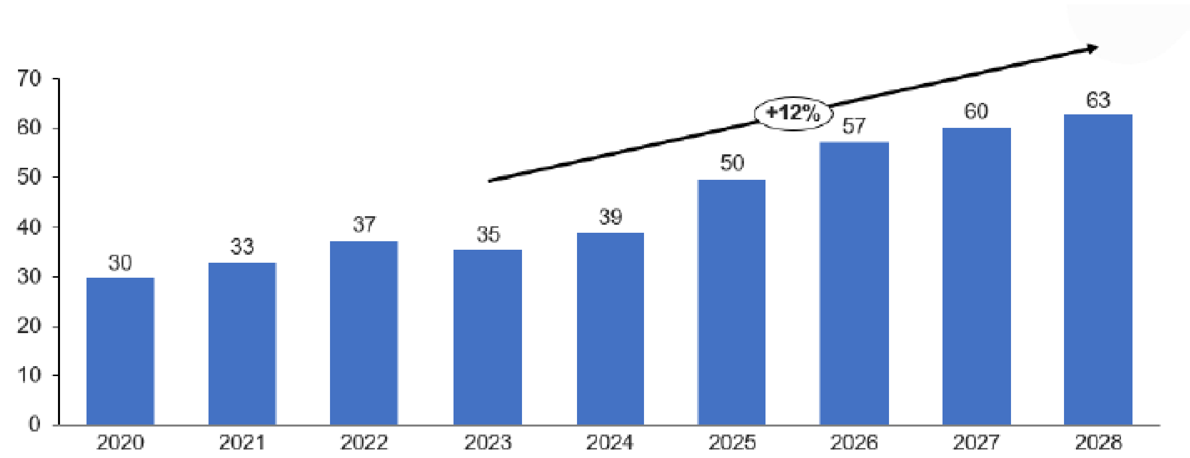


(*Source: CRU Telecom Cables Market Outlook, November 2023*)

We believe that FTTx, 5G, and data centers are the three primary factors that would drive cable demand, with their investment cycles aligned and occurring simultaneously.

- *FTTx*: Certain countries, including our focus markets India and North America, have rolled out FTTH/FTTx programs. For example, in India, in 2023, the government approved an outlay of ₹ 1.39 trillion for BharatNet, the government's project for last-mile connectivity across 6.4 lakhs villages in the country. (*Source: CRISIL Report*) This outlay is significantly bigger than phase 1 and 2 combined fund of ₹ 420.68 billion. (*Source: CRISIL Report*) Further, in February 2024, BSNL brought forth a ₹ 650 billion tender for the BharatNet phase-III. This along with increasing CAPEX of private Indian telecommunication companies towards FTTx and fibreisation of towers will support demand growth of 12.9% year-on-year in 2024. (*Source: CRU*) We believe we are well-positioned to benefit from the anticipated increase in demand for FTTx related optical cables in India.

  According to CRU, in the United States, the cable demand from the Broadband Equity, Access, and Deployment ("**BEAD**") funding is set to come in 2025. The USD 42.5 billion BEAD program is aimed at the last-mile FTTH deployment to unserved and underserved locations in the United States is planned to be allocated to states by federal government. To receive a share of the fund, each state needs to submit their proposals. Among the top 15 states, only two of them, Louisiana and Virgina are at the last stage of this funding approval process. Both states have projected to receive their first tranche of the funding which will constitute 20% of their total funding allocation in early 2024. Louisiana is predicted to be the first funding receive in the first quarter of 2024. The below graph set forth details of the optical fibre cable demand from FTTx in North America:



(*Source: CRU Telecom Cables Market Outlook, November 2023*)

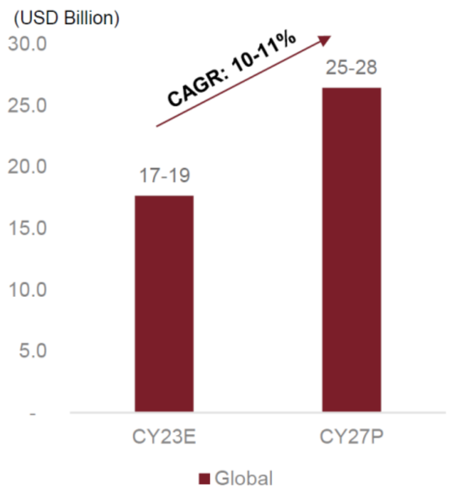
One of the end uses of fibre cable is FTTx/ FTTH and we believe that aforesaid growth in FTTx/ FTTH presents us with an opportunity to increase our market share in the North America including the United States and India.

- *Growth in 5G subscriptions*: According to the CRISIL Report, the global mobile 5G subscription was estimated at 1,570 million in 2023 and is expected to grow by 23% till 2029 reaching 5,330 million. Further, the 5G subscription in India was estimated at 50 million in Fiscal 2023 and is expected to reach 240-250 million by Fiscal 2025. Further, in India, to achieve fiberisation targets, telecom operators are expected to shell out ₹ 1,250 billion in Fiscal 2024 and

Fiscal 2025 to achieve the remaining target by Fiscal 2025 and spend on incremental BTS for 5G deployment. We believe this presents us with opportunities to increase our market share in our optical networking business since 5G network deployments will result in tower fiberization which will lead to an increase in cable demand.

- *Growth in data centres*: According to the CRISIL Report, the demand for data centres across the globe is driven by the emergence of artificial intelligence and machine learning and the growing digital economy's demands for data-intensive applications, IoT applications, online streaming, gaming and remote work. Globally and in India, the industry is expected to clock 10% to 11% CAGR in capital expenditure between 2024 and 2027 towards the MEP components which includes power set-up, cooling units, fibre connectivity, racks, etc.

Projected data centre construction - MEP capex (including fibre optic connectivity)



Note:
The above figure includes only the capex towards new data centre construction.
MEP: Power set-up, cooling units, fibre connectivity, racks etc.
CY: Calendar Year; FY: Fiscal Year; E – Estimated; P – Projected
Source: CRISIL Report

Further, according to the CRISIL Report, in India, the installed capacity of data centres is expected to more than double from 780 MW as of March 2023 to reach approximately 1,700 MW by March 2026 and 2,450-2,550 MW by Fiscal 2028. Further, as per the CRISIL Report, this would require investment of exceeding ₹ 450 billion over the three fiscals through 2026 as growing demand for data and storage piques the interest of a diverse set of companies. We believe this will increase the demand for our optical cables and optical connectivity products, thereby enabling us to increase our market share in our optical networking business.

Further, as per CRISIL Report, as a result of the anti-dumping measures on optical fibre from China to protect a substantial EU industry, the optical fibre export from China to European Union experienced a 56% decline, dropping from USD 63.7 million in April 2023 to USD 28.05 million by September 2023. Furthermore, as a result of India's anti-dumping duty on optical fibre imports from China, during the fiscal year 2024, the export of optical fibre from China to India experienced a significant 81% decrease from April 2023 to September 2023, reaching USD 2.31 million.

In light of the above, through our extensive experience and our strong market position, we believe we are well-positioned to capture the growth opportunities in the rising global optical cable demand, data centers and 5G applications.

Diversified customer base, supported by long-standing relationships with our key customers.

We offer our integrated digital network solutions primarily to customers in four key categories, namely telecommunications companies, large enterprises/defense, citizen networks and cloud companies, which comprised 90.84%, 3.75%, 5.40% and 0.01% of our revenue from operations, respectively, in Fiscal 2023. Our customers include multinational enterprise customers across a wide range of verticals, including major mobile and fibre operators, multinational enterprises and telecommunication providers located in various key markets globally such as Europe, North America and India. Further, over the years, we have developed long-standing relationships with our customers. We have established key relationships in the US market, allowing us to meet the growing fibre demand of US customers. Additionally, we enabled fibre connectivity in the United Kingdom by collaborating with telecom operators and network creators. Moreover, we also supported Italy's broadband plans by establishing partnerships with telecom companies and key distributors. As of December 31, 2023, we have maintained long-standing relationships exceeding eight years with two large telecommunication operators in India, a large telecom operator in the United Kingdom and a global UK-based multinational company providing converged, broadband and tele services. In addition, our relationship with a US-based fibre cable distributor, a large telecom operator in Italy and a large telecom operator in France range from two to six years.

We believe that one of our competitive advantages is our ability to deliver a value proposition to our customers by seeking to lower our customers' total cost of ownership. This is done in two ways. Firstly, through our fully backward integrated manufacturing operations which we believe presents cost-saving benefits and mitigates supply chain risks. Secondly, we seek to value-add by leveraging on our industry knowledge and R&D and technological expertise, to offer our customers bespoke solutions to achieve their specific targets. Through our solutions-based approach, we focus on co-creation and co-innovation with our customers to build an account-based organization with skilled personnel focusing on customer engagement. We focus on strengthening our customer relationships by offering them customized solutions, through closely collaborating with such customers to develop bespoke solutions that are ready to 'plug and play', thereby reducing installation time, cost and labour. We believe that creation of bespoke solutions to suit our customers' unique business needs, creates high barriers to entry since competitors would not have the same technological expertise or proprietary knowledge, thereby enabling us to strengthen our relationship with our key customer.

As a testament to our success, we have secured multi-million dollar engagements with customers across the globe. For example, in Fiscal 2023 and 2024, we received orders for optical fibre cable from a US-based fibre internet provider, a telecom and mass media company based in the United States, a telecommunication company based in Dallas, Texas in the United States and for specialty cable from an Italian railway's technological system developer. As of December 31, 2023, our order book was ₹ 9,849 crores and 46.85%, 20.52%, 25.26% and 7.37% of our order book was from our optical networking business, global services business (i.e., from the supply and/ or installation of our products and/ or services), global services business (i.e., in connection with the operation and maintenance of the networks which we installed) and digital and technology solutions, respectively, and out of which, 55.00%, 23.89%, 21.10% of our order book was from our telecommunications companies, large enterprises and citizen networks customers, respectively.

We believe our deeply entrenched relationships with our key customers provides us with the stability and ability to pursue strategic initiatives specifically tailored to the needs of our customers, thereby strengthening our business in the medium to longer term.

Extensive experience and expertise in the execution of large-scale and complex turnkey projects.

Over the years, we have developed extensive technical expertise and gained significant project management experience in the execution of various large-scale network related turnkey projects, where we are responsible for all stages from planning to engineering to construction. In the past, we have undertaken six large system integration projects with a revenue exceeding ₹ 1,000 crores. As a testament to our success, we have executed several complex notable projects, including India's defense network modernization project, which was an end-to-end project to build a large-scale next generation digital network. We were also involved in the Indian government's BharatNet initiative in Maharashtra to lay a statewide network connecting all major administrative units. This project involved the laying of involved the laying of optical connectivity cables across specific locations including adverse terrains, dense forest areas and arid conditions, which is a testament to our innovative technological expertise. Apart from complex public and private projects in India, we have also undertaken large-scale projects outside of India. For example, the deployment of FTTx for gigabit-broadband connection for certain cities in the United Kingdom.

We believe our success in undertaking large-scale and complex projects both in the public and private sectors in India and elsewhere has increased our ability to design, build and manage such large-scale projects for different customers. This will in turn strengthen our credibility and enable us to attract new customers and other large-scale projects. We believe our extensive experience and expertise in undertaking large-scale and complex projects is our competitive strength and sets a high barrier to entry for new entrants, thereby positioning us as a go-to partner for network integration services across various customer segments.

Ability to offer differentiated and innovative solutions through our strong R&D capabilities.

We believe R&D is fundamental in anticipating industry needs and we seek to become the trailblazer in developing innovative solutions for our customers' needs. We believe that we have a strong track record of innovation and product development underpinned by a dedicated R&D team. As of December 31, 2023, we held 217 patents and we have also submitted 464 patent applications which are currently pending. Our optical networking business accounted for 196 granted patents as of December 31, 2023, which protects our proprietary technology and product offerings to strengthen our competitiveness in various markets. We aim to anticipate the needs of our customers and the industry, to develop differentiated solutions in order to attract new customers and capture new demand from our existing customer base. In Fiscal 2023, our research and development expenses were ₹ 41 crores.

As of December 31, 2023, our R&D team has more than 112 qualified engineers, leading to a diverse team from varying backgrounds. To support our R&D team, we have three innovation centers, including a center of excellence for glass preform, optical fibre and specialty cables, which is equipped with advanced equipment for research. We also have an application engineering laboratory with an in-house deployment test track that can simulate various field conditions to enable us to deploy our fibre cables effectively in difficult conditions.

In the field of telecommunications, numerous challenges arise due to factors such as signal attenuation, the sensitivity of signal leakage to bending, ensuring compatibility with both legacy and future technology, managing complex connectivity requirements, reducing the total cost of ownership, and optimizing limited duct space. To address these challenges, through our extensive R&D efforts, we have developed optical fibre and optical fibre cable products, including (i) our 'Stellar' optical fibre, which is a bend-insensitive fibre with backward compatibility with legacy networks, (ii) our 'Celesta' optical fibre cable which is an intermittent bonded ribbon with multiple use cases, including for data center interconnectivity, defense, metro networks and long distance deployment, (iii) our "Multiverse" optical fibre by leveraging space division multiplexing technology to achieve 4X transmission capacity per fibre, (iv) 160 micron fibre which offers greater capacity within limited duct space, with a reduced diameter cable, resulting in improved deployment and increased bandwidth capacity, and (v) eco labelled certified optical products.

Our strong R&D capabilities have enabled us to continue to adapt to changes in the industry and ensure that we are able to continue to develop holistic solutions to our customers to stay competitive.

Experienced leadership teams spearheading each of our three business units, supported and guided by a strong and committed management team with a strong track record of success.

We believe corporate governance rigor and setting a clear chain of command across our three business units is key to the success of our organization as a whole. In 2021, we strengthened our leadership panel by appointing a CEO to oversee the day-to-day operations and strategy of each of our business units.

Our Managing Director and Whole Time Director, Ankit Agarwal, who is supported by our executive leadership team, including our Group Chief Financial Officer, Chief Corporate Officer, Chief Human Resource Officer, Group Chief Technology Officer and Chief Marketing Officer, oversees the overall business and operations of the Company and ensures there is synergy between the different business units. Our executive leadership team comprise qualified individuals who have extensive experience in their respective fields. For further details, see "*Board of Directors and Senior Management – Key Managerial Personnel and Senior Management*" Our Managing Director and Whole Time Director, Ankit Agarwal is responsible for setting the roadmap for the strategic growth of our Company. He has played a crucial role in expanding our global presence and developing our products and solutions offerings, as well as leading disruptive growth strategies through acquisitions and greenfield projects. He was recognized as the Economic Times "40 Under Forty: India Inc's Top Young Leaders 2021". We believe that the industry knowledge and leadership of our executive leadership team, combined with their extensive experience, provide us with a competitive advantage and is instrumental in enabling us to attract high-quality talent, drive implementation of our strategy and achieve our long-term objective of delivering sustainable growth across our businesses.

The governance of our Company is also overseen by our Board of Directors, who are committed to implementing best practices of corporate governance and achieving a high level of transparency, with a focus on investors' best interests and maximizing shareholder value. For further details, see "*Board of Directors and Senior Management*".

Our Strategies

Continue to scale our optical fibre cable business to capture the growth potential of the optical fibre cable market and enhance our leadership in the industry.

According to CRU, we were recognized as one of the global leaders in the optical cable market in 2023 and we intend to strengthen our market position by increasing our market share in the optical fibre cable business across all our focus markets. We were also ranked as the 9th largest cable producer in the world in 2023, accounting for 5.2% of the total global cable production. (*Source: CRU*) Additionally, we were ranked 8th and 9th globally in terms of installed preform and draw capacity in 2023, respectively. (*Source: CRU*) In Europe, our manufacturing facility in Italy was ranked as the second largest in terms of our share in total production in 2023. (*Source: CRU*) Furthermore, it is expected that we would cement our position as a major player in the optical cable market in 2024 in the United States on account of the establishment of our new optical cable plant in South Carolina in September 2023. (*Source: CRU*)

We intend to continue to focus on expanding our market share in the global optical fibre cable market, particularly in India, North America and Europe, which we have identified as focus markets. To establish our presence in our focus markets, we intend to continue with our fibre capacity augmentation programs, including through investments. We intend to continue with our strategy to position ourselves closer to our focus markets to enable us to capture the growth potential in these markets. We also intend to seek to increase our market share by continuing to foster deep customer engagement with our key customer accounts and cross-selling the additional products in our comprehensive end-to-end products portfolio to such existing customers. As part of fostering deep customer engagement, we intend to continue to partner with existing customers on R&D efforts to develop new products and revenue streams.

Increase the attach rate of our optical connectivity products and continue to expand our solutions-based products and services.

We intend to increase our optical connectivity attach rate (measured by our revenue generated from our optical connectivity business divided by our revenue generated from our optical fibre cable business) and which illustrates the rate at which optical connectivity products are sold as an attachment to optical cable sales products. Our optical connectivity business offers our customers complementary end-to-end solutions in the optical network business. Our optical connectivity products are specialized and customized solutions which we offer to our customers along with our fibre cables. We believe this presents a compelling and attractive value proposition to our customers during network deployment as it only requires a single window serviceability and simplified vendor interaction as well as ensures a greater fit between the optical fibre and optical connectivity products. This in turn reduces the time taken to deploy such network cables, requires less specialized and trained manpower to deploy such network cables and is more efficient on a total cost of ownership basis.

We intend to leverage on our existing customer relationships in Europe and North America. We aim to focus on customer acquisition to gain traction with our existing key accounts such as telecommunications companies, and as well as focus on building our optical connectivity portfolio for hyperscalers and data centers, to gain new customers. To complement the growth in our optical fibre cable business, we intend to increase our optical connectivity attach rate. In Fiscal 2022 and 2023 and the nine months ended December 31, 2022 and 2023, our optical connectivity attach rate was 11.22%, 10.05%, 9.51% and 11.75%, respectively. We seek to continue to offer our optical connectivity products by increasing the scale and product offerings.

In addition to our in-house R&D development initiatives, we may also seek to strengthen our optical network solutions by augmenting capabilities through inorganic initiatives, to expand our product offerings and access to new customers across the globe. We seek to proactively identify opportunities that complement our existing strengths and expand our portfolio of optical network capabilities. We may also seek to explore inorganic strategies which allow us to fast-track our technological development and customer base, including partnerships with international players. Our key criteria in pursuing and selecting such potential targets include their geographic location and customer base, their manufacturing facility capacity and location, the complementarity of their portfolio and value proposition, areas with high growth potential, their ability to defend their technology and know-how and whether they are a leader in their sustainability efforts. For example, in 2020, we acquired Optotec S.p.A in Italy, which is involved in the design, manufacture and marketing of a comprehensive a range of fibre optic products and solutions for telecommunications and FTTH networks and specialized end-to-end central office to customer premises. Through this acquisition, we were able to increase our optical connectivity capabilities, supported by a strong design team to further strengthen our position in Europe. We may seek to replicate a similar acquisition strategy with other industry players which we may identify in the future, to expand our product offerings, capabilities and customer base. We may also consider opportunistic bolt-on acquisitions of smaller players to expand our domain expertise in optical connectivity, as well as to complement our geographical expansion plans, particularly in our focus markets.

Continue to adopt a prudent capital management policy.

For the past three Fiscals, we have focused our investments and capital expenditure on establishing and expanding each of our business units. Further, we have historically financed our liquidity requirements primarily through a mix of cash from our operating activities and long-term debt. As a result of our investments, both organically through capital expenditure and inorganically through strategic acquisitions, we have increased our cable manufacturing capacity from 28.39 million fkm as of March 31, 2021 to 43.09 million fkm as of December 31, 2023. We have made a series of strategic investments and acquisitions over the years, including the acquisition of Metallurgica Bresciana S.p.A. in 2018, Optotec S.p.A in Italy in 2020, and Clearcomm Group Ltd in 2021. In addition to such strategic investments to improve our manufacturing capacity, provide access to Tier-1 customers and strengthen our capabilities, we have also over the last three Fiscals sought to streamline our business and improve our balance sheet by identifying and disposing of non-core, non-performing assets so that we are able to better focus on our key growth engines. For instance, we demerged our power business in Fiscal 2017 with effect from April 1, 2015 and in Fiscal 2023, we divested our entire stake in Impact Data Solutions Limited, UK which was operating in certain niche areas of the data-centre market, primarily inside-data-centre connectivity and containment solutions, discontinued our wireless business and divested our telecom software business as well. Such divestments of non-core assets will not only enable us to direct our attention and resources towards our core businesses in our focus markets, but will also enable us to realize cash flows from the sale of such assets to maintain an optimal balance sheet to support our future business plans. We intend to continue to look for ways to optimize and strengthen our balance sheet, which may include strategic investments and divestments of non-performing assets.

We will also seek to improve our other financial metrics including our net profit margin and EBITDA margin. In Fiscal 2021, 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our net profit margin (calculated as net profit (after share of associates and joint venture and non-controlling interest) divided by revenue from operations) was 5.78%, 2.98%, 3.54%, 3.23% and 0.55%, respectively and our EBITDA margin was 17.49%, 13.30%, 13.44%, 12.90% and 12.89%. We intend to improve the profitability of our business through several margin expansion drivers. For instance, in view of rising raw materials and logistics costs, we intend to implement additional cost-saving initiatives at our manufacturing facilities. These measures include (a) seeking to reduce raw materials costs by sourcing for alternative substitute materials and vendors and (b) optimizing our manufacturing processes to reduce the consumption of raw materials and conversion costs such as helium recycling, reducing the use of draw furnace and consumption of raw material such as silicon, tetrachloride and oxygen. Additionally, we may consider increasing the prices of our optical fibre cables to pass on any increases in raw materials and logistics costs and improve our profit margins.

We also seek to reduce our finance costs by reducing our leverage. We intend to achieve this by applying an estimated amount of ₹ 800 crores from the net proceeds of the Issue towards repayment/prepayment of our debt facilities. This will help to reduce our outstanding indebtedness, assist us in maintaining a favorable debt-equity ratio and enable us to utilize additional funds from our cash from operations towards investments in our business growth and expansion. In addition, we believe that since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds / capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Expand our digital and technology solution business

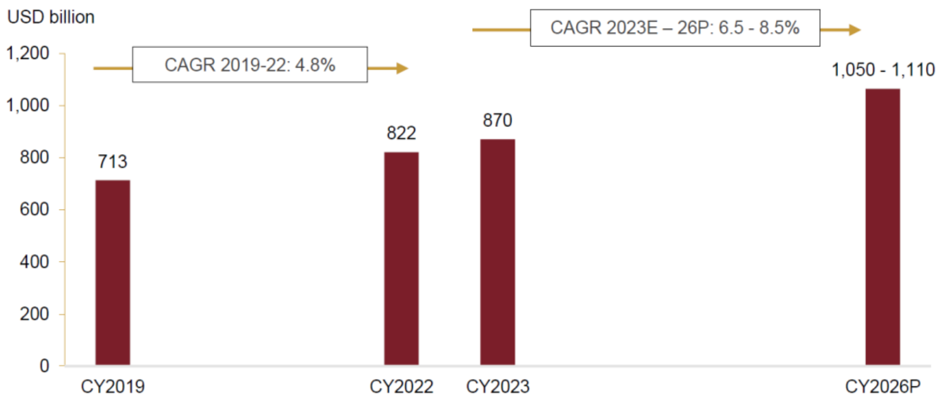
We provide a comprehensive range of IT solutions and services to enterprises, enabling them to undergo seamless digital transformation. Our offerings cover solutions across cloud and cybersecurity, data analytics and artificial intelligence, enterprise SaaS services, and product engineering. In Fiscal 2023 and in the nine months ended December 31, 2023, our segment revenue from digital and technology solution business was ₹ 70 crores and ₹ 220 crores, respectively. Further, as of December 31, 2023, our order book from digital and technology solutions business was ₹ 726 crores.

As of December 31, 2023, we served 25 customers across multiple sectors, including technology, life sciences and healthcare, energy, resources and utilities and manufacturing. Further, by partnering with software vendor partners and leveraging their platforms, we deliver customized solutions to meet our customers' specific needs. As of December 31, 2023, we have a core technology leadership team of more than 45 members. Our core technology leadership team has a collective experience of over 200 years and 22% of the team are women. Further, As of December 31, 2023, we had 931 IT professionals with experience in various industry verticals which enable us to deliver business outcomes for our customers. Our delivery centres are located in Bangalore and Ahmedabad in India and in the United States and United Kingdom. Further, our IT professionals who are responsible for technology and engineering are certified in cloud, data, SaaS and cyber security and are supported by our team of delivery, quality assurance and compliance.

We intend to focus on increasing our existing customer base by attracting new customers across different industries and sustaining customer's annual revenue contributions in subsequent years after acquiring such customers. In addition, going forward, we intend to increase our portfolio in specific industries such as technology, life sciences and healthcare, energy, resources and utilities and manufacturing. Further, we work with global software companies and aim to strengthen our existing alliances by achieving higher-level of certifications and establishing new alliances.

As per the CRISIL Report, the global IT professional service was estimated at USD 870 billion in 2023 and is expected to grow at a CAGR of 6.5% to 8.5% between 2023 to 2026 to reach USD 1,050 to USD 1,110 billion by 2026, driven by factors such as (i) growing use of edge computing and quantum computing, (ii) increasing focus on digital services across sectors, (iii) increasing adoption of IT emerging economies, and (iv) increasing focus on sustainability.

Global IT professional services industry

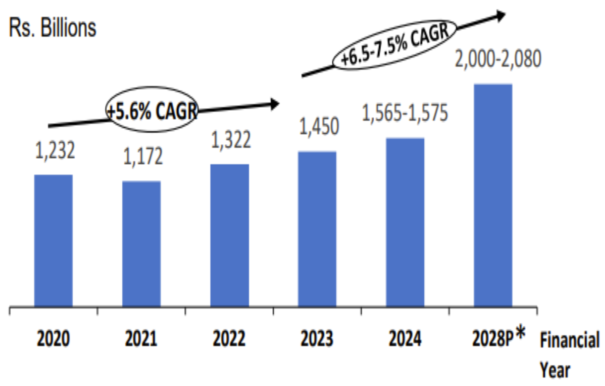


Note: The above values include revenues from project-oriented services, ITO services, IT support and training services, and enterprise cloud computing services segments; Source: Grand View Research, CRISIL MI&A
Source: CRISIL Report

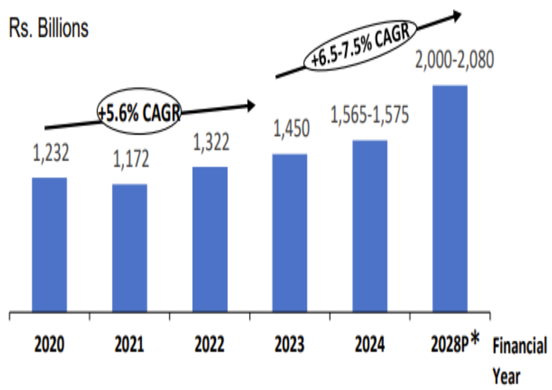
As per the CRISIL Report, the Indian IT services exports industry was estimated at USD 111 billion in Fiscal 2023 and is expected to grow at a CAGR of 6% to 7% between Fiscal 2023 to Fiscal 2028 to reach USD 150 to USD 155 billion by Fiscal 2028, led by cloud services, robotic process automation and AI along with offer differentiation, which is expected to provide an opportunity for Indian IT players to collaborate with product-based companies. Additionally, global capability centers have found increased traction in India, with players setting up digital innovation hubs to experiment with newer technologies. This will further boost IT exports from India.

Also, as per the CRISIL Report, the India's IT services industry was estimated at ₹ 1,450 billion in Fiscal 2023 and is expected to grow at a CAGR of 6.5% to 7.5% to reach ₹ 2000 billion to ₹ 2,080 billion by Fiscal 2028 because of technology and platform upgrades and also the e-governance initiatives of the government. As per NASSCOM estimates, government spending has increased on digitalisation, IT infrastructure improvement and implementation of technology in industries, such as healthcare, manufacturing and agriculture as a part of the Digital India Initiative. Over the Fiscals 2020 to 2024 (budgetary estimates), capital allocation under the Digital India programme has increased by 10.5%.

Indian Export IT Services Industry



Indian IT Services Industry



As the IT industry continues to evolve, we believe we are well-positioned to capitalize on the growing demand for digital solutions with our wide range of IT services, partnerships with global technology companies and a team of experienced professionals.

Expand our global services business by focusing on high margin opportunities in India as well as expansion in the United Kingdom.

We intend to leverage on our expertise and experience in the global services business through a two-pronged approach by growing the scale of our business in our core India market, and at the same time focus on expanding the business in the United Kingdom. We aim to take advantage of the favorable industry dynamics in India and continue to focus on the public and private sectors. We intend to leverage on our strength in executing large scale projects and our previous experience in the BharatNet initiative in Maharashtra, to continue to tap onto robust public spending under the BharatNet initiative and focus on obtaining contracts in the public sector.

As per the CRISIL Report, the Indian optical fibre EPC industry was estimated to be approximately ₹ 73 billion as of Fiscal 2023 and is expected to grow to ₹ 135-140 billion by Fiscal 2028, at a CAGR of 13-14% over the period fiscal 2023-2028. Further, according to the CRISIL Report, below are the demand drivers in India:

- the fibre rollout has picked up pace to support the 5G targets of telecom companies. The telecom operators are also expected to deploy approximately 300,000 kms across the nation and spend ₹ 1,250 billion by Fiscal 2024 and 2025.

- in 2023, the government approved ₹ 1.39 trillion for BharatNet, a project aimed at providing last-mile connectivity across 6,40,000 villages in the country. In February 2024, BSNL brough forth a ₹ 650 billion tender for the BharatNet phase-III.

- capital allocation to Universal Service Obligation Fund ("**USOF**") and Department of Telecommunications ("**DoT**") is expected to drive growth. For Fiscal 2024, ₹ 975.8 billion was allocated to the telecommunication ministry, which is approximately 2% of the overall budget and up 19% year-on-year.

We intend to leverage on our deep presence and experience in India to tap onto the digital network build-outs in the private sector, by increasing the wallet share of our telecommunications company customers as they increase their capital expenditures to roll out more digital network infrastructure. We also intend to continue to develop our long standing relationships with our Tier-1 telecommunications customers and leverage on our experience and expertise to roll out large-scale inter and intra city fibre networks for them. We also seek to continue to engage with large enterprises to establish a strong key account relationship and support their network and security needs.

Through our organic expansion, we entered the United Kingdom systems integration market in 2021 where we were involved in the deployment of FTTx for gigabit-broadband connection for certain cities in the United Kingdom. To complement our organic growth, we acquired Clearcomm Group Ltd in 2021 to enhance our network deployment capabilities and provide us with increased on-the-ground presence and access to new customer relationships. We intend to focus on securing new projects and cash generation in the United Kingdom to generate customer order books and accelerate the execution of such projects particularly in the fibre deployment and managed services.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections titled "***Risk Factors***", "***Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 44, 76, 220, 208, 232, respectively.

Issuer	Sterlite Technologies Limited
Face Value	₹ 2 per Equity Share
Issue Price	₹ 113.05 per Equity Share (including a premium of ₹ 111.05 per Equity Share)
Floor Price	₹119.00 per Equity Share, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. The Company offered a discount of 5% on the Floor Price in accordance with the approval of our Board through resolution dated May 17, 2023 and the Shareholders through their resolution dated August 11, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of 8,84,56,435 Equity Shares, aggregating to ₹ 1,000 crores, at a premium of ₹ 111.05 each. A minimum of 10% of the Issue Size i.e., 88,45,644 Equity Shares, was available for Allocation to Mutual Funds only and 7,96,10,791 Equity Shares was available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board resolution authorizing the Issue	May 17, 2023
Date of shareholders' resolution authorizing the Issue	August 11, 2023
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to bid and participate in the Issue. For further details, see "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" on page 208, 221 and 227, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered was determined by our Company in consultation with the BRLMs.
Dividend	See "***Description of the Equity Shares***" and "***Dividends***" on pages 232 and 86, respectively.
Indian taxation	See "***Indian Taxation***" which describes the statement of possible tax benefits available to our Company and its Shareholders under the applicable laws in India, on page 234.
Equity Shares issued and outstanding immediately prior to the Issue	39,91,16,175 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	48,75,72,610 Equity Shares
Listing and trading	Our Company has obtained in-principle approvals each dated April 8, 2024 in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-in	For details in relation to lock-up, see "***Placement – Lock-in***" on pages 220 for a description of restrictions on our Company and Promoters in relation to the Equity Shares.
Transferability restrictions	The Equity Shares to be allotted and issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, see "***Transfer Restrictions***" on page 227.
Use of proceeds	The gross proceeds from the Issue is ₹1,000 crores. Subject to the compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue, is ₹970 crores which is proposed to be utilised for: (i) repayment, in full or part, of certain borrowings of our Company; and (ii) general corporate purposes. See "***Use of Proceeds***" on page 76 for additional information regarding the use of net proceeds from the Issue.
Risk factors	See "***Risk Factors***" on page 44 for a discussion of risks you should consider before investing in the Equity Shares.
Closing Date	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about April 12, 2024.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends.

	The shareholders (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, see "***Dividends***" and "***Description of the Equity Shares***" on pages 86 and 232, respectively.	
Voting Rights	See "***Description of the Equity Shares – Voting Rights***" on page 233.	
Security codes for the Equity Shares	ISIN	INE089C01029
	BSE Code	532374
	NSE Symbol	STLTECH

SELECTED FINANCIAL INFORMATION

*The following tables set out selected financial information extracted from our Financial Information, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "**Financial Information**" beginning on page 259. The selected financial information presented below should be read in conjunction with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**", beginning on pages 87 and 259, respectively, for further details. Further, the financial information contained below (i) as at and for the year ended March 31, 2023 is derived from the Fiscal 2023 Audited Financial Statements; (ii) as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Financial Statements; (iii) as at and for the year ended March 31, 2021 is derived from the Fiscal 2021 Audited Financial Statements and (iv) for the period ended December 31, 2023 is derived from Unaudited December 2023 Results; and (v) for the period ended December 31, 2022 is derived from the comparative financial information included in the Unaudited December 2023 Results.*

SUMMARY OF CONSOLIDATED BALANCE SHEET

(₹ in crores)

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
ASSETS			
I. Non-current assets			
(a) Property, plant & equipment	2,854	2,855	2,783
(b) Capital work-in-progress	129	143	227
(c) Goodwill	225	270	292
(d) Intangible assets	167	226	99
(e) Deferred tax assets (net)	77	48	18
(f) Financial assets			
(i) Investments	96	92	122
(ii) Loans	3	4	17
(iii) Other financial assets	11	18	7
(g) Other non-current assets	97	122	39
Total Non-current assets	**3,659**	**3,778**	**3,605**
II. Current assets			
(a) Inventories	832	920	626
(b) Financial assets			
(i) Investments	40	0	181
(ii) Trade receivables	1,822	1,706	1,451
(iii) Cash and cash equivalents	450	411	193
(iv) Other bank balances	57	119	56
(v) Loans	0	0	10
(vi) Other financial assets	118	110	27
(c) Contract assets	1,416	1,255	1,321
(d) Other current assets	461	460	431
	5,196	**4,981**	**3670**
(e) Assets classified as held for sale	10	-	172
Total current assets	**5,206**	**4,981**	**4,468**
Total assets	**8,865**	**8,759**	**8,073**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	80	80	79
Other equity	2,011	1,875	1,908
Equity attributable to owners of the parent	**2,091**	**1,955**	**1,987**
Non-controlling interest	4	92	98
Total Equity	**2,095**	**2,047**	**2,085**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	1,002	1,536	1,256
(ii) Lease liabilities	126	129	79
(iii) Other financial liabilities	15	16	25
(b) Employee benefit obligations	44	50	53
(c) Provisions	0	1	1
(d) Deferred tax liabilities (net)	54	90	103
Total non-current liabilities	**1,241**	**1,822**	**1,517**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2,665	1,775	1,234
(ii) Lease liabilities	41	35	26
(iii) Trade payables			
(A) total outstanding dues of micro and small enterprises	326	178	75
(B) total outstanding dues of creditors other than micro and small enterprises	1,826	2,242	1,869
(iv) Other financial liabilities	254	295	909
(b) Contract liabilities	156	186	71
(c) Employee benefit obligations	29	17	13
(d) Provisions	66	24	10
(e) Current tax liabilities (Net)	33	22	30
(f) Other current liabilities	131	116	74

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
(g) Liabilities directly associated with assets classified as held for sale	-	-	160
Total Current Liabilities	**5,529**	**4,890**	**4,470**
Total liabilities	**6,770**	**6,713**	**5,987**
Total Equity & Liabilities	**8,865**	**8,759**	**8,073**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in crores)

Particulars	For the period ended		For the years ended		
	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Continuing operations					
INCOME					
Revenue from operations	4,338	5,054	6,925	5,437	4,825
Other income	42	16	41	58	33
Total income (I)	**4,380**	**5,070**	**6,966**	**5,495**	**4,858**
EXPENSES					
Cost of raw materials and components consumed	1,932	2,350	3,164	3,089	2,534
Purchase of traded goods	1	2	1	0	1
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	(6)	105	134	(320)	(140)
Employee benefits expense	748	650	912	661	647
Other expenses (includes net impairment losses of financial and contract assets of ₹72 crores (March 31, 2022: ₹91 crores) (March 31, 2021: ₹ 4 crores))	1,146	1,311	1,824	1,342	972
Total expenses (II)	**3,821**	**4,418**	**6,035**	**4,772**	**4,015**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (I) – (II)	**559**	**652**	**931**	**723**	**844**
Depreciation and amortisation expense	250	231	309	308	285
Finance costs	281	222	311	238	203
Finance Income	-	-	-	-	(10)
Profit before exceptional items, tax and share of profit of associate and joint venture	**28**	**199**	**311**	**178**	**-**
Share of net profit of associates and joint venture	4	3	4	5	15
Profit before exceptional items and tax	**-**	**-**	**315**	**182**	**380**
Exceptional items	-	-	-	16	-
Profit before tax from continuing operations	**32**	**202**	**315**	**199**	**380**
Tax expense:					
Current tax	51	107	148	138	94
Deferred tax	(37)	(57)	(64)	(86)	18
Total tax expenses	**14**	**50**	**84**	**52**	**111**
Profit from continuing operations	**18**	**152**	**231**	**147**	**269**
Discontinued operation					
Profit/ (Loss) from discontinued operation after tax	6	(89)	(104)	(102)	-
Profit/(Loss) from discontinued operation	6	(89)	**(104)**	**(102)**	**(4)**
Profit for the year (A)	**24**	**63**	**127**	**45**	**265**
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss in subsequent periods:	5	(52)			
Net movement in cash flow hedges			(37)	1	(7)
Exchange differences on translation of foreign operations			14	6	44
Income tax effect on the above	(0)	13	6	(0)	2
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			(17)	7	39
Items that will not be reclassified to profit or loss in subsequent periods	-	1	4	4	3
Income tax effect on the above	-	(0)	(1)	(1)	(1)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**-**	**1**	**3**	**3**	**2**
Other comprehensive income/(loss) for the year, net of tax (B)	**5**	**(38)**	**(14)**	**10**	**42**
Total comprehensive income/(loss) for the period (A + B)	**29**	**25**	**113**	**55**	**307**
Profit/(loss) for the year attributable to:					
Owners of the parent	**30**	**74**	**141**	**60**	**275**
Non-controlling interest	(6)	(11)	(14)	(15)	(10)
	24	**63**	**127**	**45**	**265**
Other comprehensive income/(loss) attributable to:					
Owners of the parent	5	(32)	(10)	5	36
Non-controlling interest	-	(6)	(4)	5	6
	5	**(38)**	**(14)**	**10**	**42**
Total comprehensive income/(loss) attributable to					
Owners of the parent	35	41	131	65	311
Non-controlling interest	(6)	(16)	(18)	(10)	(4)

Particulars	For the period ended		For the years ended		
	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	29	25	113	55	307
Total comprehensive income attributable to owners arising from:					
Continuing Operations	-	-	235	167	313
Discontinued Operations	-	-	(104)	(102)	(2)
	-	-	**131**	**65**	**311**
Paid-up equity capital (face value ₹ 2 per share)	80	80	80	80	79
Earnings/(loss) per equity share to owners of the parent (Amounts in ₹) (Face Value ₹2 per share)					
Basic					
From continuing operations	0.62	4.04	6.15	4.03	6.98
From discontinued operation	0.15	(2.22)	(2.62)	(2.52)	(0.05)
From continuing and discontinued operations	0.77	1.82	3.53	1.51	6.93
Diluted					
From continuing operations	0.61	4.01	6.12	4.02	6.90
From discontinued operation	0.15	(2.22)	(2.62)	(2.52)	(0.05)
From continuing and discontinued operations	0.77	1.80	3.50	1.50	6.85

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in crores)

Particulars	For the year ended March 31, 2023	March 31, 2022	March 31, 2021
A. Operating activities			
Profit/(Loss) before tax			
From continuing operations	315	199	380
From discontinued operation	(162)	(140)	(4)
	153	**59**	**377**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant & equipment	336	319	256
Amortization and impairment of intangible assets	37	45	36
Provision for doubtful debts and advances / written back	64	105	4
Bad debts / advances written off	56	-	1
(Profit) / loss on sale of property, plant and equipment, net including gain on termination of lease	5	(68)	(3)
Profit from sale of business undertaking	(90)	-	-
Profit on sale of investments	(37)	(36)	-
Rental income	-	(0)	(0)
Share of profit from associates and joint venture	(4)	(4)	(15)
Change in Fair Value of Investment	-	-	(7)
Employee stock option expenses	9	12	11
Finance costs (including interest pertaining to Ind AS 116)	311	241	203
Finance income (forming part of other income)	(10)	(6)	(10)
Unrealized exchange difference	(41)	(2)	(9)
	636	**606**	**468**
Operating profit before working capital changes	**789**	**665**	**844**
Working capital adjustments:			
Increase/(decrease) in trade payables	(305)	414	461
Increase/(decrease) in long-term provisions	(1)	0	(1)
Increase/(decrease) in short-term provisions	41	28	0
Increase/(decrease) in other current liabilities	23	18	(4)
Increase/(decrease) in contract liabilities	9	113	(65)
Increase/(decrease) in other current financial liabilities	(12)	(11)	(51)
Increase/(decrease) in other non-current financial liabilities	40	(7)	(4)
Increase/(decrease) in current employee benefit obligations	12	4	(1)
Increase/(decrease) in non-current employee benefit obligations	(2)	1	3
Decrease/(increase) in current trade receivable	(235)	(172)	180
Decrease/(increase) in inventories	118	(297)	(113)
Decrease/(increase) in loans given to related parties	2	10	8
Decrease/(increase) in short-term loans	(0)	(0)	3
Decrease/(increase) in other current financial assets	(18)	(62)	24
Decrease/(increase) in other non-current financial assets	6	5	8
Decrease/(increase) in other current assets	(4)	(23)	(36)
Decrease/(increase) in contract assets	(192)	55	(577)
Decrease/(increase) in other non-current assets	(27)	1	5
Changes in working capital	**(545)**	**77**	**(162)**
Cash generated from operations	**245**	**742**	**682**
Income tax paid (net of refunds)	(19)	(158)	(44)
Net cash inflow from operating activities (A)	**226**	**584**	**638**
B. Investing activities			
Purchase of property, plant and equipments	(365)	(668)	(446)
Receipt of government grant for investment in property, plant & equipment	14	129	-
Purchase of intangible assets	(10)	(19)	(10)
Proceeds from sale of property, plant and equipments	26	95	1
Investment in Associates/JVs	-	-	(31)
Investment in subsidiaries, net of cash acquired	-	(110)	(234)
Proceeds from assets held for sale	10	20	-
Proceeds from sale of investments in subsidiaries	113	45	-
Proceeds from sale of business undertaking	123	-	-
Purchase of current investments	(40)	(0)	(181)
Proceeds from current investments	-	181	233
Net movement in other bank balance	62	(160)	39
Rental income	-	0	0
Interest received (finance income)	10	6	10
Net cash flow used in investing activities (B)	**(57)**	**(481)**	**(619)**
C. Financing activities	*	*	

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Proceeds from long term borrowings	346	587	839
Repayment of long term borrowings	(523)	(298)	(332)
Proceeds/(repayment) from/of short term borrowings (net)	493	166	(4)
Proceeds from issue of shares against employee stock options	0	0	0
Interest paid (including interest pertaining to Ind AS 116)	(314)	(240)	(202)
Principal elements of leases payments	(33)	(21)	(18)
Payment to non-controlling interest for acquisition	(67)	-	-
Dividend paid by subsidiary to non-controlling interest	(14)	-	
Dividend paid on equity shares	(20)	(79)	(138)
Buy-back of equity shares	-	-	(100)
Tax on Buy-back	-	-	(22)
Net cash flow from financing activities (C)	**(132)**	**115**	**23**
* Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of ₹26 crores (March 31, 2022: ₹86 crores) (March 31, 2021: ₹1 crore) and creation of redemption liability of ₹ Nil (March 31, 2022: ₹35 crores) (March 31, 2021: Nil).			
Net increase in cash and cash equivalents (A+B+C)	**37**	**218**	**43**
Foreign exchange relating to cash and cash equivalents of foreign operations	2	(0)	3
Cash and cash equivalents as at the beginning of year	411	193	153
Cash and cash equivalents as at the year end	**450**	**411**	**200**
Components of cash and cash equivalents:			
Balances with banks	450	411	193
Cash in hand	0	0	0
Total cash and cash equivalents	**450**	**411**	**193**
Cash & cash equivalents from discontinued operation	**-**	**-**	7
Total cash and cash equivalents			**200**

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company during (i) Fiscal 2023; (ii) Fiscal 2022; and (iii) Fiscal 2021, as per the requirements under IND AS 24 "Related Party Disclosures" read with Section 133 of the Companies Act, 2013, see "***Financial Information***" beginning on page 260.

RISK FACTORS

This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in the Preliminary Placement Document and this Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in the Preliminary Placement Document and this Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future.

This section should be read together with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 127, 173 and 87, respectively, as well as the financial statements, including the notes thereto, and other financial information included in "Financial Information" on page 259. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or unless the context requires otherwise, the financial information contained in this section as at and for the year ended March 31, 2023 is derived from Fiscal 2023 Audited Financial Statements, the financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Financial Statements except for certain financial information which is derived from Fiscal 2022 Audited Financial Statements where there have been no adjustments on account of discontinued operations (refer below), the financial information as at and for the year ended March 31, 2021 is derived from Fiscal 2021 Audited Financial Statements, the financial information for the nine months period ended December 31, 2022 is derived from the comparative financial information included for the nine months period ended December 31, 2022 in Unaudited December 2023 Results except for certain financial information which is derived from Unaudited December 2022 Results where there have been no adjustments on account of discontinued operations (refer below) and the financial information for the nine months period ended December 31, 2023 is derived from Unaudited December 2023 Results. During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK and therefore, the Fiscal 2023 Audited Financial Statements are not directly comparable with the Fiscal 2022 Audited Financial Statements and Fiscal 2021 Audited Financial Statements. Further, the financial information contained in the Preliminary Placement Document and this Placement Document as at and for the quarter and half year ended September 30, 2023 is derived from Unaudited September 2023 Results. Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiaries, our Joint Venture and our associate, as applicable, on a consolidated basis.

*This Placement Document contains forward-looking statements that involve risks and uncertainties. Our results could differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further details, see "Forward-Looking Statements" on page 13. Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Optical Fibre Cable, EPC and IT Services Industry" dated February 2024 (the "**CRISIL Report**"), prepared and issued by CRISIL Limited, which has been exclusively commissioned and paid for by us, as well as other information reported by CRU International Ltd ("**CRU**") to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CRISIL Report and information reported by CRU and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and information reported by CRU and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 127.*

INTERNAL RISK FACTORS

Risks Relating to Our Industry and Business

1. Our business depends on capital expenditure by companies and government in the telecommunications sector, which includes rollout of a new generation of mobile network, investments in data centres as well as the investment in fibre infrastructure and deployment.

Our business depends on the capital expenditure by companies and government in the telecommunications sector. In particular, our ability to further expand our optical networking business and global services business depends on the progress of 5G rollouts, FTTH network and data centres in different geographies as well as the investments in fibre infrastructure and deployment. Further, the telecommunications industry may experience volatility or periodic downturns and certain government broadband initiatives may experience delays and reduced expenditure, which may have an adverse effect on the demand for our products and services.

According to CRU, the global optical fibre cable demand is expected to grow at a CAGR of 5% from 544 million fkm in 2023 to 684 million fkm in 2028. Further, CRU forecasts a 5.2% growth in US optical cable demand in 2024. However, as per CRU, despite this growth, demand will remain below its 2022 levels. This is primarily because the Broadband Equity, Access, and Deployment ("**BEAD**") program is unlikely to drive cable demand growth, at least not until late 2024. Therefore, CRU expects the more meaningful recovery will only start from 2025, with cable demand in the country forecast to grow by 18.5% in that year.

As per CRU, it is expected that interest rates in Europe will remain elevated for the majority of 2024. This has caused a slowdown in fibre network investments in the second half of 2023, as both incumbent and alternative network operators paused or slowed their key FTTx projects to preserve cash. Further, even in countries like Germany and the United Kingdom, which are in the middle of conducting their national FTTH rollouts, the slowdown is apparent. As per CRU, it is expected that the cable demand recovery in 2024 will be relatively modest in Europe, up by 3.1% year-on-year.

Further, as per CRU, the government sponsored broadband initiatives across markets in the non-China APAC region have resulted in significant demand for cables in the past, due to a dedicated focus on expanding optical fibre networks to reach an increasing number of households. However, deceleration in government expenditures and the prolonged delays associated with critical projects, especially in key markets such as India, which accounts for 28% of the total cable consumption in the region, have negatively impacted regional demand. As per CRU, the Indian cable consumption is expected to reach at 17.7 million fkm in 2023, showing a 1.5% year-on-year contraction. This along with increasing capital expenditure by private Indian telecommunication companies towards FTTx and fibreisation of towers will support demand growth of 12.9% year-on-year in 2024.

Further, as per CRISIL Report, as a result of the anti-dumping measures on optical fibre from China to protect a substantial EU industry, the optical fibre export from China to European Union experienced a 56% decline, dropping from USD 63.7 million in April 2023 to USD 28.05 million by September 2023. Furthermore, as a result of India's anti-dumping duty on optical fibre imports from China, during the fiscal year 2024, the export of optical fibre from China to India experienced a significant 81% decrease from April 2023 to September 2023, reaching a reduced value of USD 2.31 million.

We cannot assure you that the favorable trends to us will not change, and if they do, it may impair our ability to implement our key strategies successfully and deliver growth. Moreover, in the event of any negative industry changes, we may need to rapidly align our cost structure with prevailing market conditions while at the same time continuing to motivate and retain key employees, as well as ensuring profitability. Our revenue from operations, financial condition and cash flows could be adversely affected by the reversal of any favorable trends or any future downturns or slowdowns in the rate of capital investment in the relevant industries.

2. ***Any delay, interruption or reduction in the supply of raw materials to manufacture our products or volatility in the prices of raw materials, may adversely affect our business, results of operations, financial condition and cash flows.***

Our key raw materials include silicon, glass preform, industrial gases, copper, polymers, resins, silicon tetrachloride, germanium tetrachloride. In Fiscal 2021, 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our cost of raw material and components consumed was ₹ 2,534 crores, ₹ 3,089 crores, ₹ 3,164 crores, ₹ 2,350 crores and ₹ 1,932 crores respectively, constituting 52.52%, 56.81%, 45.69%, 46.50% and 44.54% of our revenue from operations, respectively. As we continue to grow our operations, we would need to procure additional volumes of raw materials. Any reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner. We may also be required to replace a supplier if its products or services do not meet our quality standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

Further, we cannot assure you that the prices for our raw materials will not be volatile in the future. While in practice we may have passed the increase in the cost of raw materials consumed fully or partially onto our customers on case to case basis, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the prices for our customers so as to account for the increase in the prices of such raw materials.

3. ***If we fail to effectively manage our growth or execute our strategies effectively, our business, results of operations, financial condition and cash flows may be adversely affected.***

Our revenue from operations increased from ₹ 4,825 crores in Fiscal 2021 to ₹ 6,925 crores in Fiscal 2023. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies include scaling our optical fibre cable business to capture the growth potential of the optical fibre cable market and enhancing our leadership in the industry, increasing the attach rate of our optical interconnect products and continuing to expand our solutions-based products and services, continuing to adopt a prudent capital management policy, expanding our digital and technology solution business and expanding our global services business by focusing on high margin opportunities in India as well as expansion in the United Kingdom. For further information, see "*Our Business – Our Strategies*" on page 180. We cannot assure that our growth strategy will be successful or that we will be able to continue to expand further or grow our revenues, or in line with our historical performance. In the event our strategies are not successful on account of external factors or owing to lack of adequate demand for our products from customers, we may witness a substantial decrease in our revenue from operations and profit before tax from continuing operations in future periods. Further, our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify trends and demands in the industry, compete with existing companies in our markets, develop products that meet our clients' requirements, consistently exercise effective quality control and hire and train qualified personnel. Many of these factors are beyond our control and we cannot assure that we will succeed in implementing our strategy. We may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards. We may face increased risks when we enter new markets internationally, and may find it more difficult to hire, train and retain qualified employees in new regions.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. Expansion of operations increases the challenges involved in inter alia making accurate assessments of the resources we require, acquiring new customers and increasing or maintaining contribution from existing customers, procuring raw materials at a cost-effective manner, maintaining high levels of customer satisfaction and adhering to expected performance and quality standards. We cannot assure that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.

4. ***We derive a sizable portion of our revenue from our top 10 customers, and the termination, non-renewal or any material modification of our agreements with them could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We derive a significant portion of our revenue from our top 10 customers. In Fiscal 2021, 2022, 2023 and in the nine months ended December 31, 2023, our revenue from operations from our top 10 customers was ₹ 2,300 crores, ₹ 2,239 crores, ₹ 2,681 crores, and ₹ 1,549 crores, respectively, representing 47.67%, 41.14%, 38.71% and 35.69% of our revenue from operations, respectively. The loss of all or a significant portion of sales to any of our top 10 customers, for any reason (including the loss of contracts or inability to negotiate favourable terms, a decline in market share of these customers in their respective industries, disputes with these customers, adverse changes in their financial condition, insolvency or bankruptcy of these customers, decrease in their sales, facility closures, any action undertaken by the government affecting business of these customers, or labour strikes affecting their production), could have an adverse impact on our business, financial condition, results of operations, and cash flows. We may expect a substantial decrease in our revenue from operations, EBITDA and profit before tax from continuing operations in our future financial results primarily due to external market factors resulting in a decrease in demand from our customers. In addition, consolidation of our customers due to mergers and acquisitions may result in a decrease in our order book and revenue, as the combined entity may choose to reduce their supplier base or favour other suppliers. Further, we cannot assure you that we will be able to maintain historic levels of business from our top 10 customers, or that we will be able to significantly reduce customer concentration in the future.

Further, the volume and timing of sales to our top 10 customers may vary due to variations in demand for such customers' products or on account of their growth strategy. Thus, any decrease in the demand for our products from our top 10 customers could adversely impact our business, results of operations, financial condition and cash flow. Further, any cancellation of agreements by our top 10 customers or reduction in the anticipated order levels may result in an inventory mismatch or surplus which may lead to increase costs and reduced margins. These customers may change their outsourcing strategy by replacing us with our competitors, or replacing their existing products with alternative products which we do not supply. Also, these customers may demand price reductions and we cannot assure you that we will be able to offset any reduction of prices to these customers with reductions in our costs.

5. ***While we are a fully backward integrated manufacturer, there is significant competition from large and established companies globally.***

The markets for our products and services continue to evolve and are competitive. We compete with a number of cable producers globally and entities that provide similar products or services in each of the business lines in which we operate. We derive a major portion of our revenue from overseas markets and face intense competition in the international optical fibre and optical fibre cable markets. Our key competitors include YOFC, FiberHome, Prysmain Group, Hengtong, Futong, Corning, Furukawa, ZTT and Tongding Group. (*Source: CRISIL Report*) Further, most contracts are finalised through an intensely competitive bidding process, which may lead to price pressures, reducing profit margins. For further details in relation to our competitors, see *"Industry Overview"* on page 127.

Our competitors may be able to devote greater resources to the development, promotion and sale of their products than we do or respond more quickly to new or changing opportunities, technologies, and client requirements and may offer better technological services, more attractive terms to clients and adopt more aggressive pricing policies than we may be able to offer or adopt. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies, including multinational providers of products or solutions similar to ours. We compete on the basis of a number of factors, including quality of execution, depth and range of product and service offerings, innovation, reputation, level of fees charged for our solutions and services, convenience, financial strength, stability and continuity of client and other intermediary relationships and quality of service. Our competitors may have advantages over us, including, but not limited to, greater financial resources, longer operating history than us in certain of our businesses, larger customer bases in certain markets, better distribution platforms, lower cost of capital, greater geographical presence, and more diversified operations which allow profits from certain operations to support other businesses with lower profitability.

Our competitors may also enter into alliances with each other or other third parties, and through such alliances, acquire increased market share. Increased competition may result in price reductions, reduced gross margins and loss of market share.

We cannot assure you that we will be able to compete effectively with current or future competitors or that we will be successful in attracting new customers for our businesses. If we fail to compete effectively, our market share could decrease and our business, results of operations and financial condition could be adversely affected.

6. We may not be able to meet our contractual obligations under customer contracts, including an inability to fulfil our contractual commitments due to logistics, quality or other issues, which can result in penalties, or in more severe cases, contract termination, which could result in an adverse impact on our business, financial condition, results of operations and cash flows.

Certain of our contracts with our customers include provisions pursuant to which we are liable to such customers for losses, including any indirect or consequential losses, arising in connection with any error or omission, fraud, negligence or default caused by us, any of our employees or our agent's actions. Indemnity provisions in such contracts include, among others, us holding the customers harmless from and against all such losses, damages, injury liabilities, claims, actions, costs, including attorney's fees and court fees relating to third-party claims arising out of or related to our performance or failure of the terms of such contract for which we have assumed financial, administrative or operational responsibility; breach of any representations or warranties contained therein by us; any claims related to our failure to obtain, maintain and comply with required consents, applicable laws, or regulations and any claims against the client, for taxes, assessments, or penalties which are incurred due to us. In the event any financial liabilities or penalties are imposed upon us, they may have an adverse effect on our business, results of operations, financial condition and cash flows. Further, we enter into long-term and large-scale turnkey contracts which are subject to operational risks and our failure to meet our obligations could result in penalties or contract termination, which could have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, we provide bank guarantees or performance guarantees, which are released only upon successful completion of our obligations under the terms of the relevant contracts and, in the event we are unable to fulfil our obligations under such contracts, our customers may invoke these bank guarantees.

7. Our ability to convert our order book into sales is dependent on a number of factors beyond our control. Any failure to convert our order book into sales may impact our business, results of operations financial condition and cash flows.

As on December 31, 2023, we had an order book of ₹ 9,849 crores. Our order book is calculated based on the contracts we enter into with customers from time to time. Under our contracts with customers the delivery of these products and services are subject to conditions and the satisfaction of obligations by our customers and us. An inability on our part to meet these conditions or if our customers do not satisfy their contractual obligations may result in an inability on our part to fulfil the order or cancellation or termination of the contract by the customer. The failure to fulfil an order for any reason, may result in us having incurred significant costs which may not be recoverable. Any reduction in our order book or an inability to convert our order book into sales, may adversely affect our business, results of operations, financial conditions and cash flows.

Further, the duration of our order book typically extends beyond one year and may fall between two or more financial years. This elongated timeline presents risks to the conversion of our order book into actual sales. Various factors such as changes in market conditions, customer demand, economic uncertainties, supply chain disruptions, or delays in project execution can impact the successful conversion of our order book. If we are unable to convert a significant portion of our order book into sales, it may have adverse effects on our business, financial condition, results of operations, and cash flows.

8. We may pursue acquisitions and investments, which involve a number of risks, and if we are unable to address and resolve these risks successfully, our business, results of operations, financial condition and cash flows may be adversely impacted.

We have completed a number of acquisitions in recent years and we intend to continue to pursue acquisition and investment opportunities in both existing and new businesses and technologies as part of our growth strategy. We may consider opportunistic bolt-on acquisitions of smaller players to expand our domain expertise in optical interconnect and hardened connectivity solutions, as well as to complement our geographical expansion plans, particularly in our focus markets. For more information, see "*Our Strategies – Increase the attach rate of our optical connectivity products and continue to expand our solutions-based products and services*" on page 181.

We may not be able to find suitable acquisition targets and to complete acquisitions on favorable terms, or at all, in the future. We may experience difficulty or bear unanticipated expenses associated with purchasing and integrating acquisitions. Further, our acquisitions may not always perform and deliver the financial benefits as expected. If we do complete acquisitions, we may not be able to ultimately strengthen our competitive position or achieve our goals and any acquisitions we complete could be viewed negatively by customers or investors. We may face challenges following the acquisition of a new company or business, including but not limited to, managing the operations, manufacturing facilities and technology; maintaining and increasing our customer base; or retaining key employees, suppliers and distributors. Moreover, an acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, retention of key management members and other select personnel, diverting management attention from their primary responsibilities, subjecting us to additional liabilities, increasing our expenses and adversely impacting our business, results of operations, cash flows and financial condition.

Further, we may be exposed to unknown liabilities and the anticipated benefits of any acquisition, investment or business relationship may not be realized, if, for example, we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our Company. We also may not achieve the anticipated benefits from any acquired businesses due to a number of factors, including difficulties resulting from the integration of information technology systems, accounting systems, culture or personnel; litigation; use of resources; or other disruption of our operations. Regulatory constraints, particularly competition regulations, may also affect the extent to which we can maximize the value of our acquisitions or investments. In addition, we may spend time and money on acquisitions or investments that do not increase our revenue. If an acquired business fails to meet our expectations, our business and results of operations may be adversely affected.

9. ***We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments from our customers could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our operations involve extending credit to our customers in respect of sale of our products and services and consequently, we face the risk of uncertainty regarding the receipt of such outstanding amounts from our customers. Changes in macroeconomic conditions, such as an increase in interest rates or a credit crisis in the global financial system, could lead to financial difficulties for our customers, including limited access to credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, which could lead to an increase in our receivables. The following table sets forth details of our credit cycle, as well as our trade receivables and loss allowance for trade receivables, for the Fiscals indicated:

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Average Debtor Days	110	115	96
Trade Receivables (₹ crores)	1,451	1,706	1,822
Loss allowance – Trade Receivables (₹ crores)	59	149	152

Any significant delay in receiving payment or non-receipt of payments from our customers may adversely affect our business, results of operations, financial condition and cash flows.

10. ***We have filed the Scheme of Demerger with the National Company Law Tribunal, Mumbai Bench ("NCLT"). There may be unforeseen delays in implementation of the Scheme of Demerger.***

In order to effect the segregation of our global services business ("**GSB**") from the other business of our Company, our Board approved the Scheme of Demerger on May 17, 2023, pursuant to which the GSB is proposed to be transferred to STL Networks Limited ("**Resulting Company**"), by way of a demerger, on an ongoing basis. The Scheme of Demerger, *inter alia*, contemplates an issue of equity shares by the Resulting Company to the shareholders of our Company in accordance with the share entitlement ratio specified in the Scheme of Demerger. NSE and BSE, pursuant to letters dated September 15, 2023 and September 28, 2023, have granted their no-objection/approval to the Scheme of Demerger in terms of Regulation 37 and Regulation 59A of the SEBI Listing Regulations. Following the receipt of the aforementioned no-objections/approvals, the Scheme of Demerger was filed before the NCLT and is currently pending. For further details in relation to the Scheme of Demerger, see "*Capital Structure – Scheme of Demerger*" on page 83.

The Issue is proposed to be undertaken pending the completion of the Scheme of Demerger, and the record date for the Scheme of Demerger is still to be decided. As a result, subscribers in the Issue who receive shares of the Company will be entitled to receive shares of the Resulting Company in accordance with the share entitlement ratio specified in the Scheme. However, as the Issue will result in a change in the Company's issued share capital prior to the completion of the Scheme of Demerger, there may be unforeseen delays in the implementation of the Scheme of Demerger, including in the event we are required to submit additional information or documentation to SEBI, the Stock Exchanges, or the NCLT. We cannot assure you that the Scheme of Demerger or the issue of equity shares of the Resulting Company contemplated thereunder will be implemented in a timely manner, or at all. We may also incur additional costs towards harmonizing functions pursuant to the Scheme of Demerger. The Scheme of Demerger may also expose us to potential risks, including risks associated with redeployment of employees, unforeseen or hidden liabilities, union issues, the diversion of resources and management attention from our existing business structure, any of which could affect our business and financial performance.

11. If we do not adapt to technological advancements and changes in technological standards or we fail to develop competitive products in a timely manner, or if we fail to maintain certifications for our offerings our ability to compete could be strained, and as a result, we could lose customers.

Our success will partly depend on our ability to adapt and fund the rapid technological changes in our industry, including changes in fibre optic cable technology and emerging technologies such as low earth orbit ("**LEO**") satellite-based connectivity that compete with traditional wireline and wireless connectivity. These changes may require us to replace and/or upgrade our network infrastructure and there can be no assurance that sufficient financial resources will be available to fund such technology. A failure to adopt a new technology or our choice of one technology over another may have an adverse effect on our ability to compete or meet the demands of our customers. The pace of technology change and our ability to deploy new technologies may be constrained by insufficient capital and/or our inability to integrate such new technologies into our business operations.

New products and services may arise out of technological developments and our inability to keep pace with these developments may reduce the attractiveness of our products and services. Development of new products and services may also expose us to additional risks. For instance, developing new products and services can be complex, and we may not be able to implement new products and services effectively, promptly and/or economically to meet customer demand. These new products and services that we develop may also not be commercially successful, and the failure of any of our products and services to achieve commercial acceptance could result in additional capital expenditures. Some of our competitors may have greater resources to respond to changing technology than we do. If we fail to adapt successfully to technological changes or fail to obtain access to new technologies, we could lose customers and be unable to attract new customers and/or sell new services to our existing customers. We may also not be able to successfully deliver new products and services or generate anticipated revenues from such products or services. Further, our existing products and services may become outdated or less competitive if any new alternatives arising out of emerging technologies are introduced by our competitors. This could lead to a decline in demand for our products and services, loss of market share, and erosion of our competitive position in the industry.

Technological trends and developments in IT services can be far more disruptive and tend to change in shorter cycles compared to telecommunications technologies. Some of the emerging trends are artificial intelligence, machine learning, augmented and virtual reality/ metaverse. (*Source: CRISIL Report*) If we do not adapt to rapid technological advancements and changes in applicable standards, our ability to compete could be strained, and as a result, we would lose customers, which could in turn affect our business, results of operations, financial condition and cash flows.

Our competitors may be more effective at developing or marketing new technologies, products and services and new competitors may emerge because of new technologies. We cannot accurately predict how future technological changes will affect our operations or the competitiveness of our products and services and there can be no assurance that we will be able to compete against our current or future competitors. Any failure to effectively anticipate or adapt to new technologies and changes in response to the products and services offered by our competitors and in respect to customer expectations and behaviour could significantly adversely affect our competitive position and, as a result, affect our business, results of operations, financial condition and cash flows.

12. A slowdown or shutdown in our manufacturing operations or the under-utilization of our manufacturing facilities could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment, disruption in electric power or water resources, fire or industrial accidents and severe weather conditions and natural disasters. For example, our manufacturing facility at Haimen, Jiangsu Province, China was shut down in February 2021 due to expiry of the joint venture license. In September 2022, we acquired the entire equity stake held by the other joint venture partner and obtained a fresh business license after which manufacturing operations were started. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers' requirements and result in us breaching our contractual obligations and may lead to loss of any of our customers or a significant reduction in demand from such customers.

13. ***We have significant power, fuel and water requirements and any increases in the price or inadequate supply of power, fuel and water may adversely affect our results of operations and cash flows.***

We require substantial power, fuel and water for our manufacturing facilities. The following table set forth our power, fuel and water expenses for the years indicated:

Particulars	Power, Fuel and Water Expenses (₹ crores)	Percentage of Revenue from Operations
Fiscal 2021	142	2.94%
Fiscal 2022	142	2.61%
Fiscal 2023	203	2.93%

We purchase utilities for our operations from the state electricity boards. In case the cost of electricity from state electricity boards is increased significantly and we are not able to pass on such increase to our customers, our cost of production and profitability may be adversely affected. Interruptions of electricity supply can result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Any significant increase in power price or increased interruptions may require us to add captive power generation capacity which will lead to incremental capital expenditure which may adversely impact our results from operations. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our business, results of operations, financial condition and cash flows may be adversely impacted.

In addition, we source our water requirements from government utilities, and we cannot assure that we will be able to obtain a sufficient supply of water from our sources. We are subject to price risk due to scarcity of water and if supply or access is not available, our manufacturing operations may be disrupted. We may also be forced to shut down or scale down our production if the drought worsens and we are unable to access sufficient volumes of water.

14. ***We have incurred substantial capital expenditure in the past and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.***

Our business is capital intensive as we are required, *inter-alia,* to expand and upgrade our manufacturing facilities on a continuous basis. We have expanded and upgraded our existing manufacturing facilities in the last three Fiscals. In Fiscal 2021, 2022, 2023, our additions to plant and machinery were ₹ 126 crores, ₹ 190 crores and ₹ 287 crores, respectively. Our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. Our sources of additional capital, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect our profitability and other financial measures. If we raise additional funds through the issuance of equity or equity linked instruments in future, your ownership interest in our Company may be diluted. Our ability to finance our capital expenditure plans is also subject to a number of contingencies, including restrictions under applicable laws, any restrictions on the amount of dividend payable and general economic and market conditions. We cannot assure you that bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

15. ***Our business requires working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, financial condition and cash flows.***

We require working capital to finance the purchase of raw materials and for the manufacture of products and other related work before payment is received from customers. In Fiscal 2021, 2022, and 2023, our net working capital was ₹ 1,197 crores, ₹ 1,551 crores and ₹ 2,023 crores, respectively. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities. Our inability to obtain adequate amount of working capital through debt or equity funding and internal cash flows in a timely manner may also have an adverse effect on our results of operations, financial condition and cash flows.

16. ***We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders which may expose us to warranty claims.***

All our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers in terms of the various contractual arrangements entered into with them or tender issued by them. While we believe we undertake the necessary measures to ensure that our manufacturing facilities comply with the applicable standards as agreed with our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could expose us to monetary liability or litigation.

Some of our key customers have assessed and approved our facilities and manufacturing processes in the past, and may undertake similar audits periodically in the future. Failure to meet their standards can have serious consequences including rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customers which could have adverse effect on our reputation, business, results of operations, financial condition and cash flow. This may result in our customers cancelling present or future purchases of our products.

Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. The quality of our product offerings is documented in the certifications which we have received including, ISO 9001:2015 (quality management systems), TL 9000:2016 (telecommunications sector-specific extension to ISO 9001:2015) and Telcordia GR-20-CORE issued by Ericsson Network Infrastructure Solutions. For further information on the certifications, see "*Our Business – Quality Control*" on page 188. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business, results of operations, financial condition and cash flows may be adversely affected.

17. Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, results of operations, financial condition and cash flows.

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. Work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, results of operations, financial condition and cash flows. While there has been no instance in the last three Fiscals and the nine months ended December 31, 2023 where we experienced work stoppages due to strikes or labour unrest or any other workforce disruption that resulted in closure of our operations, we cannot assure you that we may not experience any such events in the future. Further, While our employees are not unionized as at the date of this Placement Document, if our employees decide to form a union or engage in collective bargaining with us for higher salaries, benefits or other rights, our operations may be adversely affected.

Increases in labour costs may make us less competitive unless we are able to increase our efficiency and productivity proportionately and we can pass on such costs in the prices that we charge our customers. Any significant increase in our labour costs may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our Company also appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. As on December 31, 2023, we had engaged 2,598 contract labourers. Although we do not engage these laborers directly, we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, results of operations, financial condition and cash flows. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be directed to absorb some of these contract laborers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, results of operations, financial condition and cash flows.

18. Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations and the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, financial condition and cash flows.

Certain operations at our manufacturing facilities can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons and cause damage to our properties or equipment and the properties of others or to the environment. Further, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, weather and natural disasters, discharges or releases of hazardous substances, chemicals or gases; and other environmental risks.

The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. We may also face claims and litigations filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our manufacturing facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, financial condition and cash flows could be adversely affected.

19. We invest in research and development ("R&D") and if we are not successful in identifying and commercializing our innovations, we may not earn a positive return from our research, development and engineering investments.

Our future growth depends on penetrating new markets, adapting existing products to new customer requirements, and introducing new products that achieve market acceptance. New product development and launches are critical components to the growth and sustenance of our business, and involves several risks including development uncertainties, increased competition, lower than anticipated price realizations and delays in market launch. As such, we have invested to develop our R&D capabilities in developing innovative solutions. For further details of our R&D capabilities, please see "*Our Strengths – Ability to offer differentiated and innovative solutions through our strong R&D capabilities*" on page 179 and "*Our Business – Research and Development*" on page 190. We may plan to incur substantial, and potentially increasing, R&D costs as part of our efforts to design, develop, manufacture and commercialize new products and enhance existing products. In Fiscal 2021, 2022 and 2023, our research and development expenses were ₹ 113 crores, ₹ 22 crores, ₹ 41 crores, respectively. Further, because R&D is accounted as an operating expense, these expenditures may adversely affect our results of operations in the future. Further, our R&D program may not produce successful results, and our new products may not achieve market acceptance, create additional revenue or become profitable. In addition, we cannot assure you that any of the R&D team engineers will continue his/her employment with us. The loss of service of any member of our core R&D team could impair our ability to or delay the development of our new solutions. As a result, our business, results of operations, financial condition and cash flows may be adversely affected.

20. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations, financial condition and cash flows.

Our foreign currency exchange exposure is primarily through the operating activities (when the revenue or expense is denominated in foreign currency) and borrowings in foreign currencies with floating interest. and our financial statements are presented in Indian Rupees. Our foreign currency transactions are mainly in USD, Euro and GBP. We typically hedge certain of our foreign currency exposures through use of foreign exchange forward contracts and interest rate swaps for floating interest rates. We cannot assure you that our hedging measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the USD or Euro, or other foreign currencies in which we may transact business in the future. The following table provides details of net exposure to foreign currency risk (assets less liabilities) as of the relevant date:

Foreign Currency (₹ equivalent of)	As of March 31,		
	2021	2022	2023
	(₹ in crores)		
USD	(17)	(572)	(842)
Euro	13	(30)	(88)
GBP	(52)	(30)	(158)

We have a hedging policy pursuant to which we hedge our balance sheet exposure and anticipated exposure. The negative values in the aforesaid table is primarily on account of covers taken by us on the anticipated exposure on our export sales.

The policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency/ interest rate exposures and adverse exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro and GBP, may have an impact on our results of operations, financial condition and cash flows.

21. We are dependent on third party logistics service providers for procurement of raw materials and for supply of our products and any disruptions of transportation services could adversely affect our business, results of operations, financial condition and cash flows. In addition, increases in the costs of transportation could adversely affect our results of operations, financial condition and cash flows.

We primarily engage third-party logistics service providers to support our transportation requirements, which includes distribution of products. In the event that these third-party logistics service providers are unable to provide services for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations, financial condition, cash flows may be adversely affected. Further, disruptions of transportation services because of natural disasters, pandemics, war and terrorism, mass protests, civil unrest, strikes, lockouts or other events may affect our delivery schedules and impair our supply to our customers.

While we maintain insurance to cover various risks during the transit of goods wherever applicable, any damage suffered by us in excess of coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on transportation charges levied by our third-party logistic service providers. Further, the unavailability of adequate port and shipping infrastructure for transportation of our products to our foreign markets may have an adverse effect on our business, results of operations, financial condition and cash flows.

22. We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our operations are subject to government regulations and we are required to obtain certain statutory and regulatory permits, licenses and approvals to operate our business, such as consents to establish and operate and hazardous waste authorisation from the state pollution control board (where our manufacturing facilities are located), licenses issued under the Factories Act for our manufacturing facilities and fire safety licenses from fire safety authorities.

Additionally, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and restrict certain of our business activities. We cannot assure you that our approvals, licenses, permits and registrations may not be revoked or suspended in the event of any non-compliance with any terms or conditions set forth thereof.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavour to renew or obtain such permits, licenses and approvals as required, we cannot assure you that the relevant authorities will issue any such approvals within our anticipated timeframe or at all.

Further, we cannot assure you that the legal framework, licensing and other regulatory requirements or enforcement trends in the industries and jurisdictions in which we operate will not further change in a manner that makes it more costly or difficult to renew or obtain the statutory and regulatory permits, licenses and approvals we require to operate our business, or that we will be successful in responding to such changes. Moreover, as we grow our business, the requirements for obtaining new licenses, approvals and authorisations will also increase. If we lose or are otherwise unable to maintain any of our required licenses, registrations, permits and approvals under the applicable laws and regulations, our business operations may be adversely affected which in turn could have an adverse effect on our results of operations, financial condition and cash flows.

23. Unforeseen environmental costs could affect our future earnings as well as the affordability of our products.

Environmental law and regulation of industrial activities across the world may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, such as the imposition of carbon taxes and other such levies, we may be required to comply with the same, which would entail us to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. Such additional costs may adversely affect our results of operations.

In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result thereof may have an adverse effect on our business, prospects and results of operations. Some environmental laws impose joint and several liability for the cost of environmental remediation, natural resource damages, third party claims, and other expenses, without regard to the fault or the legality of the original conduct, on those persons who contributed to the release of wastes into the environment.

New legislation or regulations may be adopted in the future that may adversely affect our operations, our cost structure or our customers' ability to use our products. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require us or our customers to change operations significantly or incur increased costs which could have an adverse effect on our results of operations and financial condition.

We could also be subject to substantial civil and criminal liability and other regulatory consequences in the event that an environmental hazard was to be found at the site of any of our plants, or if the operation of any of our plants results in material contamination of the environment. We may also be the subject of litigation relating to allegations of environmental pollution by our plants. If such cases are determined against us, there could be an adverse effect on our business, operations and financial condition.

24. We engage third party contract manufacturers and our business, financial condition, results of operations and cash flows may be adversely affected by any material changes to our contract arrangements or any negative impact on our contract manufacturing suppliers.

We engage contract manufacturers to manufacture certain optical connectivity products. We depend on these contract manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices.

However, we cannot guarantee that these contract manufacturers will be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and have an adverse effect on our business, financial condition, cash flows and results of operation. Other risks associated with our reliance on contract manufactures to manufacture these products include, reliance on the contract manufactures for regulatory compliance and quality assurance, misappropriation of our intellectual property, limited ability to manage our inventory, possible breach of the manufacturing agreement by the contract manufacture and the possible termination or non-renewal of the manufacturing agreement by the contract manufacturer at a time that is inconvenient for us.

Moreover, if any of our contract manufacturers suffer any damage to facilities, lose benefits under material agreements, or otherwise, theft of materials, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, we may experience significant business disruption. In the event of any such disruption, we would need to seek and source other qualified contract manufacturers, likely resulting in further delays and increased costs, which could adversely affect our business, results of operations, financial conditions and cash flows.

25. Our ability to successfully deliver value and growth is highly dependent on our organization structure and senior management, ability to attract, develop, engage and retain best professional talent.

Our future performance would depend on the continuous involvement of our Promoters, Senior Management, Key Managerial Personnel, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and cash flows. While there has been no material instance in the last three Fiscals and the nine months ended December 31, 2023 where the resignation of any Senior Management or Key Managerial Personnel had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instance will not arise in the future. Any leadership transition that results from the departure of any members of our senior management team and the integration of new personnel may be difficult to manage and may cause operational and administrative inefficiencies, decreased productivity amongst our employees and loss of personnel with institutional knowledge, which could result in significant disruptions to our operations.

Our future success, amongst other factors, will depend upon our ability to continue to attract, train and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping us develop technologically advanced products and support key customers. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our business, results of operations, financial condition and cash flows. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. The specialised skills we require in our industry are difficult and time consuming to acquire and, as a result, are in short supply. The following table sets forth the attrition rate for the Fiscals/ periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Number of Employees Resigned	399	697	788	608	409
Attrition Rate*	12.93%	21.31%	22.81%	22.42%**	16.57%**

**Attrition rate is calculated as number of voluntary exits (i.e., excluding retired employees) divided by average number of employees.*
***Annualised figures.*

Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products to the market and impair the success of our operations. This could have an adverse effect on our business, results of operations, financial condition and cash flows. Our success also depends, in part, on key customer relationships forged by our senior management. If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, results of operations, financial condition and cash flows.

26. Our Statutory Auditors have included an emphasis of matter in their audit report on financial statements as at and for the year ended March 31, 2021.

Our Statutory Auditors have included the below emphasis of matter in their audit report on financial statements as at and for the year ended March 31, 2021:

- "*We draw attention to Note 46 to the consolidated financial statements which describes that the Group had recognized goodwill on amalgamation during the financial year ended March 31, 2016, which is being amortized* *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.*"

For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditor Qualifications and Emphasis of Matter*" on page 123. There can be no assurance that any similar remarks or emphasis of matter paragraphs will not form part of the statutory auditor's report on our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

27. We do not own all the land on which we operate our manufacturing facilities and registered and corporate office, and other offices. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial conditions and operations.

As on the date of this Placement Document, our Registered Office is on leave and license basis and certain of our manufacturing facilities operate from premises taken on lease basis. Further, some of our other offices are located on premises which are either owned by us, or held either on a leasehold or leave and license basis. Termination of or failure to renew lease agreements with a fixed term of lease for these premises on terms and conditions favourable to us or at all, may require us to shift the registered and corporate office and the concerned manufacturing facilities to new premises, and we may incur substantial rent escalation and relocation costs as a result, in addition to suffering a disruption in our operations. For instance, the terms of our lease agreements with respect to our digital co-working spaces in Kolkata and California, United States as well as our virtual office space in the United Kingdom are due to expire within the next 12 months. This might adversely affect our business operations and make us incur additional expenses. We may also face the risk of being evicted in the event that our landlords allege a breach of the terms of the lease agreements on our part.

28. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.

We have entered into various financing arrangements with various lenders for short-term and long term facilities. As of September 30, 2023, our total borrowings (i.e., current and non current borrowings) amounted to ₹ 3,531 crores. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions. We propose to utilize ₹ 800 crores of our Net Proceeds to repay/prepay certain indebtedness availed by our Company. For further details, see "*Use of Proceeds – Details of the –Objects - Repayment, in full or part, of certain borrowings of our Company*" on page 77.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including altering our capital structure, further issuance of any Equity Shares, making any material change in management control or holding structure or diluting or changing the Promoters' shareholding. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. As of the date of this Placement Document, we have received all consents, to the extent required under the loan documentation entered into with the relevant lenders, from all such relevant lenders in connection with the Issue.

In terms of security, we are required to create a mortgage or charge over our current assets, movable and immovable properties. We may also be required to furnish additional security if required by our lenders. Additionally, these financing agreements also require us to maintain certain financial ratios such as asset coverage ratio, debt to equity ratio and security cover ratio. Our failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, if we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings. For instance, in the past there has been an instance where there was a breach of a covenant under our financing arrangement. While this did not result in any adverse impact on our operations or financial condition, we cannot assure that any future instances of covenant breaches will not have an adverse impact on our business, financial condition, results of operations and cash flows. Further, our Company has provided corporate guarantees in relation to certain loans and financial facilities obtained by our certain Subsidiaries. In the case of defaults by such Subsidiaries in meeting their obligations under the loans and financial facilities, including their repayment obligations, the guarantees may be invoked against our Company.

29. We avail unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our business, results of operations, financial condition and cash flows.

From time to time, we avail unsecured loans, which may be recalled at any time, with or without the existence of an event of default, on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lender to give us extensions or to refrain from exercising such recalls, which may adversely affect our business, results of operations, financial condition and cash flows.

30. Changes to trade policy, tariffs and import/export regulations may have an adverse effect on our business, financial condition, results of operations and cash flows.

Government policies on international trade and investment such as import quotas, tariffs, and capital controls, whether adopted by individual governments or addressed by regional trade blocs, can affect the demand for our products and services, impact the competitive position of our products or prevent us, our Subsidiaries, and Joint Ventures, from being able to sell and manufacture products in certain countries. The implementation of more restrictive trade policies, such as higher tariffs or new barriers to entry, together with anti-dumping claims, duties, slowed regulatory approvals and other restrictions, in countries in which we import raw materials and components or sell large quantities of products and services could negatively impact our business, results of operations and financial condition. For example, a government's adoption of "buy national" policies or retaliation by another government against such policies could have an adverse impact on our business, results of operations, financial condition and cash flows.

Further, our operations span across multiple countries, including our customer base and manufacturing locations. Therefore, any policy changes related to trade and protectionism in these countries can have an adverse impact on our operations, profitability and cost structure.

31. We are subject to anti-corruption and anti-money laundering laws and regulations. We can face criminal liability and other serious consequences for violations, which can harm our business.

Our operations are subject to anti-corruption laws that generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We are, therefore, exposed to the risk that our employees, independent contractors, consultants, vendors, independent sales agents and distributors may engage in fraudulent or other illegal activity in violation of these laws. It is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations.

Enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by governmental agencies, and assessment of significant fines and penalties against companies and individuals. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted. Any alleged or actual violations of these regulations may subject us to government scrutiny, severe criminal or civil sanctions, and could adversely affect our business, reputation, operating results, cash flows and financial condition.

32. Negative publicity could damage our reputation which could have an adverse effect on our business, results of operations, financial condition and cash flows.

The success of our business depends on our customers' trust in our reputation as a reliable supplier, and in our ability to meet their key performance targets and other expectations. Actual or alleged instances of inferior product quality or of damage caused by our products could damage our reputation and could prompt customers to reduce or terminate their business with us. Events or allegations of malfunctioning products could also lead to legal claims being brought against us, and we could incur substantial legal fees and other costs in defending or compensating for such legal claims. Further, any negative publicity in areas such as our reputation as an employer could also damage our reputation. If any of these risks were to materialize, our reputation and brand image may be damaged, which could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, negative publicity regarding our member of the Promoter Group namely Vedanta Limited or its operations could adversely impact us as well.

33. We have certain contingent liabilities which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows.

The table below sets forth our contingent liabilities as at March 31, 2023:

Contingent liabilities	As at March 31, 2023 (in ₹ crore)
1. Disputed liabilities	
a. Excise and customs duty	90
b. Goods and service tax	3

Contingent liabilities	As at March 31, 2023 (in ₹ crore)
c. Income tax	14
d. Claims lodged by a bank against the Group	19

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations.

34. There are outstanding legal proceedings involving our Company, Subsidiaries and Directors. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our Company, Subsidiaries and Directors are involved in certain legal proceedings in various courts, including certain civil (including proceedings involving our customers), criminal and taxation cases that have been filed against by or against them, which are pending at different levels of adjudication before various courts, tribunals and other authorities. For further details of some of the legal proceedings (including the proceedings involving our customers) that we are subject to, see *"Legal Proceedings"* on page 247. We cannot assure you that the outcome of any of these legal proceedings will be favourable. Any adverse decision in any of these cases or in any future proceedings in which they may become involved, may adversely affect our business, results of operations, financial condition and cash flows. Such proceedings could divert our management's time and attention and consume our financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

35. Our business may be adversely affected if we are unsuccessful in obtaining new patents for our products to differentiate us from our competitors.

Our success depends in part upon the development of technology, solutions and products. Accordingly, it is important that we identify, obtain and retain intellectual property rights and patents to such technology, solutions and products. As of December 31, 2023, we held 217 patents and we have also submitted 464 patent applications which are currently pending. We cannot assure you that we will be granted these patents or that we will successfully obtain patent for any technology, solutions or products that we develop in the future. If we are unsuccessful in obtaining new patents for our products, our business and results of operations may be adversely affected.

36. If we fail to protect or enforce our intellectual property or proprietary rights, our business, results of operations, financial condition and cash flow could be adversely affected.

We rely on patent and trade secret laws, copyright, trademark, confidentiality procedures, controls and contractual commitments to protect our intellectual property rights. Despite our efforts, these protections may be limited and we may encounter difficulties in protecting our intellectual property rights or obtaining rights to additional intellectual property necessary to permit us to continue or expand our businesses. We cannot provide assurance that the patents that we hold or may obtain will provide meaningful protection against our competitors. Changes in or enforcement of laws concerning intellectual property may affect our ability to prevent or address the misappropriation of, or the unauthorized use of, our intellectual property, potentially resulting in loss of market share.

Litigation may be necessary to enforce our intellectual property rights. Litigation is inherently uncertain and outcomes are unpredictable. If we cannot protect our intellectual property rights against unauthorized copying or use, or other misappropriation, we may not remain competitive. For instance, we have initiated patent infringement litigations against HFCL, ZTT, Hengtong for copying our fibre drawing technology and against HFCL for unauthorized access and use of our confidential information by hiring of our former employees and we cannot assure you favourable decisions in these litigations.

37. We may be subject to claims of infringement of third-party intellectual property rights, which could adversely affect our business.

While we take precautions to ensure that we do not infringe upon the intellectual property rights of third parties, we may do so unknowingly. Any allegations of infringement by us on the intellectual property rights of third parties, regardless of their merit, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert our management's attention from our business. For instance, our Company has received a letter before action dated October 23, 2023 on behalf of Fujikura Ltd and Fujikura Europe Ltd (collectively, "**Fujikura**") alleging *inter alia* that the Celeste fiber optic cables of our Company infringe the European patent EP (UK) 3 796 060 of Fujikura. Subsequently, Fujikara initiated claim proceedings against our Company before the High Court of Justice, Business and Property Courts of England and Wales, Intellectual Property List (Chancery Division), Patents Court, seeking *inter alia* a declaration that the patent held by Fujikura is valid and had been infringed by our Company, and for an injunction to restrain our Company from infringing the patent. Fujikara also sought for an inquiry as to damages and costs payable by our Company and for an order for the payment of all sums found due upon taking such inquiry into account. The matter is currently pending. In another instance, Prysmian Cables and Systems (the "**Plaintiff**") has filed a complaint against our Subsidiary, Sterlite Technologies Inc. ("**STI**") and a former employee of the Plaintiff (the "**Co Defendant**") before the United States District Court, District of South Carolina, Columbia Division (the "**Court**"), alleging *inter alia* that the Co Defendant violated certain non-compete, non-disclosure and solicitation agreements with the Plaintiff and divulged confidential trade secrets to STI upon becoming an employee of STI. The Plaintiff sought for *inter alia* a cease on the breach of agreements by the Co Defendant and imposition of damages on STI and the Co Defendant. STI, along with the Co Defendant denied all the claims made the Plaintiff. The matter is currently pending. For further details, see "*Legal Proceedings*" on page 247.

Also, as a result of such infringement claims, we could be required to pay monetary compensation, alter our technologies, obtain licenses or cease or alter some portions of our operations. The occurrence of any of the foregoing could result in unanticipated expenses. Such licenses can be extremely costly, and the necessary licences may not be available to us on satisfactory terms, if at all. In addition, our revenue could be adversely affected if any of our technologies are required to be changed, or if we are required to cease or change the manufacturing of products found to be infringing upon third-party intellectual property rights.

Further, some of the agreements that we have entered into with third parties place indemnity obligations on us that require us to compensate such third parties for loss or damage suffered by them on account of infringement upon the intellectual property rights of third parties by us. In the event that such third parties successfully invoke these indemnity clauses under their respective agreements, we may be liable to compensate them for loss or damage suffered in respect of such agreements, which may adversely affect our business and financial condition.

38. In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, designs, experiences, work flows, data, processes, software and know-how and our inability to secure such other intellectual property rights could adversely affect us.

We rely on proprietary information (such as trade secrets, know-how, and confidential information) to protect intellectual property that may not be patentable, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, or consulting, services, or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, contractors, and third parties. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our trade secrets or proprietary information and, even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our third-party manufacturers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that trade secret to compete with us. If any of our trade secrets were to be disclosed (whether lawfully or otherwise) to or independently developed by a competitor or other third party, it could have a material adverse effect on our business, operating results, and financial condition.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot guarantee that these security measures provide adequate protection for such proprietary information or will never be breached. There is a risk that third parties may obtain unauthorized access to and improperly utilize or disclose our proprietary information, which would harm our competitive advantages. We may not be able to detect or prevent the unauthorized access to or use of our information by third parties, and we may not be able to take appropriate and timely steps to mitigate the damages (or the damages may not be capable of being mitigated or remedied).

39. Our international operations are subject to political, economic, regulatory and other risks of doing business in those jurisdictions. Any adverse development in such jurisdictions could have an adverse affect our business, results of operations, financial condition and cash flows.

Our international operations, especially through our Subsidiaries and Joint Venture are subject to political, economic, regulatory and other risks of doing business in those jurisdictions, including uncertain political and economic environments and political instability. The markets in which we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. Therefore, we may be subject to risks inherent in doing business in countries other than India, including: risks related to the legal and regulatory environment in non-Indian jurisdictions, including with respect to privacy and data, or repatriation of our revenues or profits from foreign jurisdictions to India; security, and unexpected changes in laws, regulatory requirements and enforcement; challenges caused by distance, language and cultural differences; health and security threats or the outbreak of an pandemic; pricing pressures, fluctuations in the demand for or supply of our products or services; complex local tax regimes; higher costs associated with doing business in multiple markets; imposition of international sanctions on one or more of the countries in which we operate; potential damage to our brand and reputation due to compliance with local laws, including requirements to provide information to local authorities; fluctuations in currency exchange rates; political, social or economic instability; difficulties in managing global operations and legal compliance costs associated with multiple international locations; and exposure to local banking, currency control and other financial-related risks. Further, the regulatory regime in some of the territories we operate in continues to evolve at a rapid pace and may be unclear or inconsistent or open to conflicting interpretation. Our failure to effectively react to these situations or to successfully introduce new products or solutions in these markets could adversely affect our business, prospects, results of operations and financial condition.

40. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.

We maintain insurance policies that we believe mitigate key risks for companies operating in our industry. As of the date of this Placement Document, our key insurance coverage include, among others, directors' and officers' liability insurance, industry all risk, commercial general liability, marine policy, money insurance and cyber insurance.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our manufacturing facilities or corporate offices or in the regions or areas where our manufacturing facilities or corporate offices are located. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. There are many events, other than the ones covered in the insurance policies specified above, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations, financial condition and cash flows could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. While there has been no instance in the last three Fiscals and the nine months ended December 31, 2023 where any event occurred where we experienced losses exceeding our insurance coverage, we cannot assure you that such instance will not arise in the future. Any damage or loss to these uninsured assets due to unforeseen events such as natural disasters, accidents, thefts, or other incidents may impact our results of operations, financial condition and cash flows and result in significant monetary losses.

41. Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our business, results of operations, financial condition and cash flows.

Although we supervise our employees and workmen to prevent illegal and unethical behaviour, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. Misconduct by our employees or executives could bind us to transactions that exceed authorised limits, present unacceptable risks or involve us in unauthorised or unlawful activities without our knowledge, which may result in penalties, damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in serious reputational and financial harm, including harm to our brand. Further, the precautions taken and systems put in place to prevent, detect and deter such activities may not be effective in all cases and could have an adverse effect on our business, results of operations, financial condition and cash flows.

42. We may face impairment risks and the risk of loss of dividend income in relation to our Subsidiaries and other investments.

We have invested a significant amount of capital in our Subsidiaries and Joint Venture. The performance of our Subsidiaries or other investments are susceptible to various factors including change in regulations, sector dynamics and macro-economic events, among others, that may lead to impairment charges, should the recoverable amount of the investment fall below its carrying value. The distribution of funds from our Subsidiaries and Joint Venture is typically in the form of dividends, the declaration of which may depend on external factors affecting the industry that the Subsidiary and Joint Venture operate in, or other factors, including claims or actions by third parties. There can be no assurance that we will continue to receive dividend at the current levels, or at all, and this may have an adverse effect on our business, financial condition, cash flows and results of operations.

43. Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations.

Our cost and availability of borrowings are dependent, among other factors, on our short-term and long-term credit ratings. The following table sets forth details of our credit ratings received in the last three Fiscals and the nine months ended December 31, 2023:

Rating Agency	Instrument Type	Credit Rating	Date
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Watch Negative	February 15, 2024
CRISIL Ratings	Commercial paper	CRISIL A1+/Watch Developing	February 15, 2024
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Watch Developing	November 17, 2023
CRISIL Ratings	Commercial paper	CRISIL A1+/Watch Developing	November 17, 2023
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Watch Developing	August 24, 2023
CRISIL Ratings	Commercial paper	CRISIL A1+/Watch Developing	August 24, 2023
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Watch Developing	May 26, 2023
CRISIL Ratings	Commercial paper	CRISIL A1+/Watch Developing	May 26, 2023
ICRA	Bank Loan	ICRA AA/ Negative	April 25, 2023
ICRA	Commercial paper	ICRA A1+	April 25, 2023
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Negative	February 14, 2023
CRISIL Ratings	Commercial paper	CRISIL A1+	February 14, 2023
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Negative	January 25, 2023
CRISIL Ratings	Commercial paper	CRISIL A1+	January 25, 2023
ICRA	Bank Loan, non-convertible debentures	ICRA AA/ Negative	April 28, 2022
ICRA	Commercial paper	ICRA A1+	April 28, 2022
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Negative	February 1, 2022
CRISIL Ratings	Commercial paper	CRISIL A1+	February 1, 2022
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Stable	December 7, 2021
CRISIL Ratings	Commercial paper	CRISIL A1+	December 7, 2021
ICRA	Bank Loan, non-convertible debentures	ICRA AA/ Stable	April 29, 2021
ICRA	Commercial paper	ICRA A1+	April 29, 2021
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Stable	March 24, 2021
CRISIL Ratings	Commercial paper	CRISIL A1+	March 24, 2021
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Stable	September 7, 2020
CRISIL Ratings	Commercial paper	CRISIL A1+	September 7, 2020
CRISIL Ratings	Bank Loan, non-convertible debentures	CRISIL AA/ Stable	May 14, 2020
CRISIL Ratings	Commercial paper	CRISIL A1+	May 14, 2020

Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which in turn may lead to an increase in our borrowing costs and constrain our access to borrowings. In addition, any downgrade of our credit ratings could result in a default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements.

44. Improper storage, processing and handling of materials and products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.

Our inventory primarily consists of raw materials and components used in our manufacturing operations, and finished products. Our raw materials, manufacturing processes and finished products are susceptible to damage or contamination if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such damage or contamination is detected at the manufacturing facility during quality checks, we may have to suspend manufacturing activities, and lower capacity utilizations, which could adversely affect our business prospects and financial performance. Further, improper storage may also result in higher than usual damage to our inventory due to adverse weather conditions or longer than usual storage periods, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margin.

45. ***Our performance may be adversely affected if we are not successful in forecasting customer demands and managing our inventory.***

We use our ERP software (SAP) to evaluate our inventory balances of materials based on shelf life. The expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix is tracked externally. Efficient inventory management is a key component of the success of our business, results of operations and financial condition. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials, components and stock-in-trade purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose off the excess or obsolete inventory, which can adversely affect our results of operations.

46. ***We avail certain benefits under certain government incentive schemes. Cancellation or our inability to meet the conditions under such schemes may result in adversely affect our business operations, cash flows, results of operations and financial condition.***

We avail certain incentives under Industrial Promotion Scheme, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductions, Reemission of Duties or Taxes on Export Products Scheme, Duty Drawback Scheme, Industry 4.0 incentives in Italy and other applicable incentives schemes in the United States. Our profitability will be affected to the extent that such benefits will not be available beyond the periods currently contemplated. Our profitability may be further affected in the future if any of such benefits are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Further, our inability to meet the conditions as prescribed under such schemes would make our Company less competitive against its competitors who have been availing this scheme by complying all conditions.

47. ***Our Promoters, certain of our Directors, Key Managerial Personnel and Senior Management hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoters, certain of our Directors, Key Managerial Personnel and Senior Management are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. The table below sets forth the details of shareholding of our Promoters, Directors, Key Managerial Personnel and Senior Management, as applicable:

Names	**Number of Equity Shares**	**Percentage of total pre-Issue paid up Equity Share capital**
Promoters and Promoter Group		
Twin Star Overseas Limited	209,402,750	52.48%
Vedanta Limited	4,764,295	1.20%
Navin Agarwal	286,945	0.07%
Pratik Agarwal	52,500	0.01%
Jyoti Agarwal	11,500	Negligible
Pravin Agarwal Family Trust	100	Negligible
Ruchira Agarwal	16,000	Negligible
Sonakshi Agarwal	21,000	Negligible
Directors		
Ankit Agarwal	838,676	0.21%
Pravin Agarwal	50,000	Negligible
Venkatesh Murthy	58,461	0.01%
S Madhavan	2,000	Negligible
Key Managerial Personnel		
Amit Deshpande	54,488	0.01%

We cannot assure you that our Promoters, Directors, Key Managerial Personnel and our Senior Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see "*Capital Structure*", and "*Board of Directors and Senior Management*" on pages 81 and 197, respectively.

48. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with related parties in the past and we may enter into related party transactions in the future, from time to time. These transactions include, among other things, remuneration to whole time Directors, independent Directors and Key Managerial Personnel, sitting fees, commission, consultancy, dividend (received)/paid, sale of investments, repayment of loans given, loan repaid, interest charged on loans, interest expense on loans, management fees received, reimbursement of expenses, purchase of goods and services, sale of goods and services, contributions made for CSR and rental income. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future subject to compliance with the SEBI Listing Regulations and other statutory requirements. The table below provides details of arithmetic aggregated absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations for the years/ periods indicated:

Particulars	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**
	(₹ in crores except percentages)		
Arithmetic Aggregated Absolute Sum of All Related Party Transactions	318	446	313
Revenue from Operations	4,825	5,437	6,925
Arithmetic Aggregated Absolute Sum of All Related Party Transactions as a Percentage of Revenue from Operations	6.59%	8.20%	4.51%

For further information on our related party transactions, see "*Related Party Transactions*" on page 43.

49. Any disruption, delay or failure in the operation of our information technology ("IT") systems could adversely affect our business, results of operations, financial condition and cash flows.

We have implemented various IT solutions to cover key areas of our operations. Our ability to operate our business depends on the proper and efficient functioning of such IT systems, which are susceptible to malfunctions and interruptions. Any delay in the implementation or failure in the operation of these information systems could result in adverse consequences, including disruption of operations, loss of information and unanticipated increase in costs.

Further, these systems are potentially vulnerable to interruptions from a variety of sources and events that are wholly or partially beyond our control or the control of our third-party vendors (e.g., damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, cyber-attacks or loss of support services from other third parties), which could lead to serious consequences for our business. In addition, a malfunction in our data system security measures could enable unauthorised persons to access sensitive business data, including information relating to our and our customers' intellectual property or business strategies. Such malfunction or disruptions could cause economic losses for which we could be held liable and could also damage our reputation and brand. Further, any failure or disruption in the operation of our IT systems could result in loss of data, which may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, manage our creditors and debtors, manage payables and inventory and otherwise conduct our normal business operations. Any of these developments, alone or in combination, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT systems thereby adversely affecting our ability to operate efficiently. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, results of operations, financial condition and cash flows.

50. Our Directors or Promoters may enter into ventures that may lead to conflicts of interest with our business.

Our Directors and Promoters may become involved in ventures that may potentially compete with our Company. As of the date of this Placement Document, while our Directors and Promoters do not engage in any other business activities similar to our business lines, and have not undertaken any business in conflict with the interests of our Company, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. In addition, we cannot assure you that our Directors or Promoters will not provide comparable services, solicit our employees or acquire interests in competing ventures in the locations, sectors in which we operate, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

51. ***The attainment of our Environmental, Social, and Governance ("ESG") initiatives is influenced by several factors and our failure to achieve our ESG goals may adversely affect our reputation and loss of business opportunities.***

We recognize the importance of ESG in our operations. For details of our ESG initiatives, see "*Our Business - Environmental, Social and Governance ("ESG") and Corporate Social Responsibility ("CSR") Initiatives*" on page 193. The pursuit of ESG initiatives such as carbon emissions reduction, renewable energy usage, waste management, and other sustainable practices require substantial financial investments, impacting our profitability. As stakeholder expectations around ESG practices continue to evolve, failure to meet these expectations may result in reputational harm, loss of business opportunities, or decreased investor confidence. Also, the competitive landscape is rapidly evolving, with many companies adopting ESG practices to enhance their market standing, our failure to integrate these practices into our operations could render us less competitive. Furthermore, our operations may face social and community risks, such as protests or litigation, if we fail to effectively manage our impact on local communities and address their concerns. While we are dedicated to meeting the evolving ESG standards and supporting our customers' ESG requirements as well, we cannot assure you that we will successfully achieve such goals and our failure to adapt to changing ESG expectations may have a detrimental effect on our business, financial condition, and prospects.

52. ***Our audited consolidated financial information as of and for the year ended March 31, 2023 is not comparable with the audited consolidated financial information as of and for the years ended March 31, 2022 and as of and for the year ended March 31, 2021.***

During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK. As a result, our audited consolidated financial statements as of and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as of and for the year ended March 31, 2021 and 2022 and therefore, in this Placement Document, unless otherwise stated or unless the context requires otherwise, the financial information contained as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in our audited consolidated financial statements as at and for the year ended March 31, 2023.

53. ***Information relating to the installed capacity included in this Placement Document is based on various assumptions and estimates.***

Information relating to the installed capacity of our manufacturing facilities included in this Placement Document are based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineer, namely Rajesh Patel, in the calculation of our installed capacity, as certified pursuant to a certificated dated April 8, 2024. The information relating to the installed capacity are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the optical fibre industry and other ancillary equipment installed at the manufacturing facilities. The assumptions and estimates taken into account includes the number of working days in a year, including the leap year of 2024, scheduling 1 to 2 days per month for preventive maintenance and operating manufacturing facilities in Italy and the US on a five-day workweek. Further, capacity calculations of manufacturing facilities are subject to machine / equipment outputs which consist of speed, average daily yield, and scrap. Given there are multiple products in both optical fibre and optical fibre cable, the speed, average daily yield, and scrap vary based on the finished goods product mix. Undue reliance should therefore not be placed on our historical installed capacity of our existing manufacturing facilities.

54. ***Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.***

As of the date of this Placement Document, our Promoters and Promoter Group beneficially held 53.98% of our total paid-up share capital prior to the Issue. After the completion of the Issue, our Promoters along with the members of our Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise control over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure or any other matter requiring special resolution. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of our Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that our Promoters and members of our Promoter Group will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

55. ***Certain sections of this Placement Document disclose information from the CRISIL Report and information reported by CRU which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

We have availed the services of an independent third-party research agency, CRISIL, appointed by our Company to prepare an industry report titled "*Assessment of Optical Fibre Cable, EPC and IT services industry*" dated February 2024, for purposes of inclusion of such information in this Placement Document to understand the industry in which we operate. In addition, we have paid an independent third-party research agency, CRU to provide certain information, for purposes of inclusion of such information in this Placement Document. Our Company, our Promoters, Directors and Subsidiaries are not related to CRISIL and CRU. The CRISIL Report and information issued by CRU are not exhaustive and is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Placement Document, when making their investment decisions.

56. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP measures and statistical information are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, segment EBITDA margin, total debt, net profit margin, EBIT, interest coverage ratio, profit before tax (before share of net profit of associates and joint venture), adjusted net profit (after share of associates and joint venture and non-controlling interest), net debt, fixed assets and net working capital have been included in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance and because such measures are frequently used by security analysts, investors and others to evaluate the operational performance of companies in our industry, many of which provide such non-GAAP.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS, US GAAP or any other generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS, US GAAP or any other generally accepted accounting principles. In addition, these are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

57. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency or the BRLMs.

We propose to utilise the net proceeds for the purposes described in "*Use of Proceeds*" on page 76. The funding requirements are based on internal management estimates and current conditions which are subject to changes due to changes in external circumstances, costs, other financial conditions or business strategies. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may place a burden on our finance plans. Our proposed deployment of net proceeds has not been appraised by any bank or financial institution or any other independent agency or the BRLMs and is based on management estimates. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows. We have appointed CRISIL Ratings Limited as the monitoring agency for monitoring the utilization of net proceeds in accordance with Regulation 173A of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the net proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the net proceeds to achieve profitable growth in our business.

58. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

External Risk Factors

59. Changing laws, rules and regulations and legal uncertainties in India could lead to new compliance requirements that are uncertain.

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition, cash flows and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are hazardous into the air, soil or water and beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

For instance, the Government of India has introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which will consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour Codes**"). The Government of India has deferred the effective date of implementation of the respective Labour Codes, except for certain portions of the Code on Wages, 2019 and Social Securities Code, which are already in force, and they shall come into force from such dates as may be notified. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, under the Social Security Code, a new concept of wages deemed as remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations, financial condition and cash flows.

60. Political instability or changes in policies effected by the Government of India could adversely affect economic conditions in India. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our business, results of operations, financial condition and cash flows and the market price and liquidity of the Equity Shares may be affected by factors influencing the Indian economy, such as epidemics and pandemics (such as the COVID-19 pandemic), changes in exchange rates and controls, changes in interest rates, changes in government policies, changes in taxation laws and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

61. If inflation were to rise in India and the jurisdictions in which we operate, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our **customers** ***thereby reducing our margins.***

Inflation rates in India and in other jurisdictions in which we operate have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of borrowings, wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. Any increase in inflation in India and the jurisdictions in which we operate can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected.

62. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.

Any change in Indian tax laws could have an effect on our operations. For instance, the Government of India implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India underwent a complete overhaul. Any dividend distribution by a domestic company is subject to tax in the hands of the investor at their applicable income tax rate. Taxes are to be withheld by the Indian company on such dividends at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty read with the Multilateral Instrument, if and to the extent applicable, subject to satisfaction of certain conditions. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, the Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to Income-tax Act, 1961 ("**IT Act**"), the full union budget which is likely to be announced later this year may introduce amendments to the IT Act. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

63. Any downgrade of India's debt rating by international rating agencies could adversely affect our business.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

64. Rights of shareholders of companies under Indian laws may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws and legal principles governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholders of our Company than as a shareholder of an entity in another jurisdiction.

65. We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advise investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares has fluctuated since the initial public offering of the Equity Shares and may also continue to fluctuate after the Issue due to several factors such as volatility in the Indian and global securities markets, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factors. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

66. We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. Further, the Competition Act also prohibits certain vertical agreements such as for tying, bundling, resale price maintenance, exclusive distribution and exclusive supply agreements, which cause or could cause AAEC in India. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished with appropriate monetary penalties.

Further, the Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, results of operations, financial condition and cash flows.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties indexed to the global turnover of entities (in cases where determination of "relevant turnover" is not possible), for anti-competitive agreements and abuse of dominant position.

67. Our ability to borrow in foreign currencies is restricted by Indian law.

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act, 1999. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

68. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India. Some of our fixed assets and Directors are also located in India. As a result, it may be difficult or may not be possible for prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India vis-à-vis the civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgements under the civil liability provisions of the federal securities laws of the United States. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment.

Further, there is no assurance that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 14.

69. Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring our Company.

The SEBI Takeover Regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. These provisions may discourage a third party from attempting to take control over our Company, even if change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to Shareholders. For further information, see "*The Securities Market of India – SEBI Takeover Regulations*" on page 230.

70. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing Russia-Ukraine conflict and Israeli-Palestinian conflict could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability, including the possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

71. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our results of operations, financial condition and cash flows. Accordingly, financial statements included in this Placement Document might not provide meaningful information to readers whose level of familiarity with Indian accounting practices is limited.***

In this Placement Document, we have included Fiscal 2021 Audited Financial Statements, Fiscal 2022 Audited Financial Statements, Fiscal 2023 Audited Financial Statements, Unaudited December 2023 Results, Unaudited September 2023 Results and Unaudited June 2023 Results, which have been prepared in accordance with the Indian Accounting Standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended ("**Ind AS**"). We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries differ in significant respects from Ind AS. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, financial condition and cash flows could be substantially different. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Placement Document and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Ind AS on the financial information presented in this Placement Document should accordingly be limited.

Risks in Relation to the Equity Shares and the Issue

72. ***We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed, or continue to be listed, on the Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose off any such Equity Shares may be restricted.

Allottees can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all.

In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. For further information on issue procedure, see "*Issue Procedure*" on page 208.

73. ***Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on Stock Exchanges for a period of one year from the date of the allotment of the Equity Shares.***

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 221. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Transfer Restrictions*" on page 227. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

74. ***Any future issuance of Equity Shares, convertible securities or other equity linked securities by us could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.***

Our Company may be required to finance our future growth through additional offerings. Any future issuance of Equity Shares, convertible securities or other equity-linked securities by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose off, pledge or otherwise encumber their Equity Shares.

75. ***We cannot assure payment of dividends on the Equity Shares in the future.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, resources required to fund acquisitions and/or new businesses, cash flow required to meet contingencies, outstanding borrowings, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions laid down under relevant applicable laws including tax laws, dividend pay-out ratios of companies in the same industry and economic viability.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of Shareholders and will depend on factors that our Board of Directors and Shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. Additionally, under some of our loan agreements, we are not permitted to declare any dividends without prior consent from the lenders if there is a default under such loan agreements or unless we have paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be paid or that the amount thereof will not be decreased in the future. Accordingly, realisation of a gain on investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

Additionally, under the Finance Act, 2023, dividend distribution tax is not payable in respect of dividends declared, distributed or paid by an Indian company after March 31, 2020, and accordingly, any dividend payments to our resident and non-resident shareholders would not be tax exempt in their hands.

For further information, see "*Dividends*" on page 86.

76. ***After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.***

The Issue Price will be determined by our Company, in consultation with the BRLMs, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- our results of operations, financial condition and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our results of operations, financial condition or cash flows.

77. ***Investors will be subject to market risks until the Equity Shares credited to their demat accounts are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

78. ***Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing and reporting requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such guidelines or requirements and does not fall under any of the specified exceptions, then prior approval of RBI is required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

79. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.***

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 229.

80. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

81. Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, *inter alia*, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

82. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Application Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date. However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operation, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

83. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 39,91,16,175 Equity Shares are issued, subscribed and fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE.

On April 10, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 136.95 and ₹ 140.25 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for the Fiscals 2023, 2022 and 2021:

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals	Total Turnover of Equity Shares traded in the fiscals (₹ in crores)
Fiscal 2024	175.65	September 11, 2023	55,56,550	97.59	110.80	March 28, 2024	28,14,745	31.67	149.22	44,56,89,537	6,684.99
Fiscal 2023	235.05	April 22, 2022	1,64,68,196	382.65	133.20	July 26, 2022	28,77,246	38.58	169.20	27,81,01,537	4,919.17
Fiscal 2022	312.35	August 3, 2021	12,75,590	39.56	170.80	February 24, 2022	10,35,371	18.27	256.64	21,68,98,914	5,517.80

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals	Total Turnover of Equity Shares traded in the fiscals (₹ in crores)
Fiscal 2024	175.85	September 11, 2023	3,85,675	6.77	110.75	March 27, 2024	18,12,970	20.69	149.23	4,20,88,803	612.50
Fiscal 2023	235.35	April 22, 2022	15,77,701	36.52	133.20	July 26, 2022	4,42,564	5.94	169.20	3,51,08,533	613.99
Fiscal 2022	312.45	August 3, 2021	1,23,468	3.81	171.00	February 24, 2022	1,49,773	2.65	256.61	2,99,44,437	721.73

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

B. The following tables set out the reported high, low and average of the closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
March 2024	140.35	March 1, 2024	16,06,130	22.39	110.80	March 28, 2024	28,14,745	31.67	131.10	10,00,08,432	1,320.69
February 2024	149.25	February 22, 2024	80,68,563	119.28	129.75	February 12, 2024	17,45,389	23.08	138.55	4,83,98,059	688.27
January 2024	149.10	January 12, 2024	40,35,527	60.52	134.05	January 29, 2024	30,08,676	40.25	144.48	4,48,86,130	649.61
December 2023	149.05	December 4, 2023	18,52,900	27.94	142.80	December 29, 2023	9,55,772	13.68	145.98	2,52,84,024	371.68
November 2023	157.55	November 17, 2023	61,32,985	97.96	132.90	November 7, 2023	23,50,601	31.37	145.06	6,36,42,247	946.76
October 2023	165.00	October 20, 2023	36,91,745	61.55	135.90	October 27, 2023	2,07,51,731	285.28	155.09	4,91,81,213	729.62

(Source: www.nseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
March 2024	140.35	March 2, 2024	11,579	0.16	110.75	March 27, 2024	18,12,970	20.69	131.33	1,41,03,086	179.35
February 2024	149.35	February 22, 2024	4,58,973	6.76	129.80	February 12, 2024	1,83,944	2.43	138.56	38,10,128	53.87
January 2024	149.10	January 12, 2024	3,86,278	5.79	134.05	January 29, 2024	2,07,058	2.77	144.43	39,54,346	57.23
December 2023	148.95	December 04, 2023	1,03,751	1.56	142.90	December 29, 2023	58,440	0.84	145.99	22,35,139	32.79
November 2023	157.65	November 17, 2023	4,43,456	7.08	132.95	November 7, 2023	2,10,179	2.80	145.09	49,90,215	73.40
October 2023	165.25	October 20, 2023	2,26,032	3.75	135.75	October 27, 2023	19,50,555	26.68	155.07	46,06,219	68.19

(Source: www.bseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The following table sets forth the market price on the Stock Exchanges on May 18, 2023, i.e., the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Volume (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Volume (in ₹ crores)
168.55	168.55	159.00	159.45	1,02,143	1.66	168.00	168.70	158.55	159.40	19,08,470	31.12

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will aggregate to ₹ 1,000 crore. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ 30 crores, shall be approximately ₹ 970 crores ("**Net Proceeds**").

Purpose of the Issue

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Repayment, in full or part, of certain borrowings of our Company; and
2. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us to: (i) undertake our existing business activities and other activities set out therein; and (ii) undertake the activities proposed to be funded from the Net Proceeds.

Requirement of Funds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	**Amount(2) (*₹ in crore*)**	**Tentative timelines for utilization of Net Proceeds**
Repayment, in full or part, of certain borrowings of our Company	800	July 31, 2024
General corporate purposes(1)	170	September 30, 2024
Net Proceeds(2)	₹ 970	-

(1) Subject to Allotment of Equity Shares pursuant to the Issue. The amount to be utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.
(2) To be determined upon finalisation of Issue Price.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects by the end of September 30, 2024. The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution or independent agency or the Lead Manager, in connection with the Issue. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management and obtaining necessary approvals / consents, as applicable, in accordance with applicable law. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical expenditure may not be reflective of our future expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met (in full or in part), due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing Objects of the Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity. Further, our Board retains the right to change the above schedule of implementation and deployment of the Net Proceeds, including the manner, method, and timing of deployment of the Net Proceeds, in case of change in our business requirements and other commercial considerations. For details on risks involved, see "***Risk Factors - Our funding requirements and the proposed deployment of the net proceeds have not been appraised by any bank or financial institution or any other independent agency or the BRLMs.***" on page 64.

Details of the Objects

I. Repayment, in full or part, of certain borrowings of our Company

Our Company has entered into various financing arrangements including borrowings in the form of term loans, working capital demand loans, and commercial papers. These arrangements include a mix of secured and unsecured loans.

As of September 30, 2023, our Company had ₹3,531 crore in borrowings from banks and financial institutions, comprising term loans (including foreign currency borrowings), working capital loans and trade/supplier credits and net of unamortized costs. We propose to utilise an amount of ₹ 800 crores from the Net Proceeds towards repayment of borrowings of our Company, as listed in the table below. Our Company retains the right to utilize the Net Proceeds to repay, in full or in part, the borrowings identified herein below including any refinancing undertaken by us to repay this borrowing as well as repay any other existing or fresh borrowings taken by us.

We believe that the scheduled repayment will help our Company reduce our outstanding indebtedness and debt servicing costs, assist our Company in maintaining a favourable debt to equity ratio and enable utilisation of our identifiable internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt-equity ratio of our Company, as the case may be, is intended to enable it to raise further resources in the future to fund potential business development opportunities and plans to grow and expand the business in the future.

Our Company has obtained necessary consents, wherever required, from the lenders as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lenders. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio. In addition, we believe that since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The following table provides details of certain loans availed by our Company, as on March 31, 2024 which we propose to repay, in full or in part, from the Net Proceeds. The interest rates of these loan facilities range from 7.65% to 9.20%:

Sr. No.	Name of lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Nature of borrowing	Amount sanctioned as on March 31, 2024 (₹ in crore)	Amount outstanding as on March 31, 2024 (₹ in crore)	Amount to be repaid out of Net Issue Proceeds	Tenor/ Repayment Schedule	Purpose for which disbursed loan amount was utilized *	Whether the loan has been utilised for the purpose for which it has been availed	Prepayment penalty/ conditions
1.	Shinhan Bank	August 10, 2023	Working Capital Loan	55	35	35	Repayment on April 22, 2024	Working Capital	Yes	Not applicable
2.	HDFC Bank	March 22, 2024		285	240	240	Multiple dates in May 2024	Working Capital	Yes	Nil
3.	CTBC Bank Co., Ltd	February 6, 2023		50	40	40	May 15, 2024	Working Capital	Yes	Nil
4.	Federal Bank	January 4, 2024		290	242	85	May 28, 2024	Working Capital	Yes	As mutually agreed as per the sanction letter
5.	Aditya Birla Finance Limited	March 26, 2024	Term Loan	100	100	100	Repayment on April 29, 2025	Repayment of loans, augmentation of working capital	Yes	No penalty if paid out of equity issuance
6.	Market instrument (ISIN	March 27, 2024	Commercial Papers	100	100	100	April 26, 2024	Working Capital	Yes	Not applicable

Sr. No.	Name of lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Nature of borrowing	Amount sanctioned as on March 31, 2024 (₹ in crore)	Amount outstanding as on March 31, 2024 (₹ in crore)	Amount to be repaid out of Net Issue Proceeds	Tenor/ Repayment Schedule	Purpose for which disbursed loan amount was utilized *	Whether the loan has been utilised for the purpose for which it has been availed	Prepayment penalty/ conditions
	INE089C14DG5)									
7.	Market instrument (ISIN INE089C14DH3)	March 28, 2024	Commercial Papers	100	100	100	April 29, 2024	Working Capital	Yes	Not applicable
8.	Market instrument (ISIN INE089C14DF7)	February 20, 2024	Commercial Papers	100	100	100	May 16, 2024	Working Capital	Yes	Not applicable
	Total			**1,080**	**957**	**800**				

** AKGSR & Company, Chartered Accountants, pursuant to their certificate dated April 8, 2024, have confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.*

II. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹170 crores towards general corporate purposes, subject to such amount not exceeding 25% of the gross proceeds.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include strategic initiatives, working capital requirements, business development activities, funding growth opportunities, including acquisitions and meeting exigencies, meeting expenses incurred by our Company, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law, including necessary provisions of the Companies Act, 2013.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Our Company's management shall have flexibility in utilising surplus amounts, if any, as may be approved by our Board or a duly appointed committee from time to time, in accordance with applicable law. In case of variation in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes set out above, in accordance with applicable law.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds, our Company intends to invest such proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market, mutual funds, and deposits with banks and/or financial institutions. Such investments will be in accordance with the investment policies as approved by our Board and/or a duly authorized committee of our Board, from time to time, and in accordance with applicable laws.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Placement Document, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

Our Company has appointed CRISIL Ratings Limited as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of net proceeds as the size of our Issue exceeds ₹100 crores. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, promptly upon its receipt, until such time as the net proceeds have been utilized in full or the Objects for which the net proceeds were raised have been achieved. Further, the Board and the management of our Company shall provide their comments on the findings of the Monitoring Agency as specified in Schedule XI of the SEBI ICDR Regulations**.** Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the net proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the net proceeds remain unutilised; and (ii) disclose every year, the utilization of the net proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the net proceeds have been utilised in full. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the gross proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in the directors' report in its annual report, after placing the same before the Audit Committee.

Other confirmations

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds.

Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or Senior Management are not eligible to subscribe in the Issue.

Further, since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement and the total borrowings, on a consolidated basis, as at September 30, 2023 derived from the Unaudited September 2023 Results and as adjusted for the Issue. This table should be read in conjunction with "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 259 and 87, respectively.

(₹ in crores)

Particulars	Pre-Issue as at September 30, 2023	As adjusted for the Issue[1]
Debt		
Non-current borrowings	954	954
Current borrowings	2,577	2,577
Total Debt (A)	**3,531**	**3,531**
Equity		
Equity Share Capital	80	98
Other Equity	2,056	3,038
Non-controlling interests	(0)	0
Total Equity (B)	**2,136**	**3,136**
Total Capitalization (A + B)	**5,667**	**6,667**
Total Debt/total Equity (A) / (B)	**1.65**	**1.13**

[1] *For details of changes made in the capital structure post September 30, 2023, see "**Capital Structure**" on page 81.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Placement Document is set forth below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	75,00,00,000 Equity Shares (of face value of ₹ 2 each)	1,50,00,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	39,91,16,175 Equity Shares (of face value of ₹ 2 each)	79,82,32,350
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	8,84,56,435 Equity Shares aggregating to ₹ 17.69 crore(1)(2)	17,69,12,870
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	48,75,72,610 Equity Shares aggregating to ₹ 97.51 crore(2)	97,51,45,220
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	41,90,08,979
	After the Issue(2)(3)(4)	10,24,20,96,085.75

(1) *The Issue has been authorised by our Board pursuant to a resolution dated May 17, 2023 and by our shareholders pursuant to a special resolution dated August 11, 2023.*
(2) *Subject to finalisation of Allotment.*
(3) *Not adjusted for Issue expenses.*

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is set forth below:

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative no. of equity shares	Cumulative paid-up equity share capital
At the time of incorporation of our Company, 1,006 equity shares of face value of ₹ 10 each were allotted as part of the subscription to the Memorandum of Association on March 22, 2000. However pursuant to the Scheme of Arrangement the 1,006 equity shares allotted were split into 2,012 equity shares of face value of ₹ 5 each							
October 16, 2000	Allotment as per Scheme of Arrangement	5,59,12,559	5	5	Cash	5,59,14,571	27,95,72,855
March 28, 2001	Allotment as per Scheme of Arrangement	79,996	5	5	Cash	5,59,94,567	27,99,72,835
March 29, 2006	Preferential Allotment	28,00,000	5	100	Cash	5,87,94,567	29,39,72,835
February 2, 2007	Conversion of 28,00,000 warrants to equity shares of face value of ₹ 5 each in the ratio of one equity share of face value of ₹ 5 for each warrant	28,00,000	5	100	Cash	6,15,94,567	30,79,72,835
August 3, 2007	Allotment pursuant to ESOP 2006	56,980	5	5	Cash	6,16,51,547	30,82,57,735
October 4, 2007	Allotment pursuant to ESOP 2006	14,500	5	5	Cash	6,16,66,047	30,83,30,235
November 26, 2007	Allotment pursuant to ESOP 2006	2,200	5	5	Cash	6,16,68,247	30,83,41,235
November 26, 2007	Conversion of 28,00,000 warrants to equity shares of face value of ₹ 5 each in ratio of one equity share of face value of ₹ 5 for each warrant	28,00,000	5	100	Cash	6,44,68,247	32,23,41,235
May 2, 2008	Allotment pursuant to ESOP 2006	6,580	5	5	Cash	6,44,74,827	32,23,74,135
September 18, 2008	Allotment pursuant to ESOP 2006	50,620	5	5	Cash	6,45,25,447	32,26,27,235
January 31, 2009	Allotment pursuant to ESOP 2006	12,900	5	5	Cash	6,45,38,347	32,26,91,735
April 24, 2009	Allotment pursuant to ESOP 2006	2,825	5	5	Cash	6,45,41,172	32,27,05,860
August 8, 2009	Allotment pursuant to ESOP 2006	65,791	5	5	Cash	6,46,06,963	32,30,34,815
December 14, 2009	Allotment pursuant to ESOP 2006	31,506	5	5	Cash	6,46,38,469	32,31,92,345
December 30, 2009	Allotment pursuant to ESOP 2006	15,233	5	5	Cash	6,46,53,702	32,32,68,510
Pursuant to the board resolution dated January 18, 2010 and shareholders' resolution dated February 25, 2010, each equity share of our Company of ₹5 each was sub-divided into Equity Shares of ₹ 2 each. Therefore, an aggregate of 6,46,53,702 issued, subscribed and paid up equity shares of ₹ 5 each were split into 16,16,34,255 Equity Shares of ₹ 2 each							

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative no. of equity shares	Cumulative paid-up equity share capital
February 25, 2010	Bonus issue in the ratio of 1:1	16,16,34,255	2	NA*	NA	32,32,68,510	64,65,37,020
March 29, 2010	Conversion of 1,61,25,000 warrants to Equity Shares in the ratio of one Equity Share to one warrant	1,61,25,000	2	26	Cash	33,93,93,510	67,87,87,020
March 29, 2010	Bonus issue in the ratio of 1:1	1,61,25,000	2	NA*	NA	35,55,18,510	71,10,37,020
May 18, 2010	Allotment pursuant to ESOP 2006	97,455^	2	2^^	Cash	35,56,15,965	71,12,31,930
September 4, 2010	Allotment pursuant to ESOP 2006	5,78,530^	2	2^^	Cash	35,61,94,495	71,23,88,990
November 3, 2010	Allotment pursuant to ESOP 2006	1,32,174^	2	2^^	Cash	35,63,26,669	71,26,53,338
January 10, 2011	Allotment pursuant to ESOP 2006	55,460^	2	2^^	Cash	35,63,82,129	71,27,64,258
April 7, 2011	Allotment pursuant to ESOP 2006	56,348^	2	2^^	Cash	35,64,38,477	71,28,76,954
April 7, 2011	Conversion of 18,250,000 warrants to Equity Shares in the ratio of one Equity Share to one warrant	1,82,50,000	2	59.40	Cash	37,46,88,477	74,93,76,954
April 7, 2011	Bonus issue in the ratio of 1:1	1,82,50,000	2	NA^^	NA	39,29,38,477	78,58,76,954
July 1, 2011	Allotment pursuant to ESOP 2006	1,30,334^	2	2^^	Cash	39,30,68,811	78,61,37,622
October 15, 2011	Allotment pursuant to ESOP 2006	1,21,016^	2	2^^	Cash	39,31,89,827	78,63,79,654
January 6, 2012	Allotment pursuant to ESOP 2006	74,996^	2	2^^	Cash	39,32,64,823	78,65,29,646
April 17, 2012	Allotment pursuant to ESOP 2006	22,822^	2	2^^	Cash	39,32,87,645	78,65,75,290
July 26, 2012	Allotment pursuant to ESOP 2006	99,160^	2	2^^	Cash	39,33,86,805	78,67,73,610
October 25, 2012	Allotment pursuant to ESOP 2006	42,010^	2	2^^	Cash	39,34,28,815	78,68,57,630
January 14, 2013	Allotment pursuant to ESOP 2006	10,320^	2	2^^	Cash	39,34,39,135	78,68,78,270
April 17, 2013	Allotment pursuant to ESOP 2006 and ESOP 2010	80,964^	2	2^^	Cash	39,35,20,099	78,70,40,198
July 24, 2013	Allotment pursuant to ESOP 2006 and ESOP 2010	1,37,750^	2	2^^	Cash	39,36,57,849	78,73,15,698
January 8, 2014	Allotment pursuant to ESOP 2006 and ESOP 2010	1,66,432^	2	2^^	Cash	39,38,24,281	78,76,48,562
July 30, 2014	Allotment pursuant to ESOP 2006	1,48,196^	2	2^^	Cash	39,39,72,477	78,79,44,954
February 27, 2015	Allotment pursuant to ESOP 2006 and ESOP 2010	86,524^	2	2^^	Cash	39,40,59,001	78,81,18,002
July 16, 2015	Allotment pursuant to ESOP 2006 and ESOP 2010	2,91,388^	2	2^^	Cash	39,43,50,389	78,87,00,778
August 28, 2015	Allotment pursuant to ESOP 2006 and ESOP 2010	2,57,010^	2	2^^	Cash	39,46,07,399	78,92,14,798
November 25, 2015	Allotment pursuant to ESOP 2006 and ESOP 2010	2,92,090	2	2	Cash	39,48,99,489	78,97,98,978
February 24, 2016	Allotment pursuant to ESOP 2006 and ESOP 2010	1,96,022^	2	2^^	Cash	39,50,95,511	79,01,91,022
March 31,2016	Allotment pursuant to ESOP 2006 and ESOP 2010	92,885^	2	2^^	Cash	39,51,88,396	79,03,76,792
June 14, 2016	Allotment pursuant to ESOP 2010	2,22,062	2	2	Cash	39,54,10,458	79,08,20,916
August 23, 2016	Allotment pursuant to ESOP 2010	17,78,777	2	2	Cash	39,71,89,235	79,43,78,470
October 12, 2016	Allotment pursuant to ESOP 2010	6,91,813	2	2	Cash	39,78,81,048	79,57,62,096
December 13, 2016	Allotment pursuant to ESOP 2010	3,20,908	2	2	Cash	39,82,01,956	79,64,03,912
February 8, 2017	Allotment pursuant to ESOP 2010	73,587	2	2	Cash	39,82,75,543	79,65,51,086
April 10, 2017	Allotment pursuant to ESOP 2010	1,93,613	2	2	Cash	39,84,69,156	79,69,38,312
June 13, 2017	Allotment pursuant to ESOP 2010	6,11,898	2	2	Cash	39,90,81,054	79,81,62,108
June 29, 2017	Allotment pursuant to ESOP 2010	5,62,474	2	2	Cash	39,96,43,528	79,92,87,056
August 28, 2017	Allotment pursuant to ESOP 2010	6,69,907	2	2	Cash	40,03,13,435	80,06,26,870
October 18, 2017	Allotment pursuant to ESOP 2010	2,37,930	2	2	Cash	40,05,51,365	80,11,02,730
December 8, 2017	Allotment pursuant to ESOP 2010	2,06,763	2	2	Cash	40,07,58,128	80,15,16,256
February 9, 2018	Allotment pursuant to ESOP 2010	2,32,393	2	2	Cash	40,09,90,521	80,19,81,042
April 26, 2018	Allotment pursuant to ESOP 2010	83,975	2	2	Cash	40,10,74,496	80,21,48,992
June 14, 2018	Allotment pursuant to ESOP 2010	4,07,568	2	2	Cash	40,14,82,064	80,29,64,128
July 25, 2018	Allotment pursuant to ESOP 2010	1,19,610	2	2	Cash	40,16,01,674	80,32,03,348
September 21,2018	Allotment pursuant to ESOP 2010	6,46,251	2	2	Cash	40,22,47,925	80,44,95,850
November 19,	Allotment pursuant to ESOP 2010	1,69,201	2	2	Cash	40,24,17,126	80,48,34,252

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative no. of equity shares	Cumulative paid-up equity share capital
2018							
January 18, 2019	Allotment pursuant to ESOP 2010	86,163	2	2	Cash	40,25,03,289	80,50,06,578
February 28, 2019	Allotment pursuant to ESOP 2010	38,434	2	2	Cash	40,25,41,723	80,50,83,446
April 24, 2019	Allotment pursuant to ESOP 2010	58,379	2	2	Cash	40,26,00,102	80,52,00,204
July 10, 2019	Allotment pursuant to ESOP 2010	5,14,531	2	2	Cash	40,31,14,633	80,62,29,266
September 23, 2019	Allotment pursuant to ESOP 2010	5,71,526	2	2	Cash	40,36,86,159	81,13,72,318
November 19, 2019	Allotment pursuant to ESOP 2010	1,94,058	2	2	Cash	40,38,80,217	80,77,60,434
January 16, 2020	Allotment pursuant to ESOP 2010	39,100	2	2	Cash	40,39,19,317	80,78,38,634
February 26, 2020	Allotment pursuant to ESOP 2010	43,670	2	2	Cash	40,39,62,987	80,79,45,974
April 21, 2020 to August 27, 2020	Buy Back	(88,67,000) **	2	NA	Cash	39,50,95,987	79,01,91,974
September 21, 2020	Allotment pursuant to ESOP 2010	5,93,466	2	2	Cash	39,56,89,453	79,13,78,906
November 17, 2020	Allotment pursuant to ESOP 2010	5,74,190	2	2	Cash	39,62,63,643	79,25,27,286
January 13, 2021	Allotment pursuant to ESOP 2010	2,73,467	2	2	Cash	39,65,37,110	79,30,74,220
March 12, 2021	Allotment pursuant to ESOP 2010	91,268	2	2	Cash	39,66,28,378	79,32,56,756
May 11, 2021	Allotment pursuant to ESOP 2010	82,688	2	2	Cash	39,67,11,066	79,34,22,132
July 12, 2021	Allotment pursuant to ESOP 2010	1,02,994	2	2	Cash	39,68,14,060	79,36,28,120
September 14, 2021	Allotment pursuant to ESOP 2010	3,83,582	2	2	Cash	39,71,97,642	79,43,95,284
September 24, 2021	Allotment pursuant to ESOP 2010	2,602	2	2	Cash	39,72,00,244	79,44,00,488
November 11, 2021	Allotment pursuant to ESOP 2010	2,83,925	2	2	Cash	39,74,84,169	79,49,68,338
January 17, 2022	Allotment pursuant to ESOP 2010	1,62,202	2	2	Cash	39,76,46,371	79,52,92,742
March 14, 2022	Allotment pursuant to ESOP 2010	1,10,414	2	2	Cash	39,77,56,785	79,55,13,570
May 12, 2022	Allotment pursuant to ESOP 2010	72,171	2	2	Cash	39,78,28,956	79,56,57,912
July 13, 2022	Allotment pursuant to ESOP 2010	82,760	2	2	Cash	39,79,11,716	79,58,23,432
September 15, 2022	Allotment pursuant to ESOP 2010	2,78,794	2	2	Cash	39,81,90,510	79,63,81,020
November 9, 2022	Allotment pursuant to ESOP 2010	89,396	2	2	Cash	39,82,79,906	79,65,59,812
January 16, 2023	Allotment pursuant to ESOP 2010	1,41,037	2	2	Cash	39,84,20,943	79,68,41,886
March 15, 2023	Allotment pursuant to ESOP 2010	1,59,490	2	2	Cash	39,85,80,433	79,71,60,866
May 12, 2023	Allotment pursuant to ESOP 2010	36,135	2	2	Cash	39,86,16,568	79,72,33,136
July 11, 2023	Allotment pursuant to ESOP 2010	55,823	2	2	Cash	39,86,72,391	79,73,44,782
September 15, 2023	Allotment pursuant to ESOP 2010	3,34,111	2	2	Cash	39,90,06,502	79,80,13,004
November 15, 2023	Allotment pursuant to ESOP 2010	44,561	2	2	Cash	39,90,51,063	79,81,02,126
January 11, 2024	Allotment pursuant to ESOP 2010	34,651	2	2	Cash	39,90,85,714	79,81,71,428
March 11, 2024	Allotment pursuant to ESOP 2010	30,461	2	2	Cash	39,91,16,175	79,82,32,350

** There was no cash consideration involved since the allotment was made pursuant to the split of each equity share of face value of ₹ 5 of our Company into 22,50,00,000 Equity Shares of face value of ₹ 2 each*

^ The number of equity shares allotted includes equity shares allotted under the relevant ESOP scheme and additional equity shares allotted pursuant to adjustment for bonus issuance.

^^For equity shares allotted pursuant to adjustment for bonus issuance, there is no price consideration. The issue price indicated is only for the equity shares allotted under the relevant ESOP scheme.

***The amount of equity shares represents the aggregate number of equity shares extinguished between April 21, 2020 to August 27, 2020 pursuant to the buyback of Equity Shares as approved by our Board on March 24, 2020.*

Scheme of Demerger

Our Company proposes to enter into a scheme of arrangement ("**Scheme of Demerger**") with STL Networks Limited ("**Resulting Company**") in order to effect the segregation of the global services business ("**GSB**") from the other businesses of our Company, whereunder the GSB is proposed to be transferred to the Resulting Company by way of a demerger on a going concern basis. Accordingly, the Board has approved the demerger of the GSB of our Company on May 17, 2023 into the Resulting Company, pursuant to the Scheme of Demerger, under the provisions of sections 230-232 of the Companies Act, 2013, including the rules thereunder and other relevant provisions, as applicable, the SEBI Listing Regulations, circular number

SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI ("**SEBI Circular**") and any other applicable laws, rules, circulars and regulations (including in each case any amendment(s), statutory modification(s) or re-enactment(s) for the time being in force). The rationale of the Scheme is to enable focused management of GSB to explore the potential business opportunities more effectively and efficiently. The Scheme *inter alia* provides for:

1) the transfer and vesting of the assets, liabilities and the entire undertaking of the GSB of our Company into the Resulting Company, and the consequent issue and allotment of equity shares by the Resulting Company to the shareholders of our Company in accordance with the share entitlement ratio specified in the Scheme;
2) reduction of the entire pre-scheme share capital of the Resulting Company through cancellation of equity shares, as elaborated in the Scheme;
3) listing of the share capital of the Resulting Company, consisting of the fully paid-up equity shares of the Resulting Company issued as consideration in terms of the Scheme to the shareholders of our Company, on the Stock Exchanges after the Scheme becomes effective post approval by National Company Law Tribunal and filing with the RoC, in accordance with the provisions of the SEBI Circular, as elaborated in the Scheme;
4) and various other matters consequential or otherwise integrally connected therewith.

The Company has currently filed an application with National Company Law Tribunal, Mumbai for approval of the Scheme of Demerger and the matter is pending for hearing.

Employees' Stock Option Scheme

Sterlite Technologies Limited – Employee Stock Option Scheme 2006 ("ESOP 2006")

The ESOP 2006 was approved pursuant to the resolution passed by our Board on January 24, 2006 and by our Shareholders on March 13, 2006 whereby it was resolved that employee stock options for: (a) the employees of our Company are exercisable into equity shares of face value of ₹ 5, each fully paid up, aggregating to not more than 1.75% of the paid-up equity share capital and (b) the employees of subsidiaries of our Company into equity shares of face value of ₹ 5, each fully paid up, aggregating to not more than 0.25% of the paid-up equity share capital. The ESOP 2006 is administered by the Compensation Committee. The scheme was amended pursuant to sub-division of face value of equity shares of ₹ 5 each to ₹ 2 each as approved by the Board in its meeting held on January 18, 2010 and subsequently by Shareholders in the extraordinary general meeting held on February 25, 2010. Following the aforementioned amendment the Compensation Committee, on April 22, 2010, approved the adjustment to the number of options and exercise price as a result of which each person entitled to a receipt of one share of ₹ 5 after exercise of options, would be entitled to five options/Equity Shares, provided the total amount payable remains unchanged. Pursuant to in-principle approvals received from BSE and NSE each on July 2, 2007 our Company may, subject to achieving minimum public shareholding compliance and receiving permission from SEBI, issue and allot a maximum of 12,31,891 Equity Shares on exercise of options under ESOP 2006. at its meeting held on April 20, 2010 noted that the limits on the issue of shares under ESOP 2006 were exhausted and proposed to launch a new scheme. As on the date of this Placement Document, there are no options in force under ESOP 2006.

Sterlite Technologies Limited – Employee Stock Option Scheme 2010 ("ESOP 2010")

ESOP 2010 was approved pursuant to the resolution passed by our Board on April 22, 2010 and by our Shareholders on July 14, 2010 whereby it was resolved that employee stock options for: (a) the employees of the Company are exercisable into equity shares of face value of ₹ 2, each fully paid up, aggregating to not more than 4 % of the paid-up Equity Share capital and (b) the employees of subsidiaries of our Company are exercisable into equity shares of face value of ₹ 2, each fully paid up, aggregating to not more than 1% of the paid-up Equity Share capital. ESOP 2010 is administered by the Compensation Committee. Pursuant to in-principle approvals received from BSE on June 27, 2012 and NSE on June 13, 2012 our Company may, subject to achieving minimum public shareholding compliance and receiving permission from SEBI, issue and allot a maximum of 1,77,75,925 Equity Shares on exercise of options under ESOP 2010. As on the date of this Placement Document, the Nomination and Remuneration Committee has granted 3,07,05,308 options under ESOP 2010 to eligible employees.

Sterlite Technologies Limited – Employee Stock Option Scheme 2016 ("ESOP 2016")

ESOP 2016 was approved pursuant to the resolution passed by our Board on January 28, 2016 and by our Shareholders on March 30, 2016 whereby it was resolved that employee stock options for: (a) the employees of the Company are exercisable into equity shares of face value of ₹ 2, each fully paid up; and (b) the employees of subsidiaries of our Company are exercisable into equity shares of face value of ₹ 2, each fully paid up, aggregating to not more than 50,00,000 Equity Shares. ESOP 2016 is administered by the Nomination and Remuneration Committee. As on the date of this Placement Document, the Nomination and Remuneration Committee has not granted any options under ESOP 2016.

The details of grants, exercise and lapse of options under ESOP 2010 and ESOP 2016 as on the date of this Placement Document are as follows:

Particulars	ESOP 2010	ESOP 2016
Options granted	3,07,05,308	Nil

Particulars	ESOP 2010	ESOP 2016
Options vested	5,59,246	NA
Options exercised	1,42,88,823	NA
Vesting period	5 years	NA
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	1,48,48,069	NA
Options forfeited/lapsed/cancelled	1,42,23,788	NA
Variation in terms of options	NA	NA
Money realized by exercise of options	2,85,77,646	NA
Total number of options in force	21,92,697	Nil

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For further details, see "*Proposed Allottees*" on page 567.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

S. No.	Category	Pre-Issue (as of April 05, 2024)		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoter's holding****				
1.	Indian				
	Individual	12,76,621	0.32	12,76,621	0.26
	Bodies corporate	47,64,295	1.19	47,64,295	0.98
	Others (Promoter Trust and HUF)	100	0.00	100	0.00
	Sub-total	**60,41,016**	**1.51**	**60,41,016**	**1.24**
2.	Foreign promoters	20,94,02,750	52.47	20,94,02,750	42.95
	Sub-total (A)	**21,54,43,766**	**53.98**	**21,54,43,766**	**44.19**
B.	**Non – Promoter's holding**				
1.	Institutional Investors	2,80,42,064	7.03	11,64,98,499	23.89
2.	Non-Institutional Investors				
	Private corporate bodies	1,64,98,345	4.13	1,64,98,345	3.38
	Directors and relatives	58,461	0.01	58,461	0.01
	Indian public	13,01,59,469	32.61	13,01,59,469	26.70
	Others including Non-resident Indians (NRIs)	89,14,070	2.23	89,14,070	1.83
	Sub-total (B)	**18,36,72,409**	**46.02**	**27,21,28,844**	**55.81**
	Grand Total (A+B)	**39,91,16,175**	**100.00**	**48,75,72,610**	**100.00**

**Note*: *The post-Issue shareholding pattern shall be filled-in before filing of the Placement Document with the Stock Exchanges.*
***This includes shareholding of the members of the Promoter Group.*

Other confirmations

Except as disclosed in "*Equity share capital history of our Company*" on page 81, our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of the notice of the annual general meeting to the Shareholders dated August 11, 2023, for the approval of this Issue.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on October 27, 2016 in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see "***Description of the Equity Shares***" on page 232.

The following table details the dividends (including interim dividend, if any) declared by our Company on the Equity Shares in Fiscals 2023, 2022 and 2021 as per our Audited Financial Statements are the following:

(₹ in crore)

Particulars	January 1, 2024 till the date of this Placement Document	For the nine month period ended December 31, 2023	Fiscal		
			2023	2022	2021
Number of equity shares (in crores) as on the record date	Nil	Nil	39.86	39.79	39.68
Number of equity shares (in crores) as at the end of the Fiscal	Nil	Nil	39.77	39.77	39.66
Face value per share (₹)	Nil	Nil	2	2	2
Dividend on Equity Shares (per Equity Share)	Nil	Nil	1.00	0.50	2
Final Dividend Rate (%)	Nil	Nil	50	25	100
Interim Dividend Rate (%)	Nil	Nil	Nil	Nil	Nil
Final Dividend (in ₹ crores)	Nil	Nil	39.85	19.89	79.32
Interim Dividend (in ₹ crores)	Nil	Nil	Nil	Nil	Nil
Tax on dividend including surcharge (in ₹ crores)	Nil	Nil	2.64	1.22	5.00

Note: The dividend amounts mentioned in the above table represents the dividend declared in that Fiscal year, which was paid in the subsequent Fiscal year.

The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, resources required to fund acquisitions and/or new businesses, cash flow required to be meet contingencies, outstanding borrowings, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions laid down under relevant laws including tax laws, dividend pay-out ratios of companies in the same industry and economic viability.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Also see "***Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future.***" on page 70.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Placement Document contains forward-looking statements that involve risks and uncertainties. Our results could differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further details, see "Forward-Looking Statements" on page 13. Also see "Risk Factors" and "- Significant Factors Affecting our Results of Operations" on pages 44 and 88, respectively, for a discussion of certain factors that may affect our business, results of operations, financial condition and cash flows.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or unless the context requires otherwise, the financial information contained in this section as at and for the year ended March 31, 2023 is derived from Fiscal 2023 Audited Financial Statements, the financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Financial Statements except for certain financial information which is derived from Fiscal 2022 Audited Financial Statements where there have been no adjustments on account of discontinued operations (refer below), the financial information as at and for the year ended March 31, 2021 is derived from Fiscal 2021 Audited Financial Statements, the financial information for the nine months period ended December 31, 2022 is derived from the comparative financial information included for the nine months period ended December 31, 2022 in Unaudited December 2023 Results except for certain financial information which is derived from Unaudited December 2022 Results where there have been no adjustments on account of discontinued operations (refer below) and the financial information for the nine months period ended December 31, 2023 is derived from Unaudited December 2023 Results. During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK and therefore, the Fiscal 2023 Audited Financial Statements are not directly comparable with the Fiscal 2022 Audited Financial Statements and Fiscal 2021 Audited Financial Statements. Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiaries, our Joint Venture and our associate, as applicable, on a consolidated basis.

*Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiaries, Joint Venture and associates, as applicable, on a consolidated basis. Also, see "Definitions and Abbreviations" on page 16 for certain terms used in this section. Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Optical Fibre Cable, EPC and IT Services Industry" dated February 2024 (the "**CRISIL Report**"), prepared and issued by CRISIL Limited which has been exclusively commissioned and paid for by us, as well as other information reported by CRU International Ltd ("**CRU**") to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CRISIL Report and information reported by CRU and may have been re-ordered by us for the purposes of presentation.*

Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and information reported by CRU and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 127. For further information, see "Risk Factors – Certain sections of this Placement Document disclose information from the CRISIL Report and information reported by CRU which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 63. Also see "Industry and Market Data" on page 12.

OVERVIEW

We are an integrated digital network provider, headquartered in India, with a global presence and manufacturing capabilities across countries including India, Italy, Brazil, the United States and China. According to CRU, we were one of the largest cable producers globally in terms of installed preform and draw capacity and cable production volume in 2023, which positioned us as one of the global market leaders in the optical cable market in 2023. We offer our customers a wide range of products across fibre, cable and optical connectivity and services including fibre deployment, system integration and managed services. We have a long and established operating history, particularly in the optical networking business, where we have over 25 years of experience with a track record of manufacturing high quality products to meet the demands of our customers.

We have three main business units, comprising the following:

- **Optical networking business:** We are a fully backward integrated manufacturer and possess the capabilities to produce glass preform from pure silicon, optical fibres from glass preform as well as optical fibre cables from optical fibres, which we believe enables us to maintain control over our value chain to offer our customers high quality products and end-to-end optical networking hardware, including optical fibre and specialty cables and optical connectivity products. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our optical networking business accounted for 68.29%, 78.54%, 77.88% and 70.38% of our revenue from operations, respectively.

- **Digital and technology solutions:** We believe that our digital and technology solutions enable businesses to experience digital transformation and enhance operational efficiency. We focus on offering customised solutions across product engineering, cloud and cyber security, data analytics and artificial intelligence ("**AI**") and enterprise SaaS services. In

Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our digital and technology solutions accounted for 0.11%, 1.01%, 0.69% and 5.07% of our revenue from operations, respectively.

- **Global services business:** Our global services business comprises three main service offerings, namely (a) fibre deployment, (b) system integration, and (c) managed services. Our system integrations services include network services, data centre services, cloud services and security services. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our global services business accounted for 33.92%, 21.82%, 22.97% and 26.12% of our revenue from operations, respectively.

We offer our products and service offerings mainly to our customers in four key categories, namely telecommunications companies, large enterprises/defense, citizen networks and cloud companies. Our customers are located in key markets such as Europe, North America and India and as of December 31, 2023, we have served customers located in more than 75 countries. In the nine months ended December 31, 2023, our revenue from America, Europe, Middle East and Africa ("**EMEA**"), India and rest of the world accounted for 23.74%, 39.01%, 35.47% and 1.78% of our revenue from operations, respectively.

We manufacture our products in the optical networking business primarily through 10 manufacturing facilities, which are located in India, Italy, Brazil, the United States and China. We believe that our manufacturing facilities are strategically positioned at locations which are closer to our customers to mitigate supply chain risks. Our fully backward integrated manufacturing operations, through the production of glass preform from pure silicon, optical fibres from glass preform, optical fibre cables from optical fibres, and the manufacturing of optical connectivity and specialty cables, enables us to achieve operational efficiencies and economies of scale to maintain our costs while ensuring quality control. As of December 31, 2023, our manufacturing facilities have a combined installed capacity of 51.66 million fibre kilometer ("**fkm**") per year for optical fibre production and 43.09 million fkm per year for optical fibre cables production.

We have developed an extensive global distribution network through our order fulfilment centers located in our downstream manufacturing facilities and distribution centers. Our finished goods manufactured in our optical fibre cable manufacturing facilities located in India, Italy, Brazil and United States are transported either directly to our customers, or to our other distribution centers in the United Kingdom, United States, France and UAE.

In relation to our global services business, we offer our customers three main service offerings, namely (a) fibre deployment, (b) system integration and (c) managed services. Our systems integration services include network services, data centre services, cloud services and security services.

In addition to our optical networking business and global services business, we offer digital and technology solutions across product engineering, cloud and cybersecurity, data and analytics, enterprise Software-as-a- Service ("**SaaS**") services. Our cloud services include consulting, infrastructure modernization, application transformation, API empowerment, cloud security, and cloud FinOps, enabling enterprises leverage the power of the cloud for increased scalability and efficiency. In terms of cybersecurity, we offer solutions such as advanced threat management, identity and access management and cloud security to safeguard digital landscapes and ensure compliance and privacy. Additionally, we offer data analytics and AI solutions to help enterprises derive valuable insights from their data and make informed business decisions. We also provide enterprise SaaS solutions such as enterprise resource planning solutions, supply chain management solutions, customer relationship management solutions, human capital management solutions and contract lifecycle management solutions. Our product engineering services include product lifecycle management, digital experience design, product management, software engineering, embedded cybersecurity, automation AI, machine learning, and consulting services.

Over the years, we have received several leading awards and recognitions such as HSE Award at the Global Safety Summit in 2023, 'Excellence in Use of Technology' winner at the 8th Annual ISM – India Conference and CPO Awards 2023, 'Excellence in Risk Mitigation' winner at the 8th Annual ISM – India Conference and CPO Awards 2023, Gold at the prestigious League of American Communications Professionals (LACP) Spotlight Award in 2023, Economic Times Datacon Award in 2023, the Gold Award 2022 at the 4th ICC Occupational Health and Safety Awards by Indian Chamber of Commerce in 2022, Tata Innovista Award for our product "Stellar Fibre" in 2022, Cabling Innovators Award for our products "*Optotec Compact Optical Ribbon Closure*" and "*Celesta Intelligently Bonded Ribbon Optical Fibre Cable*" in 2022, and the CII-ITC Sustainability Awards for Excellence in sustainable business in 2020.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Macroeconomic conditions and trends affecting the demand for optical fibre cable

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India, Europe and North America. We offer our products and service offerings mainly to our customers in four key categories, namely telecommunications companies, large enterprises/defense, citizen networks and cloud companies. Our customers are located in our key markets in Europe, North America and India and in the nine months ended December 31, 2023, our revenue from America, Europe, Middle East and Africa ("**EMEA**"), India and rest of the world accounted for 23.74%, 39.01%, 35.47% and

1.78% of our revenue from operations, respectively. The level of demand for optical fibre cable depends primarily on conditions in these sectors in our focus markets, which, in turn, depend to a large extent on general economic conditions in these markets. Stronger economic indicators tend to correlate with higher demand for products in the markets where we are present, while weaker economic indicators tend to correlate with lower demand for such products. We expect that these economic factors and conditions, particularly demand for FTTx, 5G subscriptions and data centers, will continue to be the most important factors affecting our results of operations.

Availability of cost effective funding sources

Our business is capital intensive, as a substantial amount of capital is required to build our capabilities in providing end-to-end solutions to our customers in the optical connectivity space. As of March 31, 2021, 2022 and 2023, our total debt, calculated as the sum of current and non-current borrowings, was ₹ 2,490 crores, ₹ 3,311 crores and ₹ 3,667 crores. We have historically relied on borrowings, including term loans and non-convertible debentures, and expect to continue to do so in the future. We aim to maintain long-term relationships with our lenders, which we believe enables us to optimize our cost of borrowings. We believe that going forward the availability of sources of cost-effective funding will be crucial to our success and the non-availability of such funding at favorable terms could affect our business, financial condition and results of operations.

Differentiated and innovative solutions

We believe research and development is fundamental in anticipating industry needs and we have a strong track record of innovation and product development underpinned by a dedicated research and development team at innovation centres in Aurangabad, Rakholi (Silvassa) and Dadra (Silvassa). For further details, see *"Our Business – Research and Development"* on page 190. Through our extensive R&D efforts, we have developed optical fibre and optical fibre cable products, including (i) our 'Stellar' optical fibre, which is a bend-insensitive fibre with backward compatibility with legacy networks, (ii) our 'Celesta' optical fibre cable which is an intermittent bonded ribbon with multiple use cases, including for data center interconnectivity, defense, metro networks and long distance deployment, (iii) our "Multiverse" optical fibre by leveraging space division multiplexing technology to achieve 4X transmission capacity per fibre, (iv) 160 micron fibre which offers greater capacity within limited duct space, with a reduced diameter cable, resulting in improved deployment and increased bandwidth capacity, and (v) eco labelled certified optical products. For further details in relation to our research and development capabilities, see "*Our Business – Our Strengths – Ability to offer differentiated and innovative solutions through our strong R&D Capabilities*" on page 179. Accordingly, the nature of our research and development expenses and our ability to successfully provide innovative solutions may have a material impact on our results of operations in a particular financial year. In Fiscal 2023, our research and development expenses were ₹ 41 crores. For further details, see *"Risk Factors – We invest in research and development ("R&D") and if we are not successful in identifying and commercializing our innovations, we may not earn a positive return from our research, development and engineering investments."* on page 52.

As of December 31, 2023, we held 217 patents and we have also submitted 464 patent applications which are currently pending. The development of innovative solutions requires significant investment at the following stages:

- product development including conceptualization, research and development and testing and commercial validation;
- product approval and certifications from different regulatory authorities and certification agencies depending on the geographies and customers that we deal with;
- filing and licensing of intellectual property rights in various jurisdictions to safeguard our rights or obtain licenses over certain products;
- setting up and upgrading manufacturing capabilities;
- product launch and acceptance; and
- Iteration of products over time to address a wider array of customer segments.

The results of our product development efforts may be affected by a number of factors, including our ability to anticipate customer needs, innovate and develop new solutions, obtain regulatory approvals, anticipate changes in the regulatory environment, manufacture products in a cost-effective manner and obtain intellectual property protection.

Our expansion plans

<u>Acquisitions</u>

We have executed a number of acquisitions, and have demonstrated that we can successfully integrate and grow our acquired businesses. For example, the acquisition of Metallurgica Bresciana S.p.A has enabled us to tap into its European focused customer base, gain access to its marquee customers as well as increase our production capacity. Further, the acquisition of Optotec S.p.A has enabled us to increase our optical interconnectivity capabilities and strengthen our position in Europe. In addition, the acquisition of Clearcomm strengthened our network deployment business and expanded our customer base in the United Kingdom.

Acquiring new businesses require significant efforts resulting in additional expenses and requiring significant management time. For instance, (i) during the pre-acquisition stage, we typically incur significant costs for identifying suitable opportunities for deal structuring, acquisition and executing an effective due diligence process on the potential targets; and (ii) during the post-acquisition, we incur significant costs for integrating and operating acquired businesses including coordination of information technologies, sales and marketing, integration of supply chain, employees and manufacturing processes; protecting intellectual property; and funding acquired in-process research and development projects.

Manufacturing capacity

We conduct our integrated manufacturing operations through 10 manufacturing facilities around the world at locations close to our customers to produce (a) optical fibres; (b) optical fibre cables and specialty cables; and (c) optical connectivity products. As of December 31, 2023, our installed capacity for optical fibre was 51.66 million fkm whereas our installed capacity for optical fibre cable was 43.09 million fkm per year. For further details in relation to our manufacturing facilities, see *"Our Business – Our Manufacturing Facilities"* on page 186. Our capacity utilization is affected by factors such as macro-economic condition, product mix and fibre count.

Foreign currency fluctuations

We present our financial statements in Indian rupees. However, as a part of our growth journey, we have diversified our geographic mix to expand our presence in different markets. Our revenue from external customers outside India has increased from ₹ 2,033 crores in Fiscal 2021 to ₹ 5,003 crores in Fiscal 2023. This is primarily driven by our increasing presence in Europe and the United States. Further, we source our raw material from suppliers in India and overseas. In addition, we avail foreign currency loans from banks. Our non-current foreign currency loans from banks (secured) as of March 31, 2021, 2022 and 2023, aggregated to ₹ 708 crores, ₹ 409 crores and ₹ 359 crores, respectively, and our non-current foreign currency loans from banks (unsecured) as of March 31, 2021, 2022 and 2023 aggregated to ₹ 39 crores, ₹ 277 crores and ₹ 147 crores, respectively. The exchange rate between Indian Rupee and foreign currencies, primarily USD, EURO and GBP has fluctuated in the past and such fluctuations have impacted our results of operations. We follow established risk management policies. We use hedging instruments as a part of our management of foreign currency risk associated with our highly probable forecast sale and inventory purchases. For hedging foreign currency risk, we use foreign currency forward contracts which are designated as cash flow hedges. The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions.

Raw material consumption

Our cost of raw material and components consumed constitutes a significant component of our cost structure. Our raw materials include silicon, glass preform, industrial gases, copper, polymers, resins, silicon tetrachloride, germanium tetrachloride. Our cost of raw material and components consumed are generally impacted by manufacturing volumes, mix of products, the prices paid for the raw materials and manufacturing efficiency. In Fiscal 2021, 2022 and 2023 and the nine months ended December 31, 2022 and 2023, our cost of raw material and components consumed was ₹ 2,534 crores, ₹ 3,089 crores, ₹ 3,164 crores, ₹ 2,350 crores and ₹ 1,932 crores respectively, constituting 52.52%, 56.81%, 45.69%, 46.50% and 44.54% of our revenue from operations, respectively. As we continue to grow our operations, we would need to procure additional volumes of raw materials.

The price of our raw materials may fluctuate significantly over short periods of time due to factors beyond our control, including among other things, supply and demand, freight and logistics costs, foreign currency fluctuations, trade disputes between governments of key producing and consuming countries and government regulation. We are able to pass the increased costs to our customers gradually overtime. However, our ability to adjust our pricing remains subject to a variety of factors, including competition from other providers, duration and terms of the contract, long term strategic relationships and market conditions such as adverse impact on the industry sector. As a result, at times, we may not be able or willing to pass through the increased costs to our customers, and any such increases could have an adverse effect on our revenue and results of operations.

Divestments

We have also over the last three Fiscals sought to streamline our business and improve our balance sheet by identifying and disposing of non-core, non-performing assets so that we are able to better focus on our key growth engines. For instance, we demerged our power business in Fiscal 2017 with effect from April 1, 2015 and in Fiscal 2023, we divested our entire stake in Impact Data Solutions Limited, UK which was operating in certain niche areas of the data-centre market, primarily inside-data-centre connectivity and containment solutions, wound up our wireless business and divested our telecom software business as well. We intend to continue to look for ways to optimize and strengthen our balance sheet, which may include strategic investments and divestments of non-performing assets.

Further, in order to effect the segregation of our global services business ("**GSB**") from the other business of our Company, our Board approved the Scheme of Demerger on May 17, 2023, pursuant to which the GSB is proposed to be transferred to STL Networks Limited ("**Resulting Company**"), by way of a demerger, on an ongoing basis. The Scheme of Demerger, *inter alia*, contemplates an issue of equity shares by the Resulting Company to the shareholders of our Company in accordance with the share entitlement ratio specified in the Scheme of Demerger. NSE and BSE, pursuant to letters dated September 15, 2023 and September 28, 2023, have granted their no-objection/approval to the Scheme of Demerger in terms of Regulation 37 and Regulation 59A of the SEBI Listing Regulations. Following the receipt of the aforementioned no-objections/approvals, the Scheme of Demerger was filed before the NCLT and is currently pending. For further details in relation to the Scheme of Demerger, see "*Capital Structure – Scheme of Demerger*" on page 83. Also, see, "*Risk Factors - We have filed the Scheme of Demerger with the National Company Law Tribunal, Mumbai Bench ("NCLT"). There may be unforeseen delays in implementation of the Scheme of Demerger.*" on page 48.

Regulatory environment

We are subject to supervision and regulation by various regulatory authorities, including the Telecom Regulatory Authority of India ("**TRAI**") and the Department of Telecommunications, Govt. of India ("**DoT**"). Our manufacturing facilities require permits and licenses, including from the relevant state pollution control boards and fire departments of the districts where our plants are located. Such governmental regulation and supervision, as well as future changes in laws, regulations or government policy (or the interpretation of existing laws and regulations) that affect us, our competitors or the industry generally, strong influence how we operate and will operate in the future. The adoption of new laws or regulations, or changes to the existing regulatory framework could require significant and costly adjustments that could adversely affect our business plans. New regulations could impose additional costs or capital requirements, require new reporting, and potentially create barriers to enter new markets or to acquire new lines of business. Government regulation may also lead to increases in our operating costs, such as increases in minimum wage levels mandated in India. Failure to comply with current or future regulation could expose us to various sanctions, including fines. Complying with existing regulations is burdensome, and future changes may increase our operational and administrative expenses and limit our revenue.

PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document, we have included (i) Fiscal 2021 Audited Financial Statements, Fiscal 2022 Audited Financial Statements and Fiscal 2023 Audited Financial Statements along with the respective audit reports thereon; (ii) Unaudited December 2022 Results submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon; (iii) Unaudited December 2023 Results submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon.; (iv) Unaudited September 2023 Results submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon; and (vi) Unaudited June 2023 Results submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this section as at and for the year ended March 31, 2023 is derived from the Fiscal 2023 Audited Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Financial Statements except for certain financial information which is derived from Fiscal 2022 Audited Financial Statements where there have been no adjustments on account of discontinued operations (refer below), financial information as at and for the year ended March 31, 2021 is derived from Fiscal 2021 Audited Financial Statements, financial information for the nine months period ended December 31, 2022 is derived from the comparative financial information included for the nine months period ended December 31, 2022 in Unaudited December 2023 Results except for certain financial information which is derived from Unaudited December 2022 Results where there have been no adjustments on account of discontinued operations (refer below) and the financial information for the nine months period ended December 31, 2023 is derived from Unaudited December 2023 Results. During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK and therefore, the audited consolidated financial statements as at and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as at and for the year ended March 31, 2022 and March 31, 2021.

SIGNIFICANT ACCOUNTING POLICIES

Below are the significant accounting policies used for the preparation of the annual audited financial statements as at and for the year ended March 31, 2023:

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Redemption liability

The Group recognises a financial liability at the present value of the redemption amount for its obligation, if any, to pay cash in the future to purchase the shares held by non-controlling interest shareholders. The initial redemption liability and any subsequent adjustment to the liability is reduced from the parent's equity if the risks and rewards of ownership remain with the non-controlling interest and are not transferred to the group.

Investment in joint venture and associate companies

The Group's investment in its joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate companies and joint ventures are recognised as a reduction in the carrying amount of the investment.

Associate companies are all entities over which group has significant influence but not control. Investment in associate companies are accounted for using the equity method of accounting, after initially being recognised at cost.

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The financial statements are presented in Indian rupee (INR), which is Sterlite Technologies Limited’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income or profit and loss account.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference are classified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

Revenue from contract 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 Group has following streams of revenue:

(i) Revenue from sale of products
(ii) Revenue from sale of services
(iii) Revenue from network integration projects
(iv) Revenue from software products/licenses and implementation activities

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Group identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Group performs, or
(b) The customer controls the work-in-progress, or
(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time when control has been transferred.

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

The Group estimates variable consideration using the most likely amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

Financing components: The Group does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, legal title to goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

Other income

- **Interest income**

  Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in other income in the statement of profit and loss.

- **Dividends**

  Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

- **Rental income**

  Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in the statement of profit and loss.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

Income taxes (Current income tax & deferred tax)

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation in the countries where the parent company and it's subsidiaries operate and generate taxable income is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. Such historical cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Group, based on technical assessments made by technical experts and management estimates, depreciates the certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provides the details of the useful life which are different from useful life prescribed under Schedule II of the Companies Act, 2013:

Asset Category	**Useful Life considered#***	**Useful life (Schedule II)**
Buildings	30-60 Years	30-60 Years
Plant & Machinery	3-25 Years	Continuous process plant -25 Years–Others - 15 Years
Furniture and fixtures	7.5-10 Years	10 Years
Data processing equipment's	3-5 Years	Servers and networks -6 years and Desktops and laptop etc. - 3 Years
Office equipment's	4-5 Years	5 Years
Electric fittings	4-10 Years	10 Years
Vehicles#	4-5 Years	8 Years

** Considered on the basis of management's estimation, supported by technical advice of management's expert, of the useful lives of the respective assets.*
 # Residual value considered up to 15% on the basis of management's estimation, supported by technical advice.

The leasehold improvements and property, plant and equipment acquired under leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, unless the entity/Group expects to use the assets beyond the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The assets' residual values and useful lives are reviewed at each financial year end and adjusted, if appropriate, at the end of each reporting period.

Intangible assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, or is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Group does not have any intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fibre cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

All intangibles assets (other than Goodwill and Customer Relationships) are amortised on a straight line basis five to six years.

Customer relationships recognised as a part of business combination are amortised over period of five to ten years.

Research costs are expensed as incurred.

Leases

As a lessee:

The group leases various assets which includes land, buildings and plant & machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, and leased assets are not used as security for borrowing purposes

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

As a lessor:

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

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.

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.

Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for privilege leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity, and

(b) Defined contribution plans in the nature of provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

The fair value of options granted under the Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Investments and other financial assets

Classification & recognition:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commit to purchase or sell the financial asset.

Measurement:

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in statement of profit and loss using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/(expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ (expenses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group makes investments in certain joint ventures and associate companies with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associate companies in accordance with Ind AS 109.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instrument, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
b) Lease receivables under Ind AS 116;
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

De-recognition of financial assets

A financial asset is derecognised only when the group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/(expenses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group designates the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associate companies are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Presentation of EBITDA

The Group presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the group's financial position or performance.

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include exceptional items, depreciation and amortization expense, finance costs, share of profit/ loss from associates and joint venture and tax expense.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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.

Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated. Amounts below the rounding off norm followed by the Group are disclosed as '0'.

Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

Recent accounting pronouncements

New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS' notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscals 2021, 2022 and 2023 and in the nine months ended December 31, 2023.

NON-GAAP MEASURES

In evaluating our business, we consider and use certain non-GAAP financial measures that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures are not intended to be considered in isolation or as a substitute for the consolidated financial statements. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from similar information used by other companies, including peer companies, and their comparability may be limited. Therefore, these metrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

See, "*Risk Factors – Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP measures are not measures of* *operating performance or liquidity defined by Ind AS and may not be comparable”* on page 64.

EBITDA Margin

The following table sets forth our EBITDA margin, which is a non-GAAP financial measure, for Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and December 31, 2023. We calculate EBITDA Margin by dividing our EBITDA by our revenue from operations.

Reconciliation of EBITDA to EBITDA Margin

Particulars	Fiscal			Nine months ended December 31,	
	2021	2022	2023	2022	2023
	(₹ crore, except percentages)				
Earnings before exceptional items, interest, tax, depreciation and amortisation (“**EBITDA**”) (A)	844	723	931	652	559
Revenue from Operations (B)	4,825	5,437	6,925	5,054	4,338
EBITDA Margin (A/B) (%)	**17.49%**	**13.30%**	**13.44%**	**12.90%**	**12.89%**

Net Debt

The following table sets forth our Net Debt, which is a non-GAAP financial measure, as of March 31, 2021, 2022, and 2023. We calculate Net debt as cash and cash equivalents plus current investments, current borrowings (including interest accrued but not due) and non-current borrowings.

Reconciliation of Net Debt

Particulars	As of March 31,		
	2021	2022	2023
	(₹ crore, except percentages)		
Cash and cash equivalents **(A)**	200*	411	450
Current investments** **(B)**	231	113	90
Current borrowings (including interest accrued but not due) **(C)**	(1,234)	(1,779)	(2,666)
Non-current borrowings **(D)**	(1,628)***#	(1,536)	(1,002)
Net Debt (E) = (A) + (B) + (C) + (D)	**(2,431)**	**(2,791)**	**(3,128)**

The amount of net debt considering the amount of lease liabilities of ₹167 crores as of March 31, 2023, ₹164 crores as of March 31, 2022 and ₹ 105 crores as of March 31, 2021 and redemption liability of ₹ Nil as of March 31, 2023 and ₹ 47 crores as of March 31, 2022 is ₹3,297 crores as of March 31, 2023, ₹3,004 crores as of March 31, 2022 and ₹ 2,536 crores as of March 31, 2021.

**Includes cash and cash equivalents of ₹ 7 crores relating to disposal group (MTCIL) classified as discontinued operations.*

*** Includes other bank balance of ₹50 crores as of March 31, 2023, ₹112 crores as of March 31, 2022 and ₹ 50 crores as of March 31, 2021 with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Group at any time without any major penalties.*

**** Includes non current borrowing ₹ 20 crores as of March 31, 2021 relating to disposal group (MTCIL) classified as discontinued operations.*

#Includes interest accrued but not due and current maturity of long term borrowings.

Fixed Assets

The following table sets forth our Fixed Assets, which is a non-GAAP financial measure, for Fiscals 2021, 2022, and 2023. We calculate fixed assets as total of property, plant and equipment, capital work-in-progress, intangible assets, capital advances and investments – non-current less payables for purchase of property, plant and equipment – current, payables for purchase of property, plant and equipment – non-current and right of use asset.

Reconciliation of Fixed Assets

Particulars	Fiscal		
	2021	2022	2023
	(₹ crore, except percentages)		
Property, plant and equipment **(A)**	2,783	2,855	2,854

Particulars	Fiscal		
	2021	2022	2023
	(₹ crore, except percentages)		
Capital work-in-progress **(B)**	227	143	129
Intangible assets **(C)**	99	226	167
Payables for purchase of property, plant and equipment – Non -Current **(D)**	0	1	7
Payables for purchase of property, plant and equipment – Current **(E)**	453	163	114
Capital advances **(F)**	10	35	29
Investments – Non-Current **(G)**	122	92	96
Right of use assets **(H)**	111	171	177
Fixed Assets (K) = (A) + (B) + (C) + (F) + (G) - (D) - (E) - (H)	**2,677**	**3,016**	**2,977**

Net Working Capital

The following table sets forth our net working capital, which is a non-GAAP financial measure, for Fiscals 2021, 2022, and 2023. We calculate net working capital as net current assets less net current liabilities.

Net current assets is calculated as total of trade receivables, contract assets, inventories, deferred tax assets (net), loans – non-current, other non-current financial assets, other non-current assets, loans – current, other current financial assets, other current assets, asset classified as held for sale, deposits with original maturity of more than 12 months and unpaid dividend account less capital advances and asset classified as held for sale – cash and cash equivalents.

Net current liabilities is calculated as total of lease liabilities (non-current), other non-current financial liabilities, employee benefit obligations non-current, provisions non-current, other non-current liabilities, deferred tax liabilities (net), lease liabilities - current, trade payables, other financial liabilities (current), contract liabilities, other current liabilities, employee benefit obligations – current, provisions – current, current tax liabilities (net) and liabilities directly associated with assets classified as held for sale less payables for purchase of property, plant and equipment – non-current, payables for purchase of property, plant and equipment – current, right of use of assets, liabilities associated with assets classified as held for sale – borrowings and interest accrued but not due on borrowings.

<u>Reconciliation of Net Working Capital</u>

Particulars	Fiscal		
	2021	2022	2023
	(₹ crore, except percentages)		
Trade receivables **(A)**	1,451	1,706	1,822
Contract assets **(B)**	1,321	1,255	1,416
Inventories **(C)**	626	920	832
Deferred tax assets (net) **(D)**	18	48	77
Loans – non-current **(E)**	17	4	3
Other non-current financial assets **(F)**	7	18	11
Other non-current assets **(G)**	39	122	97
Loans – current **(H)**	10	0	0
Other current financial assets **(I)**	27	110	118
Other current assets **(J)**	431	460	461
Asset classified as held for sale **(K)**	172	-	10
Capital advances **(L)**	10	35	29
Deposits with original maturity of more than 12 months **(M)**	-	1	2
Unpaid dividend account **(N)**	5	4	5
Assets classified as held for sale – cash and cash equivalents **(O)**	7	-	-
Net Current Assets (X) = (A)+ (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (M) + (N) – (L) – (O)	**4,107**	**4,613**	**4,825**
Lease Liabilities (Non-current) **(AA)**	79	129	126
Other Non-current financial liabilities **(BB)**	25	16	15
Employee benefit obligations Non-current **(CC)**	53	50	44
Provisions Non-current **(DD)**	1	1	0
Other non-current liabilities **(EE)**	-	-	-
Deferred tax liabilities (Net) **(FF)**	103	90	54
Lease Liabilities (Current) **(GG)**	26	35	41
Trade payables **(HH)**	1,944	2,420	2,152

Particulars	Fiscal		
	2021	2022	2023
	(₹ crore, except percentages)		
Other financial liabilities (Current) **(II)**	908	295	254
Contract Liabilities **(JJ)**	71	186	156
Other current liabilities **(KK)**	74	116	131
Employee benefit obligations -Current **(LL)**	13	17	29
Provisions- Current **(MM)**	10	24	66
Current tax liabilities (Net) **(NN)**	30	22	33
Liabilities directly associated with assets classified as held for sale **(OO)**	160	-	-
Payables for purchase of property, plant and equipment- Non - Current **(PP)**	0	1	7
Payables for purchase of property, plant and equipment- Current **(QQ)**	453	163	114
Right of use of assets **(RR)**	111	171	177
Liabilities associated with assets classified as held for sale- Borrowing **(SS)**	20	-	-
Interest accrued but not due on borrowings **(TT)**	3	4	1
Net Current Liabilities (YY) = (AA) + (BB) + (CC) + (DD) + (EE) + (FF) + (GG) + (HH) + (II) + (JJ) + (KK) + (LL) + (MM) + (NN) + (OO) – (PP) – (QQ) – (RR) – (SS) – (TT)	**2,910**	**3,062**	**2,802**
Net Working Capital (X) – (YY)	**1,197**	**1,551**	**2,023**

SEGMENT REPORTING

Our operations primarily relate to the telecom sector, including manufacturing of telecom products, providing telecom services and digital and technology solutions. Effective July 1, 2022, pursuant to an internal reorganization and change in the reporting structure, our management has reassessed the segment reporting as per Ind AS 108 - "Operating Segments". Accordingly, the operating segments have been changed from a single operating segment in Fiscal 2022, Connectivity and Network Solutions, to the following operating segments. The corresponding information for the previous year has been restated in accordance with Ind AS 108:

(i) *Optical networking business ("**ONB**")* - We are a fully backward integrated manufacturer and possess the capabilities to produce glass preform from pure silicon, optical fibres from glass preform as well as optical fibre cables from optical fibres, enabling us to maintain control over our value chain to offer our customers high quality products and end-to-end optical networking hardware, including optical fibre and specialty cables and optical interconnect kits.

(ii) *Global service business ("**GSB**")* – Our global services business comprises three main service offerings, namely (a) fibre deployment, (b) system integration and (c) managed services.

(iii) *Digital and technology solutions ("**Digital**")* - Our digital and technology solutions enable businesses to experience digital transformation and enhance operational efficiency. We focus on offering customised solutions across product engineering, cloud and cyber security, data analytics and artificial intelligence ("**AI**") and enterprise SaaS services.

Revenues from external customers comprise sale of telecom products for the ONB Business, rendering of telecom

services and end to end system integration and network development for the GSB Business and IT and ITES related services for the digital segment. Set forth below are details of our segment revenues in the corresponding years/ periods:

Particulars	Fiscal 2022		Fiscal 2023	
	External Turnover	Inter Segment	External Turnover	Inter Segment
	(₹ crore)			
Segment Revenue				
ONB	3,587	126	5,344	95
GSB	1,844	-	1,511	-
Digital	6	-	70	-
Eliminations	-	(126)	-	(95)
Total	**5,437**	**-**	**6,925**	**-**

Particulars	Nine months ended December 31,	
	2022	2023
	(₹ crore)	
Segment Revenue		
ONB	3,936	3,053
GSB	1,161	1,133
Digital	35	220
Eliminations	(78)	(68)
Total	**5,054**	**4,338**

KEY COMPONENTS OF INCOME AND EXPENDITURE

We have reported our profit / (loss) from continuing operations and discontinued operations.

Income

Our total income comprises revenue from operations and other income.

Revenue from operations

Our revenue from operations primarily comprises revenue from contracts with customers, and other operating income. Revenue from contracts with customers includes (i) revenue from sale of products; (ii) revenue from sale of services; (iii) revenue from network integration projects; and (iv) revenue from software products/ licenses and implementation activities. Revenue from sale of products includes finished goods and traded goods. Other operating income primarily comprises (i) scrap sales; (ii) other operating income; and (iii) export incentives. Other operating income primarily comprises the State Goods and Service Tax refund received by us under the Packaged Scheme of Incentive available to us for our new optical fibre plant. For further details in relation to revenue recognition on contracts with customers, see "- *Significant Accounting Policies – Revenue Recognition Policy*" on page 94.

Other income

Other income primarily comprises (i) management fees; (ii) rental income; (iii) profit on sale of assets, net; (iv) profit on sale of subsidiaries and investment in joint venture; (v) miscellaneous income; and (vi) interest income on bank deposits, loans to related parties, and gain on investments measured at fair value through profit or loss, net. Management fees is the amount recovered from our group companies for services rendered. Rental income pertains to the land parcel held by our Company given on rent to an entity where KMP or relatives of KMP have significant influence. For further details in relation to these related party transactions, see *"Financial Information"* beginning on page 259. Miscellaneous income pertains to liabilities that are no longer payable that have been written back.

Expenses

Our expenses comprises the following: (i) cost of raw materials consumed; (ii) purchase of traded goods; (iii) (increase) /decrease in inventories of finished goods, work-in-progress and traded goods; (iv) employee benefits expense; (v) other expenses; (vi) depreciation and amortization expense; and (vii) finance costs.

Cost of raw materials and components consumed

Cost of raw materials and components consumed comprises cost towards the purchase of raw materials and components consumed such as silicon, glass preform, industrial gases, copper, polymers, resins, silicon tetrachloride and germanium tetrachloride**.** For further details, see *"Our Business – Raw Materials*" on page 188.

Purchase of traded goods

Our expenses on purchase of traded goods comprise costs incurred primarily towards purchase of hardware components required for our software business which we discontinued in Fiscal 2023.

Employee benefits expense

The employee benefits expense primarily comprises salaries, wages and bonus, contribution to provident fund, gratuity expenses, employee stock options expense and staff welfare expenses. Staff welfare includes expenses for festive celebrations, canteen and birthdays.

Other expenses

Other expenses primarily comprises consumption of stores and spares; consumption of packing materials; power, fuel and water; labor charges; repairs and maintenance of building, plant and machinery and others; corporate social responsibility expenses; sales commission; sales promotion; carriage outwards; rent; insurance; legal and professional fees; rates and taxes; travelling and conveyance; subcontracting charges for network maintenance; loss on sale of assets, net; provision for doubtful debts and advances; provision for unbilled revenue; directors sitting fee and commission; exchange difference (net); research and development expenses and miscellaneous expenses. Miscellaneous expenses primarily comprises information technology related costs and warranty expenses.

The research and development expenses primarily comprising salaries, wages and bonus, raw materials consumed and general expenses were transferred to individual expense line item and deducted from the other expenses.

Depreciation and amortization expense

Depreciation and amortization expense includes depreciation of property, plant and equipment; depreciation of right of use assets; and amortization of intangible assets. Tangible assets are depreciated and intangible assets are amortized over periods corresponding to their useful lives.

Finance cost

Our finance cost primarily comprises interest on financial liabilities measured at amortized cost; interest on lease liabilities; bank charges and others, being the exchange difference to the extent considered as an adjustment to borrowing costs. For financial liabilities measured at amortized costs, we capitalized our borrowing costs incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs.

Tax expense

Our tax expense primarily comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2023

The following table sets forth certain information with respect to our results of operations, on a consolidated basis, for the periods indicated:

	Nine months ended December 31			
	2022		**2023**	
	Amount (₹ crore)	**% of Total Income**	**Amount (₹ crore)**	**% of Total Income**
Income				
Revenue from operations	5,054	99.68%	4,338	99.04%
Other income	16	0.32%	42	0.96%
Total income	**5,070**	**100.00%**	4,380	100.00%
Expenses				
Cost of raw materials consumed	2,350	46.35%	1,932	44.11%
Purchase of stock-in-trade	2	0.04%	1	0.02%
(Increase) / decrease in inventories of finished goods, stock-in-trade and work in progress	105	2.07%	(6)	(0.14)%
Employee benefits expense	650	12.82%	748	17.08%
Other expenses	1,311	25.86%	1,146	26.16%
Total expenditure	**4,418**	**87.14%**	3,821	87.24%
Earnings before interest, tax, depreciation and amortization (EBITDA)	**652**	**12.86%**	559	12.76%
Finance costs	222	4.38%	281	6.42%
Depreciation and amortization expense	231	4.56%	250	5.71%
Profits before tax and share of net profits of investments accounted using equity method	**199**	**3.93%**	28	0.64%
Share of profit of joint venture and associate companies	3	0.06%	4	0.09%

	Nine months ended December 31			
	2022		2023	
	Amount (₹ crore)	% of Total Income	Amount (₹ crore)	% of Total Income
Profit/ (loss) before tax from continuing operations	**202**	**3.98%**	32	0.73%
Tax expense/ (credit)				
Current tax	107	2.11%	51	1.16%
Deferred tax	(57)	(1.12)%	(37)	(0.84)%
Total tax expenses	50	0.99%	14	0.32%
Net profit/ (loss) after tax and share in profit/ (loss) of joint venture and associate company	152	3.00%	18	0.41%
Profit/ (loss) from discontinued operations	(89)	(1.76)%	6	0.14%
Net profit for the period	63	1.24%	24	0.55%

Nine months ended December 31, 2023 compared to nine months ended December 31, 2022

Total income

Our total income decreased by 13.61% from ₹ 5,070 crores in the nine months ended December 31, 2022 to ₹ 4,380 crores in the nine months ended December 31, 2023. This decrease was primarily due to a decrease in our revenue from operations.

Revenue from operations

Our revenue from operations decreased by 14.17% from ₹ 5,054 crores in the nine months ended December 31, 2022 to ₹ 4,338 crores in the nine months ended December 31, 2023, primarily due to external market factors resulting in decrease in demand from our customers in the United States and European regions.

Other income

Our other income increased from ₹ 16 crores in the nine months ended December 31, 2022 to ₹ 42 crores in the nine months ended December 31, 2023, primarily due to profit from sale of a real estate asset in Pune and sale of stake of 40% of our Subsidiary Metallurgica Bresciana S.p.a in MB Maanshan Special Cable Limited.

Expenses

Our total expenses decreased by 13.51% from ₹ 4,418 crores in the nine months ended December 31, 2022 to ₹ 3,821 crores in the nine months ended December 31, 2023.

Cost of materials consumed

Our cost of materials consumed decreased by 17.79% from ₹ 2,350 crores in the nine months ended December 31, 2022 to ₹ 1,932 crores in the nine months ended December 31, 2023, primarily due to decreased demand from our customers in the United States and Europe.

Purchase of stock-in-trade

Our purchase of stock-in-trade decreased from ₹ 2 crores in the nine months ended December 31, 2022 to ₹ 1 crores in the nine months ended December 31, 2023. This was primarily attributable to decreased demand from our customers in the United States and Europe.

Employee benefit expense.

Our employee benefit expenses increased by 15.08% from ₹ 650 crores in the nine months ended December 31, 2022 to ₹ 748 crores in the nine months ended December 31, 2023, primarily due to an increase in manpower costs in the United States and China on account of ramping up operations in China post October 2022 and United States post September 2022. In addition, manpower costs increased in the digital segment significantly after December 2022 on account of ramping up of the digital business.

Other expenses

Our other expenses decreased by 12.59% from ₹ 1,311 crores in the nine months ended December 31, 2022 to ₹ 1,146 crores in the nine months ended December 31, 2023, primarily due to decrease in sales resulted in decrease in consumption of stores and spares, consumption of packing materials, power, fuel and water, repairs and maintenance of building, plant and machinery and others, sales commission, and carriage outwards which are variable / semi variable costs in nature.

Earnings before interest, taxes, depreciation and amortization (EBITDA)

For reasons stated above, our EBITDA decreased by 14.26% from ₹ 652 crores in the nine months ended December 31, 2022 to ₹ 559 crores in the nine months ended December 31, 2023.

Finance cost

Our finance costs increased by 26.58% from ₹ 222 crores in the nine months ended December 31, 2022 to ₹ 281 crores in the nine months ended December 31, 2023, primarily due to increase in interest rates.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 8.23% from ₹ 231 crores in the nine months ended December 31, 2022 to ₹ 250 crores in the nine months ended December 31, 2023, primarily due to commissioning and capitalization of new assets in the manufacturing facility located in the United States.

Share of profit of joint venture and associate companies

The share of profit of joint venture and associate companies increased by 33.33% from ₹ 3 crores in the nine months ended December 31, 2022 to ₹ 4 crores in the nine months ended December 31, 2023 primarily because of increase in performance of Joint Venture.

Tax expense

Our tax expenses decreased by 72.00% from ₹ 50 crores in the nine months ended December 31, 2022 to ₹ 14 crores in the nine months ended December 31, 2023, primarily due to a decrease in current tax from ₹ 107 crores in the nine months ended December 31, 2022 to ₹ 51 crores in the nine months ended December 31, 2023. However, deferred tax credit decreased from ₹ 57 crores in the nine months ended December 31, 2022 to ₹ 37 crores in the nine months ended December 31, 2023.

Net profit/ (loss) after tax and share in profit/ (loss) of joint venture and associate company

For the reasons stated above, our net profit/ (loss) after tax and share in profit/ (loss) of joint venture and associate company decreased by 88.16% from ₹ 152 crores in the nine months ended December 31, 2022 to ₹ 18 crores in the nine months ended December 31, 2023.

Profit / (loss) from discontinued operations

Our profit from discontinued operations was ₹ 6 crores in the nine months ended December 31, 2023 as compared to a loss from discontinued operations of ₹ 89 crores in the nine months ended December 31, 2022.

Net profit for the period

Our net profit for the period decreased by 61.90% from ₹ 63 crores in the nine months ended December 31, 2022 to ₹ 24 crores in the nine months ended December 31, 2023.

RESULTS OF OPERATIONS FOR FISCALS 2021, 2022 AND 2023

The following table sets forth certain information with respect to our results of operations, on a consolidated basis, for the years indicated:

	Fiscal					
	2021		2022		2023	
	Amount (₹ crores)	% of Total Income	Amount (₹ crores)	% of Total Income	Amount (₹ crores)	% of Total Income
Income						
Revenue from operations	4,825	99.32%	5,437	98.94%	6,925	99.41%
Other income	33	0.68%	58	1.06%	41	0.59%
Total income	**4,858**	**100.00%**	**5,495**	**100.00%**	**6,966**	**100.00%**
Expenses						
Cost of raw materials and	2,534	52.16%	3,089	56.21%	3,164	45.42%

	Fiscal					
	2021		2022		2023	
	Amount (₹ crores)	% of Total Income	Amount (₹ crores)	% of Total Income	Amount (₹ crores)	% of Total Income
components consumed						
Purchase of traded goods	1	0.02%	0	0.00%	1	0.01%
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	(140)	(2.88)%	(320)	(5.82)%	134	1.92%
Employee benefit expense	647	13.32%	661	12.03%	912	13.09%
Other expenses*	972	20.01%	1,342	24.42%	1,824	26.18%
Total expenses	**4,015**	**82.65%**	**4,772**	**86.84%**	**6,035**	**86.64%**
Earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA)	**844**	**17.37%**	**723**	**13.16%**	**931**	**13.36%**
Depreciation and amortization expense	285	5.87%	308	5.61%	309	4.44%
Finance costs	203	4.18%	238	4.33%	311	4.46%
Profits before exceptional items, tax and share of profit of associates and joint venture	**365****	**7.51%**	**178**	**3.24%**	**311**	**4.46%**
Share of net profit of associates and joint venture	15	0.31%	5	0.09%	4	0.06%
Profit before exceptional items and tax	**380**	**7.82%**	**182**	**3.31%**	**315**	**4.52%**
Exceptional items	-	-	16	0.29%	-	-
Profit before tax from continuing operations	**380**	**7.82%**	**199**	**3.62%**	**315**	**4.52%**
Tax expense						
Current tax	94	1.93%	138	2.51%	148	2.12%
Deferred tax	18	0.37%	(86)	(1.57)%	(64)	(0.92)%
Total tax expenses	**111**	**2.28%**	**52**	**0.95%**	**84**	**1.21%**
Profit from continuing operations	**269**	**5.54%**	**147**	**2.68%**	**231**	**3.32%**
Discontinued operation						
Loss from discontinued operation after tax	**(4)**	**(0.08)%**	**(102)**	**(1.86)%**	**(104)**	**(1.49)%**
Loss from discontinued operation	**(4)**	**(0.08)%**	**(102)**	**(1.86)%**	**(104)**	**(1.49)%**
Profit for the year	**265**	**5.45%**	**45**	**0.82%**	**127**	**1.82%**

**Includes net impairment losses of financial and contract assets of ₹91 crores in Fiscal 2022 and ₹72 crores in Fiscal 2023.*

*** In Fiscal 2021, there was a separate line item 'finance income' of ₹ 10 crores. 'Finance income' of ₹ 10 crores in Fiscal 2021 was reclassified and added to 'other income' as interest income to conform to Fiscal 2022 classification.*

Fiscal 2023 compared to Fiscal 2022

Key Developments

In Fiscal 2023, we exited non-strategic businesses. We divested our IDS business for approximately GBP 14 million. We also sold our telecom software products business for US$15 million. In the fourth quarter of Fiscal 2023, we also exited the wireless business.

Total income

Our total income increased by 26.77% from ₹ 5,495 crores in Fiscal 2022 to ₹ 6,966 crores in Fiscal 2023. This increase was primarily due to an increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by 27.37% from ₹ 5,437 crores in Fiscal 2022 to ₹ 6,925 crores in Fiscal 2023, primarily due to an increase in revenue from sale of products from ₹ 3,482 crores in Fiscal 2022 to ₹ 5,032 crores in Fiscal 2023. This was primarily attributable to increase in realization since most of the increase in volume was attributable to sales in the United States where the price realization is higher than that in the rest of the world.

Other income

Our other income decreased by 29.31% from ₹ 58 crores in Fiscal 2022 to ₹ 41 crores in Fiscal 2023, primarily due to profit on sale of subsidiaries and investment in joint venture of ₹ 36 crores in Fiscal 2022. There was no such income in Fiscal 2023. In Fiscal 2022, we sold our investments in Maharashtra Transmission Communication Infrastructure Limited ("**MTCIL**") to Sterlite Power Transmission Limited ("**SPTL**") and our investment in Metis Eduventures Private Limited and the gain on the sale of such investments has been disclosed as the profit on sale of subsidiaries and investment in joint venture. This was partially offset by a decrease in miscellaneous income from ₹ 7 crores in Fiscal 2022 to ₹ 25 crores in Fiscal 2023.

Expenses

Our total expenses increased by 26.47% from ₹ 4,772 crores in Fiscal 2022 to ₹ 6,035 crores in Fiscal 2023.

Cost of raw materials and components consumed

Our cost of raw materials and components consumed increased by 2.43% from ₹ 3,089 crores in Fiscal 2022 to ₹ 3,164 crores in Fiscal 2023, primarily due to increase in the purchase of raw materials and components from ₹ 3,064 crores in Fiscal 2022 to ₹ 3,173 crores in Fiscal 2023. This is primarily attributable to increase in volume of products manufactured and sold.

Purchase of traded goods

Our purchase of traded goods increased from ₹ 0 crore in Fiscal 2022 to ₹ 1 crore in Fiscal 2023.

Employee benefit expense

Our employee benefit expenses increased by 37.97% from ₹ 661 crores in Fiscal 2022 to ₹ 912 crores in Fiscal 2023, primarily due to an increase in salaries, wages and bonus from ₹ 589 crores in Fiscal 2022 to ₹ 828 crores in Fiscal 2023. This was primarily attributable to year-on-year increments, as well as increase in the number of employees from 3,398 as of March 31, 2022 to 3,936 as of March 31, 2023.

Other expenses

Our other expenses increased by 35.92% from ₹ 1,342 crores in Fiscal 2022 to ₹ 1,824 crores in Fiscal 2023, primarily due to an increase in:

- consumption of stores and spares from ₹ 121 crores in Fiscal 2022 to ₹ 163 crores in Fiscal 2023 due to increase in the sale of products;
- power, fuel and water expenses from ₹ 142 crores in Fiscal 2022 to ₹ 203 crores in Fiscal 2023 due to increase in the sale of products;
- sales commission from ₹ 43 crores in Fiscal 2022 to ₹ 104 crores in Fiscal 2023 due to increase in the sale of products;
- carriage outwards from ₹ 291 crores in Fiscal 2022 to ₹ 394 crores in Fiscal 2023 due to increase in the sale of products;
- legal and professional fees from ₹ 82 crores in Fiscal 2022 to ₹ 136 crores in Fiscal 2023 due to higher legal fees incurred in the United States and Europe;
- subcontracting charges for network maintenance from ₹ 43 crores in Fiscal 2022 to ₹ 98 crores in Fiscal 2023 due to an increase in revenue from managed services projects for which back to back network maintenance contracts were taken from third party vendors;
- provisions for unbilled revenue from ₹ nil in Fiscal 2022 to ₹ 50 crores in Fiscal 2023 due to increase in provision for extended credit loss.

Earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA)

For the reasons stated above, our EBITDA increased by 28.77% from ₹ 723 crores in Fiscal 2022 to ₹ 931 crores in Fiscal 2023.

Depreciation and amortization expense

Our depreciation and amortization expenses remained relatively stable at ₹ 309 crores in Fiscal 2023 compared to ₹ 308 crores in Fiscal 2022.

Finance cost

Our finance cost increased by 30.67% from ₹ 238 crores in Fiscal 2022 to ₹ 311 crores in Fiscal 2023, primarily due to an increase in the interest on financial liabilities measured at amortized cost from ₹ 204 crores in Fiscal 2022 to ₹ 237 crores in Fiscal 2023. We capitalized our borrowing costs incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs aggregating to ₹ 10 crores in Fiscal 2023 compared to ₹ 5 crores in Fiscal 2022. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to our general borrowings, which was 7.90% per annum in Fiscal 2023, compared to 7.25% per annum for Fiscal 2022. Further, our bank charges increased from ₹ 14 crores in Fiscal 2022 to ₹ 57 crores in Fiscal 2023.

Share of net profit of associates and joint venture

The share of net profit of associates and joint venture decreased marginally, from ₹ 5 crores in Fiscal 2022 to ₹ 4 crores in Fiscal 2023 primarily due to decline in operating performance of the Joint Venture.

Exceptional Items

We did not have any exceptional items in Fiscal 2023, while we had exceptional items amounting to ₹ 16 crores in Fiscal 2022. In Fiscal 2022, the amount of ₹ 53 crores reported under exceptional items in the financial statements included profit of ₹ 67 crores recognised on account of transfer of land situated at Hyderabad and provision of ₹ 14 crores with respect to an order against us for a claim filed by a vendor for non-fulfilment of certain contractually agreed offtake obligations. The amount of exceptional items also included a charge of ₹ 8 crores towards cancellation of a lease agreement by Sterlite Technologies Inc, US our wholly owned subsidiary, and an impairment charge of ₹ 29 crores for the assets of our subsidiary, Jiangsu Sterlite Tongguang Fiber Co. Ltd. (*formerly known as Jiangsu Sterlite Tongguang Fiber Co. Ltd.*), based on the assessment of recoverable value of assets performed by the management.

Tax expense

Our tax expenses increased by 61.54% from ₹ 52 crores in Fiscal 2022 to ₹ 84 crores in Fiscal 2023, primarily due to an increase in current tax from ₹ 138 crores in Fiscal 2022 to ₹ 148 crores in Fiscal 2023. This was partially offset by a decrease in deferred tax credit from ₹ 86 crores in Fiscal 2022 to ₹ 64 crores in Fiscal 2023.

Profit from continuing operations

For the reasons stated above, our profit from continuing operations increased by 57.14% from ₹ 147 crores in Fiscal 2022 to ₹ 231 crores in Fiscal 2023.

Profit / (loss) from discontinued operations

Our loss from discontinued operations was ₹ 104 crores in Fiscal 2023 compared to ₹ 102 crores in Fiscal 2022.

Profit for the year

Our profit for the year increased from ₹ 45 crores in Fiscal 2022 to ₹ 127 crores in Fiscal 2023.

Fiscal 2022 compared to Fiscal 2021

Total income

Our total income increased by 13.11% from ₹ 4,858 crores in Fiscal 2021 to ₹ 5,495 crores in Fiscal 2022, due to an increase in our revenue from operations as well as in our other income.

Revenue from operations

Our revenue from operations increased by 12.68% from ₹ 4,825 crores in Fiscal 2021 to ₹ 5,437 crores in Fiscal 2022, primarily due to an increase in revenue from sale of products from ₹ 2,559 crores in Fiscal 2021 to ₹ 3,482 crores in Fiscal 2022. This was primarily attributable to increase in volume of products sold, particularly in the U.S. and Europe, increase in price of products and expansion of our manufacturing installed capacity to (i) 37.49 million fkm per year for optical fibre production and (ii) 34.03 million fkm per year for optical fibre cables products, in Fiscal 2022, from (i) 37.49 million fkm per year for optical fibre production; and (ii) 28.39 million fkm per year for optical fibre cables products, in Fiscal 2021. This was partially offset by a decrease in revenue from network integration projects from ₹ 2,028 crores in Fiscal 2021 to ₹ 1,846 crores in Fiscal

2022, primarily attributable to lower execution of network integration projects.

Other income

Our total other income increased by 75.76% from ₹ 33 crores in Fiscal 2021 to ₹ 58 crores in Fiscal 2022, primarily due to profit on sale of subsidiaries and investment in joint venture of ₹ 36 crores in Fiscal 2022. In Fiscal 2022, we sold our investments in Maharashtra Transmission Communication Infrastructure Limited ("**MTCIL**") to Sterlite Power Transmission Limited ("**SPTL**") and our investment in Metis Eduventures Private Limited and the gain on the sale of such investments has been disclosed as the profit on sale of subsidiaries and investment in joint venture. This was partially offset by a decrease in miscellaneous income from ₹ 12 crores in Fiscal 2021 to ₹ 7 crores in Fiscal 2022.

In Fiscal 2021, there was a separate line item 'finance income' of ₹ 10 crores. 'Finance income' of ₹ 10 crores in Fiscal 2021 was reclassified and added to 'other income' as interest income to conform to Fiscal 2022 classification.

Expenses

Our total expenses increased by 18.85% from ₹ 4,015 crores in Fiscal 2021 to ₹ 4,772 crores in Fiscal 2022.

Cost of raw materials and components consumed

Our cost of raw materials and components consumed increased by 21.90% from ₹ 2,534 crores in Fiscal 2021 to ₹ 3,089 crores in Fiscal 2022, primarily due to the purchase of raw materials and components of ₹ 2,513 crores in Fiscal 2021 compared to ₹ 3,064 crores in Fiscal 2022. This was primarily attributable to increase in volume of products manufactured and sold.

Purchase of traded goods

Our purchase of traded goods decreased from ₹ 1 crore in Fiscal 2021 to ₹0 in Fiscal 2022.

Employee benefit expense

Our employee benefit expenses increased by 2.16% from ₹ 647 crores in Fiscal 2021 to ₹ 661 crores in Fiscal 2022, primarily due to an increase in salaries, wages and bonus from ₹ 571 crores in Fiscal 2021 to ₹ 589 crores in Fiscal 2022. This was primarily attributable to year-on-year increments, increase in number of employees in our network solutions in the U.K., access solutions and acquisition of Clearcomm.

Other expenses.

Our other expenses increased by 38.07% from ₹ 972 crores in Fiscal 2021 to ₹ 1,342 crores in Fiscal 2022, primarily due to an increase in:

- carriage outwards from ₹ 108 crores in Fiscal 2021 to ₹ 291 crores in Fiscal 2022 due to an increase in exports of our products and increase in container rates due to a shortage of containers;
- provision for doubtful debts and advances from ₹ 4 crores in Fiscal 2021 to ₹ 91 crores in Fiscal 2022 as we provided for one of our long outstanding debtors of our global services business in Fiscal 2022;
- consumption of packing materials from ₹ 91 crores in Fiscal 2021 to ₹ 135 crores in Fiscal 2022 due to an increase in export of our products;
- travelling and conveyance from ₹ 23 crores in Fiscal 2021 to ₹ 52 crores in Fiscal 2022 due to increase in travel; and
- labour charges from ₹ 61 crores in Fiscal 2021 to ₹ 89 crores in Fiscal 2022 due to an increase in production of our products, requiring additional contract labor engagement, and increments provided to our labor.

In addition, we incurred subcontracting charges for network maintenance of ₹ 43 crores in Fiscal 2022, while there was no corresponding expense in Fiscal 2021. These were partially offset by decrease in our research and development expenses from ₹ 113 crores in Fiscal 2021 to ₹ 22 crores in Fiscal 2022, as well as decrease in our miscellaneous expenses from ₹ 197 crores in Fiscal 2021 to ₹ 143 crores in Fiscal 2022.

Earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA)

For reasons stated above, our EBITDA decreased by 14.34% from ₹ 844 crores in Fiscal 2021 to ₹723 crores in Fiscal 2022.

Depreciation and amortization expense

Our depreciation and amortization expenses increased by 8.07% from ₹ 285 crores in Fiscal 2021 to ₹ 308 crores in Fiscal 2022, primarily due to an increase in depreciation of property, plant and equipment from ₹ 228 crores in Fiscal 2021 to ₹ 244 crores in Fiscal 2022. This was primarily attributable to the acquisition of Optotec and capitalization of Sterlite Tech Cables Solutions Limited.

Finance cost

Our finance cost increased by 17.24% from ₹ 203 crores in Fiscal 2021 to ₹ 238 crores in Fiscal 2022, primarily due to an increase in the interest on financial liabilities measured at amortized cost from ₹ 147 crores in Fiscal 2021 to ₹ 204 crores in Fiscal 2022. We capitalized our borrowing costs incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs aggregating to ₹ 5 crores in Fiscal 2022 as compared to ₹ 3 crores in Fiscal 2021. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to our general borrowings, which was 7.25% per annum for Fiscal 2022 as compared to 8.26% per annum for Fiscal 2021. Further, our finance cost increased due to an increase in our borrowings. This was partially offset by decrease in bank charges from ₹ 29 crores in Fiscal 2021 to ₹ 14 crores in Fiscal 2022.

Share of net profit of associates and joint venture

The share of net profit of associates and joint venture decreased from ₹ 15 crores in Fiscal 2021 to ₹ 5 crores in Fiscal 2022 primarily because of the recovery in their respective businesses during Fiscal 2022.

Exceptional Items

Our exceptional items amounted to ₹ 16 crores for Fiscal 2022. We did not have any exceptional items for Fiscal 2021. In Fiscal 2022, the amount of ₹ 53 crores reported under exceptional items in the financial statements included profit of ₹ 67 crores recognised on account of transfer of land situated at Hyderabad and provision of ₹ 14 crores with respect to an order against us for a claim filed by a vendor for non-fulfilment of certain contractually agreed offtake obligations. The amount of exceptional items also included a charge of ₹ 8 crores towards cancellation of a lease agreement by Sterlite Technologies Inc, US our wholly owned subsidiary, and an impairment charge of ₹ 29 crores for the assets of our subsidiary, Jiangsu Sterlite Tongguang Fiber Co. Ltd. (*formerly known as Jiangsu Sterlite Tongguang Fiber Co. Ltd.*), based on the assessment of recoverable value of assets performed by the management.

Tax expense

Our tax expenses decreased from ₹ 111 crores in Fiscal 2021 to ₹ 52 crores in Fiscal 2022, primarily due to a deferred tax credit of ₹ 86 crores for Fiscal 2022 compared to a deferred tax charge for ₹ 18 crores in Fiscal 2021. This was primarily attributable to deferred tax created on losses of foreign subsidiaries and certain differences between the carrying amounts in the balance sheet and their tax bases. In addition, for Fiscal 2022, the deferred tax includes credit of ₹ 5 crores for adjustment pertaining to deferred tax of previous year as compared to a deferred tax charge of ₹ 2 crores for Fiscal 2021.

Profit from continuing operations

For reasons stated above, our profit from continuing operations decreased by 45.35% from ₹ 269 crores in Fiscal 2021 to ₹ 147 crores in Fiscal 2022.

Profit / (loss) from discontinued operations

Our loss from discontinued operations was ₹ 4 crores in Fiscal 2021 compared to a loss from discontinued operations of ₹ 102 crores in Fiscal 2022.

Profit for the year

Our profit for the year decreased by from ₹ 265 crores in Fiscal 2021 to ₹ 45 crores in Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

We believe we have sufficient sources of funding to meet our business requirements for the next 12 months and in the longer term. Cash generated by operations, supplemented by external financing, is our primary source of liquidity for funding our business requirements. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under "*Risk Factors*" on page 44. Our short-term as well as long-term capital expenditure requirements include expenditure for organic and inorganic growth opportunities.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years/ periods indicated:

	Fiscal		
	2021	2022	2023
	(₹ crores)		
Net cash inflow from operating activities	638	584	226
Net cash flow used in investing activities	(619)	(481)	(57)
Net cash flow from / (used in) financing activities	23	115	(132)
Net increase / (decrease) in cash and cash equivalents	43	218	37
Cash and cash equivalents at the beginning of the period/year	153	193	411
Cash and cash equivalents as at the year end	200	411	450

Operating activities

Fiscal 2023

Net cash inflows from operating activities aggregated to ₹ 226 crores in Fiscal 2023. Our profit before tax of ₹ 153 crores was adjusted primarily for depreciation and impairment of property, plant and equipment of ₹ 336 crores, finance costs (including interest pertaining to Ind AS 116) of ₹ 311 crores, provision for doubtful debts and advances/ written back of ₹ 64 crores and bad debts/ advances written off of ₹ 56 crores. Our changes in working capital in Fiscal 2023 primarily consisted of decrease in trade payables of ₹ 305 crores, increase in current trade receivable of ₹ 235 crores, increase in contracts assets of ₹ 192 crores and decrease in inventories of ₹ 118 crores.

Fiscal 2022

Net cash inflows from operating activities aggregated to ₹ 584 crores in Fiscal 2022. Our profit before tax of ₹ 59 crores was adjusted primarily for depreciation and impairment of property, plant and equipment of ₹ 319 crores, finance costs (including interest pertaining to Ind AS 116) of ₹ 241 crores, provision for doubtful debts and advances/ written back of ₹ 105 crores and profit on sale of property, plant and equipment, net including gain on termination of lease of ₹ 68 crores. Our changes in working capital in Fiscal 2022 primarily consisted of increase in trade payables of ₹ 414 crores, increase in contract liabilities of ₹ 113 crores, increase in inventories of ₹ 297 crores and increase in current trade receivables of ₹ 172 crores.

Fiscal 2021

Net cash inflows from operating activities aggregated to ₹ 638 crores in Fiscal 2021. Our profit before tax of ₹ 377 crores was adjusted primarily for depreciation and impairment of property, plant and equipment of ₹ 256 crores, finance costs (including interest pertaining to Ind AS 116) of ₹ 203 crores and amortization and impairment of intangible assets of ₹ 36 crores. Our changes in working capital in Fiscal 2021 primarily consisted of increase in trade payables of ₹ 461 crores, decrease in current trade receivables of ₹ 180 crores, increase in contract assets of ₹ 577 crores, increase in inventories of ₹ 113 crores, decrease in contract liabilities of ₹ 65 crores and decrease in other current financial liabilities of ₹ 51 crores.

Investing activities

Fiscal 2023

Net cash outflow from investing activities aggregated to ₹ 57 crores in Fiscal 2023, primarily due to purchase of property, plant and equipment of ₹ 365 crores and purchase of current investments of ₹ 40 crores. This was partially offset by proceeds from sale of investments in subsidiaries of ₹ 113 crores, proceeds from sale of business undertaking of ₹ 123 crores and net movement in other bank balance of ₹ 62 crores.

Fiscal 2022

Net cash outflow from investing activities aggregated to ₹ 481 crores in Fiscal 2022, primarily due to purchase of property, plant and equipment of ₹ 668 crores, net movement in other bank balances of ₹ 160 crores and investment in subsidiaries, net of cash acquired of ₹ 110 crores. This was partially offset by proceeds from sale of current investments of ₹ 181 crores, receipt of government grant for investment in property, plant and equipment of ₹ 129 crores and proceeds from sale of property, plant and equipment of ₹ 95 crores.

Fiscal 2021

Net cash outflow from investing activities aggregated to ₹ 619 crores in Fiscal 2021, primarily due to purchase of property, plant and equipment of ₹ 446 crores, investment in subsidiaries, net of cash acquired of ₹ 234 crores, purchase of current investments of ₹ 181 crores and investment in associates/ joint ventures of ₹ 31 crores. This was partially offset by proceeds from current investments of ₹ 233.00 crores and net movement in other bank balance of ₹ 39 crores.

Financing activities

Fiscal 2023

Net cash outflows from financing activities aggregated to ₹ 132 crores in Fiscal 2023, primarily due to repayment of long term borrowings of ₹ 523 crores, interest paid (including interest pertaining to Ind AS 116) of ₹ 314 crores and payment to non-controlling interest for acquisition of ₹ 67 crores. These were partially offset by proceeds from long term borrowings of ₹ 346 crores, and proceeds from short term borrowings (net) of ₹ 493 crores.

Fiscal 2022

Net cash inflows from financing activities aggregated to ₹ 115 crores in Fiscal 2022, primarily due to proceeds from long-term borrowings of ₹ 587 crores, proceeds from short-term borrowings (net) of ₹ 166 crores. These were partially offset by repayment of long-term borrowings of ₹ 298 crores, interest paid (including interest pertaining to Ind AS 116) of ₹ 240 crores and dividend paid on equity shares of ₹ 79 crores.

Fiscal 2021

Net cash inflows from financing activities aggregated to ₹ 23 crores in Fiscal 2021, primarily due to proceeds from long-term borrowings of ₹ 839 crores, which was partially offset by repayment of long-term borrowings of ₹ 332 crores, interest paid (including interest pertaining to Ind AS 116) of ₹ 202 crores, dividend paid on equity shares of ₹ 138 crores and buy-back of equity shares of ₹ 100 crores.

INDEBTEDNESS

The following table sets forth a summary of the maturity profile of our financial liabilities based on contractual undiscounted payments as of March 31, 2023:

Particulars	Total	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	>5 years
Borrowings (including interest)	4,006	-	1,637	1,117	1,008	244
Other financial liabilities	126	5	5	113	3	-
Trade payables	2,152	535	1,118	499	-	-
Payables for purchase of Property, plant and equipment	121	-	114	7	-	-
Derivative	22	-	11	11	0	-
Lease liability	189	-	8	23	101	58
Total	**6,615**	**539**	**2,893**	**1,769**	**1,113**	**301**

CAPITAL EXPENDITURE

The following table sets forth additions to property, plant and equipment by category of expenditure, for the Fiscals indicated below:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Freehold land	-	10	-
Buildings	22	52	17
Plant & Machinery	126	190	287
Furniture & fixtures	3	3	7
Data processing equipments	8	12	11
Office equipments	2	4	5
Electrical fittings	4	20	9
Vehicles	1	6	2
Right of use asset	1	86	26
Total	**167**	**382**	**363**

CONTINGENT LIABILITIES

The table below sets forth our contingent liabilities as at March 31, 2023:

Contingent liabilities	As at March 31, 2023 (in ₹ crores)
1. Disputed liabilities	
a. Excise and customs duty	90
b. Goods and service tax	3
c. Income tax	14
d. Claims lodged by a bank against the Group	19

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Other than as described in this section, we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE ANALYSIS OF MARKET RISKS

We are exposed to various types of market risks during the normal course of business. For further details, see *"Risk Factors"* on page 44.

Our activities expose us to market risk, credit risk and liquidity risk. As per our policy, no trading in derivatives for speculative purposes should be undertaken. Our risk management policies are established to identify and analyze the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Our risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in the market conditions and our activities.

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 the 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 include loans given and borrowings, financial assets and liabilities in foreign currency, quoted investments and derivative financial instruments.

<u>Interest risk</u>

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. Our exposure to the risk of changes in interest rate primarily relates to our debt obligations with floating interest rates.

We are exposed to interest rate fluctuation in domestic as well as foreign currency borrowing. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. We enter into interest rate swaps, in which we agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount. As at March 31, 2023, 2022 and 2021, after taking into account the effect of interest rate swaps, approximately 71%, 68% and 85% of our borrowings were at a fixed rate of interest.

<u>Foreign currency risk</u>

We operate internationally and are 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 recognized assets and liabilities denominated in a currency that is not our functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

We have a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 15 month period for hedges of forecasted sales and purchases. As per our risk management policy, foreign currency forward contracts are taken to hedge our exposure in foreign currency risk. During Fiscals 2021, 2022 and 2023, we did not have any hedging instruments with terms which were not aligned with those of hedged items.

<u>Commodity price risk</u>

We are affected by the price volatility of certain commodities. We require a continuous supply of copper for manufacture of copper cables. To meet these requirements, we enter into contracts to purchase copper and the prices in these purchase contracts are linked to the price on the London Metal Exchange.

We have a risk management strategy to mitigate commodity price risk. Based on one month forecast of the required copper supply, we hedge the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Price risk

Our investment in non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. We manage the equity price risk through diversification and by placing limits on individual and total equity instruments. Our exposure to unlisted equity securities (other than investment in subsidiaries) at fair value was ₹ 122 crores, ₹ 92 crores and ₹ 96 crores as of March 31, 2021, 2022 and 2023, respectively. We invest into highly liquid funds which are subject to price risk changes and these investments are generally for short duration and therefore impact of price change is generally not significant.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity risk

Liquidity risk is the risk that we may encounter difficulty in meeting our present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. Our objective is to, at all times, maintain optimum levels of liquidity to meet our cash and collateral obligations. We require funds both for short term operational needs as well as for long term investment programs mainly in growth projects. We closely monitor our liquidity position and deploy a robust cash management system. We aim to minimize liquidity risk by generating sufficient cash flows from our current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

AUDITOR QUALIFICATIONS AND EMPHASIS OF MATTER

Except as set out below, there have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company in the five Fiscals immediately preceding the year of this Placement Document:

Fiscal	Reservations, qualifications, emphasis of matters or adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps and/or proposed to be taken by the Company
Fiscal 2021	***Emphasis of Matter*** "*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.*"	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.	No corrective action required
Fiscal 2020	***Emphasis of Matter*** "*We draw attention to Note 46 to the*	During the year 2015-16, the Group had acquired 100% of the paid up equity share capital of Elitecore	No corrective action required

Fiscal	Reservations, qualifications, emphasis of matters or adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps and/or proposed to be taken by the Company
	consolidated financial statements which describes that the Group had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Gujarat High Court. Our opinion is not modified in respect of this matter."	Technologies Private Limited ("ETPL"), a global telecom software product Company. ETPL has been merged with the Group with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "**Scheme**"). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 29.64 crores (31 March 2019: ₹ 29.65 crores) for the year	
Fiscal 2020	***Emphasis of Matter*** "*The following emphasis of matter paragraph was included by the auditor of Metallurgica Bresciana a subsidiary of the Company, who issued an unmodified opinion vide audit report dated April 29, 2020. Refer note 43 (b) to the consolidated financial statement for note referred in paragraph below. "Without qualifying our opinion, we would like to draw your attention to the Note included in the section "Significant event occurring after the end of year" of the financial statements, which describes the effects on the Company's activities deriving from the spread of COVID 19 and the urgent containment measures taken by the Italian government.*"	The unfolding COVID-19 epidemic is worsening the outlook for the global economy as embedded in the March 2020 ECB staff macroeconomic projections. Developments since the cut-off date for the projections suggest that the downside risk to global activity related to the COVID-19 outbreak has partly materialised, implying that global activity this year will be weaker than envisaged in the projections. The outbreak hit the global economy as signs of a stabilisation in activity and trade had started to emerge and the signing of the so-called Phase 1 trade agreement between the United States and China, accompanied by cuts in tariffs, had reduced uncertainty. Looking further ahead, the projected global recovery is expected to gain only modest traction.	No corrective action required
Fiscal 2020	***Emphasis of Matter:*** *"We draw your attention to Note 43 (a) to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact on the consolidated financial statements of the Group due to the lock-downs and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation which might impact the operations of the Group, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve. Further, we have attended physical inventory verification at locations where it was practicable. For those locations where it was impracticable for us to attend the physical verification under the current lock-down restrictions imposed by the government, we have relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at those locations. Our opinion is not modified in respect of this*	Due to the lock down imposed by the government of India, the operations of the Company had to be temporarily suspended. However, since telecom networks have been identified as an essential service, the Company has been able to partially resume its operations as at the reporting date. The current situation is likely to continue for next few months and therefore expected to result in some delays in delivering the customer orders and completion of ongoing projects. Given the uncertainties around its impact on future global economic activity, Management will continue to monitor the impact on the operations of the Company. As inventory verification was impracticable at the year end, Management has performed the 'wall to wall' inventory verification at a date subsequent to the year end in the	No corrective action required

Fiscal	Reservations, qualifications, emphasis of matters or adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps and/or proposed to be taken by the Company
	matter."	presence of statutory auditor at one location and internal auditor (an external firm of Chartered Accountants) at other location to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.	
Fiscal 2019	**Qualified Opinion** *"We draw your attention to Note 44 to the consolidated Ind AS financial statements, which states that the Company in earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties but excluding interest) (₹ 188 crores as at March 31, 2018) in relation to an excise/customs matter. The Company's appeal against this order with the Honorable Supreme Court has been admitted.* *Based on the current status and legal advice received, the management has recognised a provision amounting to ₹ 4.5 crores as on March 31, 2019 (₹ 4.5 crores as on March 31, 2018) in respect of this matter based on its best estimate. Pending disposal of the matter by the Honorable Supreme Court, we are unable to comment on the adequacy of the provision made towards the amount of excise / customs duty payable."*	The Group had in an earlier year received an order of CESTAT upholding the demand of ₹ 188 crores (including penalties and excluding interest) (31 March 2018: ₹ 188 crores) in the pending excise/custom matters on various grounds. The Group's appeal with the Honourable High Court of Mumbai was rejected on the grounds of jurisdiction. The Group preferred an appeal with the Honourable Supreme Court of India against the order of CESTAT which has been admitted. The Group has re-evaluated the case on admission of appeal by the Honourable Supreme Court. Based on their appraisal of the matter, the legal advisors/consultants are of the view that under most likely event, the provision of ₹ 4.50 crores (31 March 2018: ₹ 4.50 crores) made by the Group against the above demand is adequate. The management is confident of a favourable order and hence no further provision is considered against the said demand.	During the year ended March 31, 2020, the Company made an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS), for settlement of the disputed excise matter of Rs. 188 crores demanded by CESTAT in 2005-06 which the Company was contesting at 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 Fiscal 2020 which has been disclosed as exceptional item in the Statement of profit and loss.
Fiscal 2019	**Emphasis of Matter** *"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."*	During the year 2015-16, the Group had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ("**ETPL**"), a global telecom software product Company. ETPL has been merged with the Group with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "**Scheme"**). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 29.65 crores (31 March 2018: ₹ 29.64 crores) for the year.	No corrective action required

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 44. To our knowledge, except as disclosed in this Placement Document, there are no known factors which we expect to have a material impact on our income.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 44, 173 and 87, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

RELATED PARTY TRANSACTIONS

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Financial Information*" beginning on page 259.

COMPETITIVE CONDITIONS

We operate in a competitive environment. Please refer to "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 44, 127 and 173, respectively, for further information on our industry and competition.

SEASONALITY AND CYCLICALITY OF BUSINESS

Our business is not seasonal or cyclical in nature.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

We are dependent on a few customers. See, "Risk Factors – *We derive a sizable portion of our revenue from our top 10 customers, and the termination, non-renewal or any material modification of our agreements with them could have an adverse effect on our business, results of operations, financial condition and cash flows*" on page 46.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as disclosed in "*Our Business*" on page 173, and products and services that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or services or business segments.

SIGNIFICANT DEVELOPMENTS OCCURRING AFTER SEPTEMBER 30, 2023

Except as disclosed elsewhere in this Placement Document and below, our Company is not aware of any circumstances that have arisen since September 30, 2023 that have a material adverse effect on, or are likely to affect, our operations or profitability, the value of our assets or our ability to pay our material liabilities within the next 12 months.

During the nine months period ended December 31, 2023, the Company has initiated arbitration proceedings against Aksentt Tech Services Ltd. ("**Aksentt**") regarding an outstanding amount of ₹ 254 crores as well as cost overrun and interest for the value of goods and services provided to Aksentt towards optical fiber deployment services under the maha net project in the State of Maharashtra.

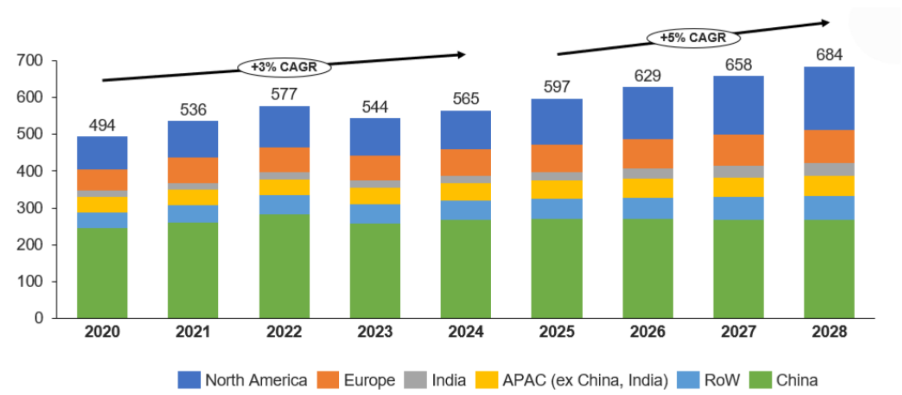
INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled "Assessment of Optical Fibre Cable, EPC and IT Services Industry" dated February 2024 (the "**CRISIL Report**"), prepared and issued by CRISIL Limited which has been exclusively commissioned and paid for by us, as well as other information reported by CRU International Ltd ("**CRU**") to understand the industry in which we operate in connection with the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and information reported by CRU and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Further, references to segments in this section are in accordance with the presentation, analysis and categorisation in the CRISIL Report and information reported by CRU and not based on the criteria set out in Ind AS 108, Operating Segments.*

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CRISIL Report and the information reported by CRU as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For more information, see "Risk Factors - Certain sections of this Placement Document disclose information from the CRISIL Report and information reported by CRU which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 63. Also see, "Industry and Market Data" on page 12.

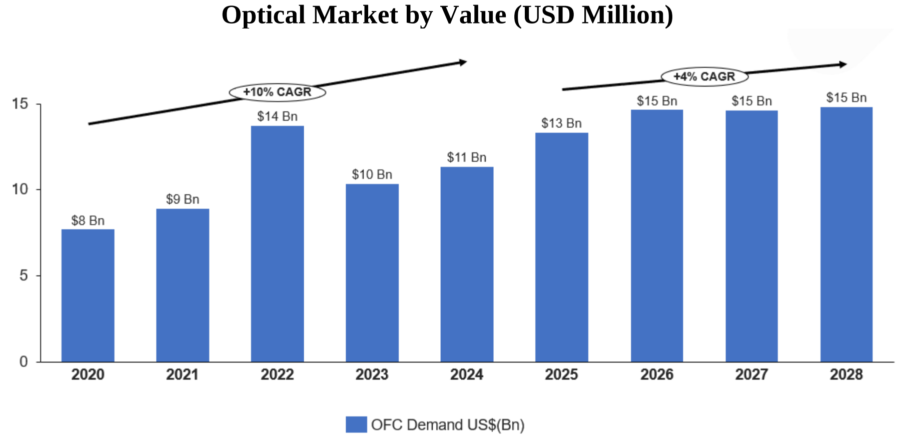
The below information has been derived from the information reported by CRU.

Total Optical Demand by Region (Volume Basis)



Source: CRU Telecom Cables Market Outlook, November 2023

Optical Market by Value (USD Million)



Source: CRU Telecom Cables Market Outlook, November 2023

Market Drivers:

Data Centres: The arise of artificial intelligence ("**AI**") and machine learning, increased internet penetration, the digital transformation of corporate operations, the increasing use of streaming and internet usage, te rising use of cloud services, the amount of data created, captured, copied and consumed worldwide and the proliferation of IoT devices and the rise of big data analytics are all contributing to the growth of both hyperscale and edge data centres. According to JLL's Global Data Centre

Outlook Report, globally, 314 new hyperscale sites are in development, and at the end of 2024, the number of hyperscale sites will pass 1,000, up from around 500 sites just five years ago. The US is expected to remain the centre of hyperscale developments over the next few years, while other regions like China, Ireland, India, Spain, Israel, Canada, Italy, Australia and the UK are also witnessing hyperscale growths. According to IDC's Worldwide Whole Cloud Revenue forecast, the public cloud services market revenues are expected to grow at a CAGR of 19.8% from 2022 to 2026, which is going to increase the demand for hyperscale data centres. Data centres will continue to be a major area of demand for fibre optic cables and cable producers will need to continue developing.

Rural broadband: As many countries are gradually reaching healthy national broadband coverage, rural and remote areas are now under the spotlight. The US, in particular has a number of these initiatives which are driving demand for fibre optic cables like the Connect America Fund ("**CAF**"), Rural Development Opportunity Fund Connecting Europe Facility ("**CEF**") programme with a budget of £ 2.07 billion for the 2021 to 2027 period seeks to improve connectivity, while its Long Term Vision for Rural Areas is a plan to make rural communities better connected and more sustainable by 2040. To improve connectivity, EU Member States can use the Recovery and Resilience Facility, 20% of which should be dedicated to the digital transition, to roll-out very-high capacity networks.

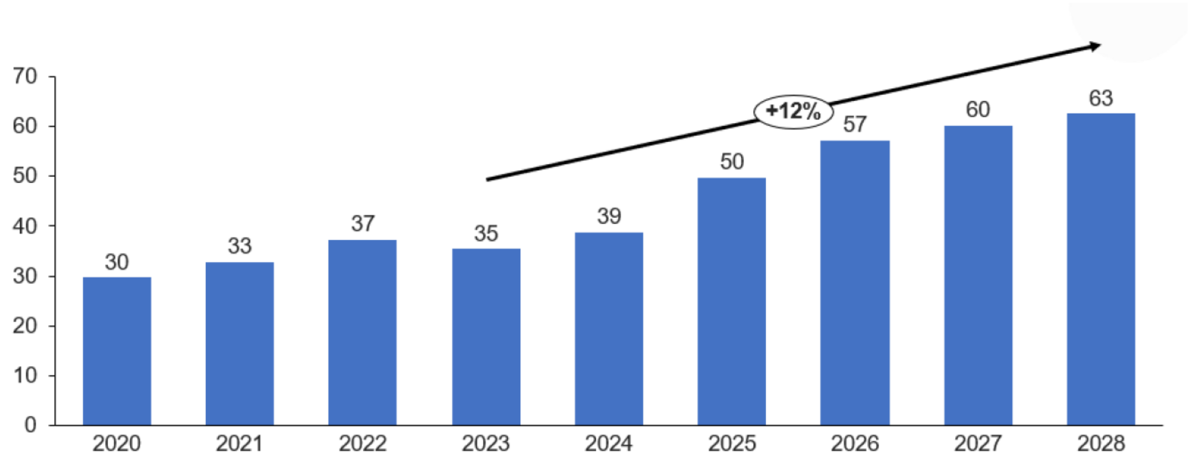
Network Capacity and resiliency: The advent of 25G passive optical network ("**PON**") from Nokia and work towards 50G PON is one of the talking points this year, especially for communication service providers ("**CSPs**") looking for unified access networks and the reuse of the optical distribution network ("**ODN**") infrastructure. The new 25G PON allows different kinds of operators to add bandwidth, upgrade their networks and add more services without installing new cables, thereby saving CAPEX and OPEX. However, one can also argue that eventually it will drive the need for more fibre optic cable as operators are more likely to spend money building new networks that they know it will provide more value for money. The new 25G PON can be used in different ways: it allows wholesale operators to provide symmetrical 10G+ for their retail operator customers. Meanwhile, integrated operators can use 25G PON to support multiple revenue streams from residential and non-residential customers on a single access network. Mobile operators can use 25G PON to boost their xHaul transport capabilities.

5G technology: Standalone 5G infrastructure ("**5G SA**") will continue to be the main driver of demand for fibre optic cables. As outlined in previous reports, the build out of 5G Sa remains slow, and it adoption will also depend on the success of its application as a value proposition to 5G services. For example, Vodafone had launched its 5G SA service in selected cities in the UK, with plans to expand it across the country in the coming years, while in the US, Verizon conducted a number of network slicing trials in 2023 in an effort to improve performance to offer customers a better experience. Network slicing allows operators to dedicate a "slice" of the network to match the network performance requirements of a specific application. This allows an operator to sell a slice to an enterprise for a specific application and in this way get a better return on investment on its 5G network.

FTTx: FTTC, FTTN and FTTH will continue to drive fibre optic cable demand in 2024. Most of the demand will be concentrated in North America, with the US a big driver, followed by Europe, with UK, Germany and Italy the main drivers, and in Asia, China will remain the main player in the FTTx arena. However, this picture will change from 2025 when the US will overtake China, in terms of FTTx deployments. The various government stimuli in the US are providing an impetus to installations, with the US expected to account for 53% of global installations by 2028, while China will comprise 16%. In 2023, China is expected to account for 37% of the global FTTx installations, and the US for 31%. At a 26% CAGR India will see the fastest growth between 2025 and 2028 on the back of fixed broadband demand, government initiatives like the NDCP and investment by firms like Reliance Jio and Bharti Airtel.

Smart City Initiatives: Increasing urbanisation and swelling populations plus the proliferation of Internet of Things ("**IoT**") and sustainable and environmentally friendly living requirements are raising the need for Smart Cities. Smart city solutions are increasingly being implemented in major cities around the world like Boston (US), Copenhagen (Sweden), Singapore, Dubai (UAE), Oslo (Norway) and Hong Kong (China) to just name a few. Fibre optic cable will be needed to provide an efficient network infrastructure that will allow citizens to manage their services and connect sensors, networks and applications that can monitor energy usage, waste management, traffic volume and pollution levels, among many others. One major headwind that we see to fibre deployment will be the shortage of skilled labour globally to facilitate the development of smart cities.

OFC Demand from FTTX (Million FKM)

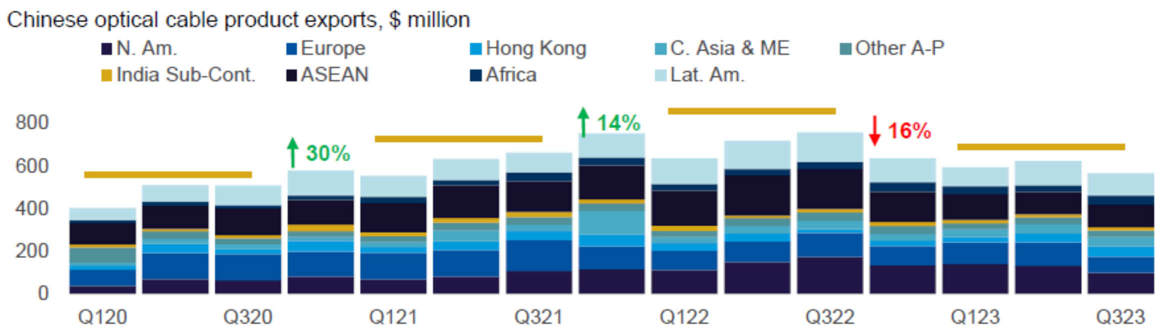


Source: CRU Telecom Cables Market Outlook, November 2023

China: Cable exports retreat, while the growth of fibre exports also decelerated.

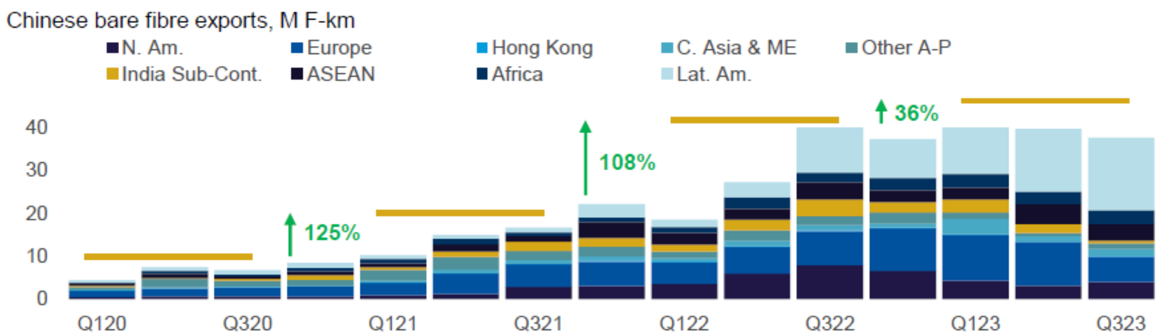
Export market is as challenging as domestic for Chinese players. Back in 2019 and 2020, when Chinese domestic fibre and cable demand collapsed, Chinese producers' increased efforts to explore overseas markets were relatively successful. This year, the country's domestic market contracted again due to reduced orders from major carriers. Chinese companies once again eyed exports but have not been able to replicate 2019 and 2020 efforts. Slowing demand in several major markets, geopolitics and increased trade barriers to restrict China's competitive exports, have made producers' efforts to raise overseas market share increasingly difficult, even for major players which recently set up overseas units. Chinese optical cable product exports by value fell 15.6% year to date ("**YTD**") September, with almost no increase recorded to any major region. Bare fibre exports by volume increased by 35.9% YTD-September, but Q3 noted a drop of 5.3% quarter over quarter ("**q/q**") or 7.9% year on year ("**y/y**"), indicating a loss of momentum.

Chinese optical cable product exports decreased 15.6% YTD-September.



Source: CRU Telecom Cables Market Outlook, November 2023

Chinese fibre exports are still increasing, but losing momentum in Q3

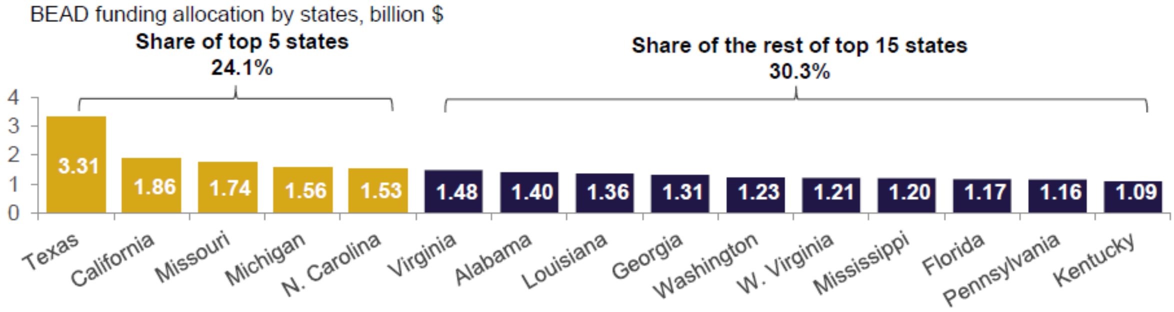


Source: CRU Telecom Cables Market Outlook, November 2023

North America: Cable demand from BEAD funding is set to come in 2025.

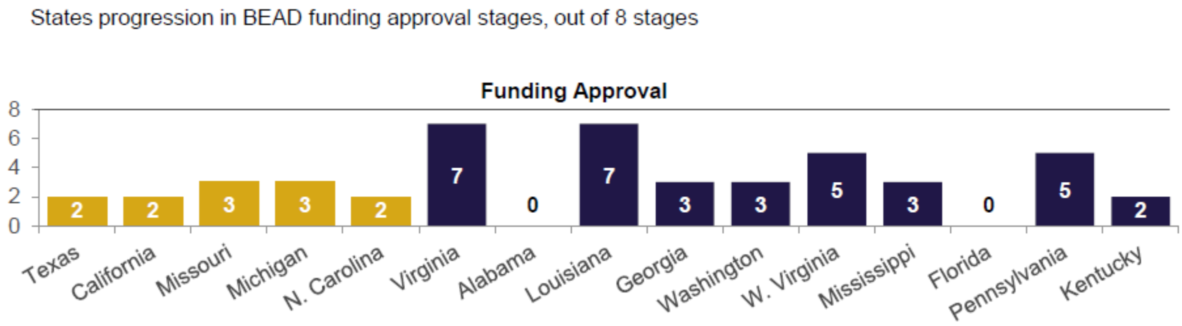
BEAD funding will not translate into immediate cable demand until 2025. The USD 42.5 bn BEAD program aimed at the last-mile FTTH deployment to unserved and underserved locations in the US is planned to be allocated to states by federal government. Planned allocation is top heavy, with five states alone receiving 24.1% of the total funding, meanwhile next 10 biggest recipients will constitute the further 30.3%. To receive their share of the fund, each state needs to submit their proposals to the NTIA. Among the top 15 states, only two of them, Louisiana and Virginia are at the last stage of this funding approval process. Both states have projected to receive their first trench of the funding, which will constitute 20% of their total funding allocation in early 2024. Louisiana is predicted to be the first funding receiver in 2024 Q1. However, the rest of funding recipients are still at the relatively early stages of their application process and probably will not receive their share of the fund at least till early 2025. Thereby, the BEAD program will only have a limited impact on cable demand in the most of 2024.

Top 5 states will constitute around 24% of total BEAD funding



Source: CRU Telecom Cables Market Outlook, November 2023

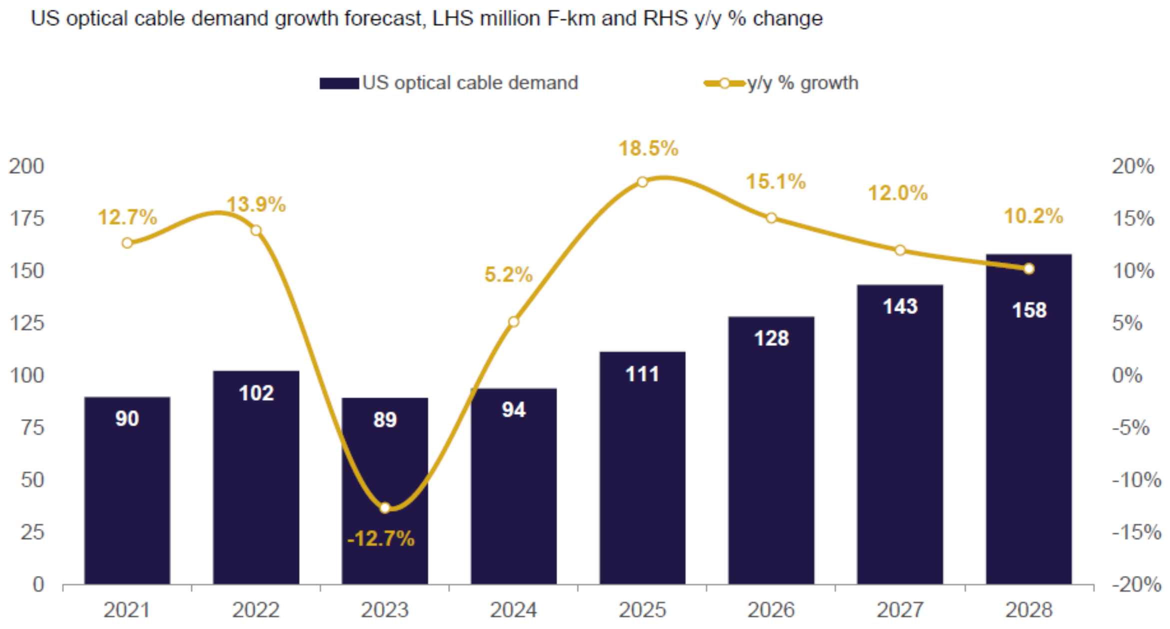
Most of major recipients of BEAD funding is still at the early stages of approval.



Source: CRU Telecom Cables Market Outlook, November 2023

North America: US demand in 2024 is expected to remain below 2022 levels

US cable demand is set to achieve 2022 levels in 2025



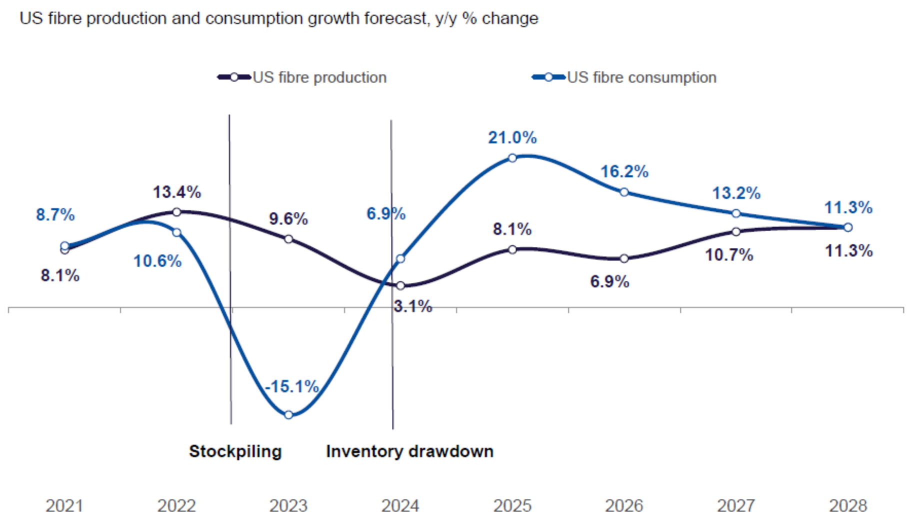
Source: CRU Telecom Cables Market Outlook, November 2023

Mid-term cable demand outlook remains robust for the US market. CRU estimates US optical demand will fall by 12.7% y/y in 2023, as deployment by carriers have slowed due to elevated costs, labour shortages and higher capital costs that are curbing investment. CRU forecasts high interest rates in the US will be alleviated somewhat in 2024 as inflation peaks. This can support a better economic outlook. CRU forecasts a 5.2% growth in US optical cable demand next year.

However, despite this growth, demand will remain below its 2022 levels. As discussed before, this is primarily because the BEAD program is unlikely to be a real game changer to drive cable demand growth, at least not until late 2024. Therefore, CRU expects the more meaningful recovery will only start from 2025, with cable demand in the country forecast to grow by 18.5% y/y in that year. This rapid growth could also be aided by the recent new BEAD waiver, which will reduce the burden on providers to address the 25% credit requirements. This will give smaller operators greater flexibility to work with external partners to secure funding, thereby supporting a faster recovery in US cable demand.

North America: US fibre drawing remains strong due to inventory build-up

Fibre demand is down in the US despite fibre production growth in 2023



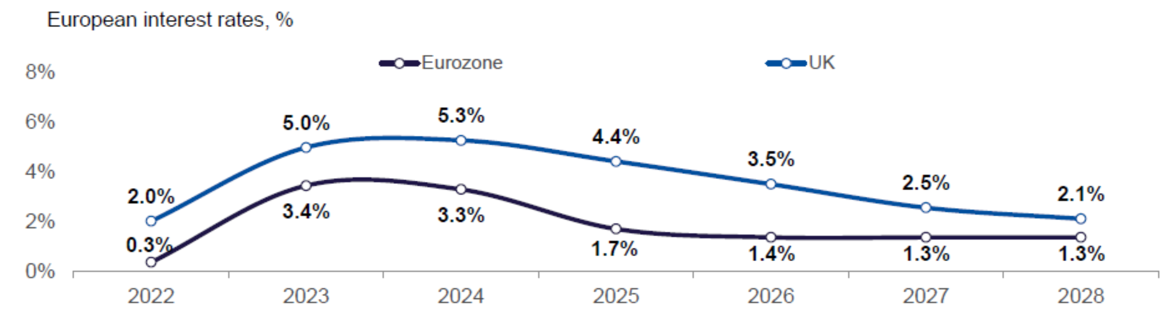
Source: CRU Telecom Cables Market Outlook, November 2023

Limited number of fibre suppliers in the US has led to stockpiling. The BEAD program includes strong and permanent Build

America, Buy America ("**BABA**") requirements. According to the initial waiver proposal released in late August, this means optical cables to be supplied for the projects need to be manufactured in the US and using US-made bare fibres. CRU estimates government programs will support at least 20% of total US optical cable demand in 2025. However, the spillover effect can increase this share significantly. For a project that will be only partially funded by BEAD, the wining operator will likely only want to choose one single US cable supplier that complies with BABA requirements to avoid complexity. Market feedback suggests that the amount of BABA compliant cables needed could be twice as high. This could lead to a scarcity in US-made fibre due to a limited choice of suppliers. As a result, despite the demand downturn this year, we still expect US fibre production to grow by 9.6% y/y, thanks to the stockpiling activities.

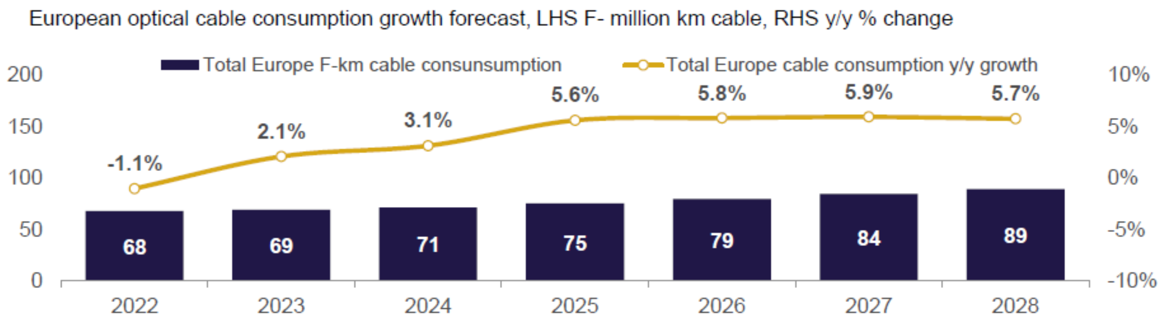
Europe: Despite a slowdown in H2, demand is still expected to grow in 2023

European interest rates are projected to remain high in 2024



Source: CRU Telecom Cables Market Outlook, November 2023

Lukewarm growth in European cable demand is expected to continue in 2024

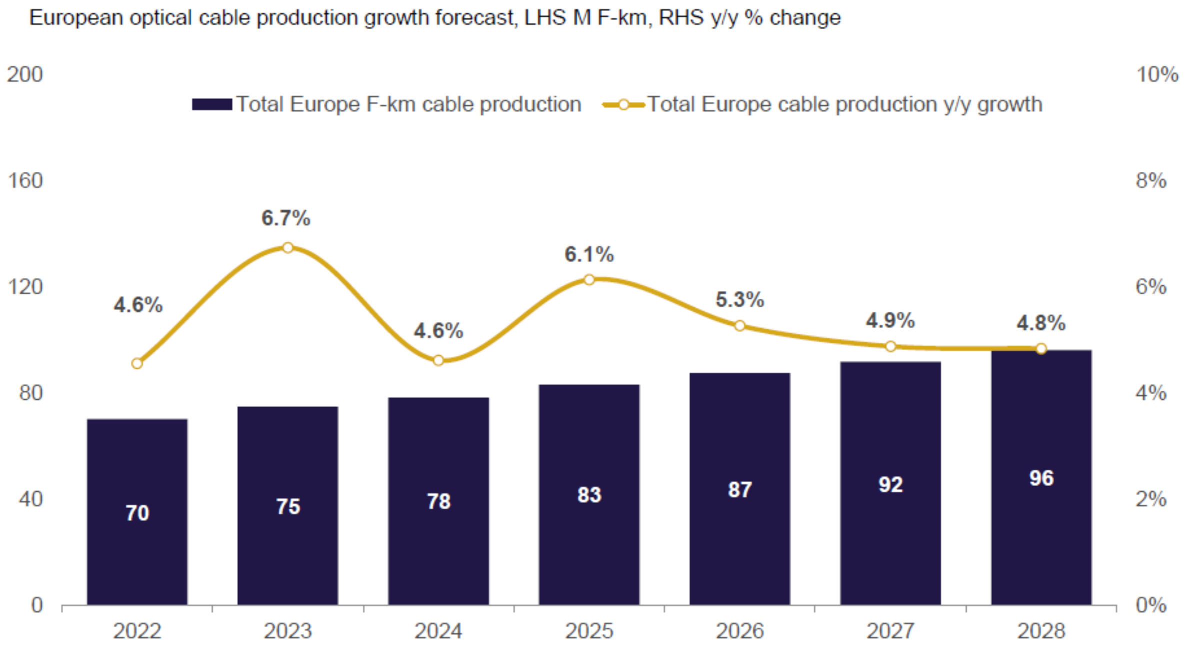


Source: CRU Telecom Cables Market Outlook, November 2023

Low cable demand in Europe due to pullback of deployment by carriers. Core interest rates in Eurozone and the UK have increased rapidly in 2023, reaching 3.4% and 5.0% respectively. This has caused the cost of capital to increase significantly and reduced the likelihood of investing by carriers. CRU expects interest rates in Europe to remain elevated for the majority of 2024. This has caused a slowdown in fibre network investments in 2023 H2, as both incumbent and AltNet operators paused or slowed their key FTTx projects to preserve cash. Even in countries like Germany and the UK, which are in the middle of conducting their national FTTH rollouts, the slowdown is apparent. We heard Deutsche Telecom has reduced their cable intake rate despite remaining adamant on their home pass targets. Meanwhile the BT tender, despite promising volume for the next several years, high level of competitions will likely push prices down markedly. We forecast cable demand recovery in 2024 will be relatively modest in Europe, up by 3.1% y/y, until we see more robust growth in 2025.

Europe: Growth in optical cable production is stronger than growth in consumption

Despite a slowdown in demand, cable production is to rise 6.7% y/y in 2023



Source: CRU Telecom Cables Market Outlook, November 2023

Increased trade barriers are helping onshoring of cable production. CRU estimates European optical cable consumption will grow by 2.1% and 3.1% y/y in 2023 and 2024, respectively. Cable production will outpace demand and is set to grow by 6.7% and 4.6% in 2023 and 2024. There are two main reasons for this:

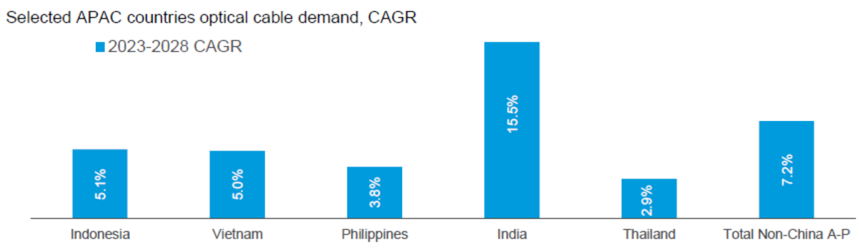
- Despite a slowdown in 2023 cable demand, most new expansions are focused on European cable demand in the mid-term, which will mostly be supported by FTTH deployments.

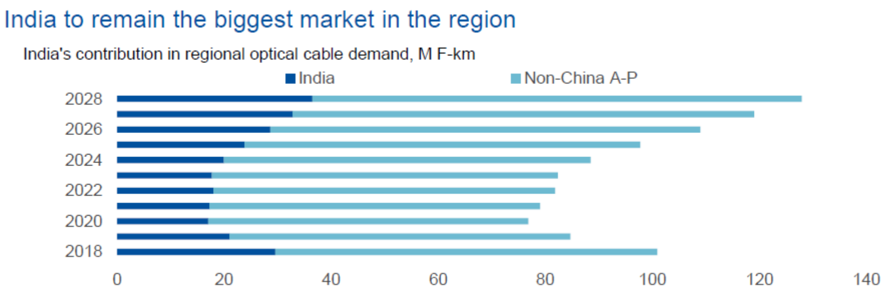
- Increased trade barriers like antidumping duties on Chinese cable imports into the UK and EU, and potential duties on Indian imports into the EU, have pushed the main producers in the respective countries to open facilities in Europe to avoid the duties.

However, in the future this could lead to oversupply in Europe.

Non-China APAC: Indian consumption to see decline in 2023, growth forecasted for 2024

Growth to be led by India, followed by markets like Indonesia and Vietnam





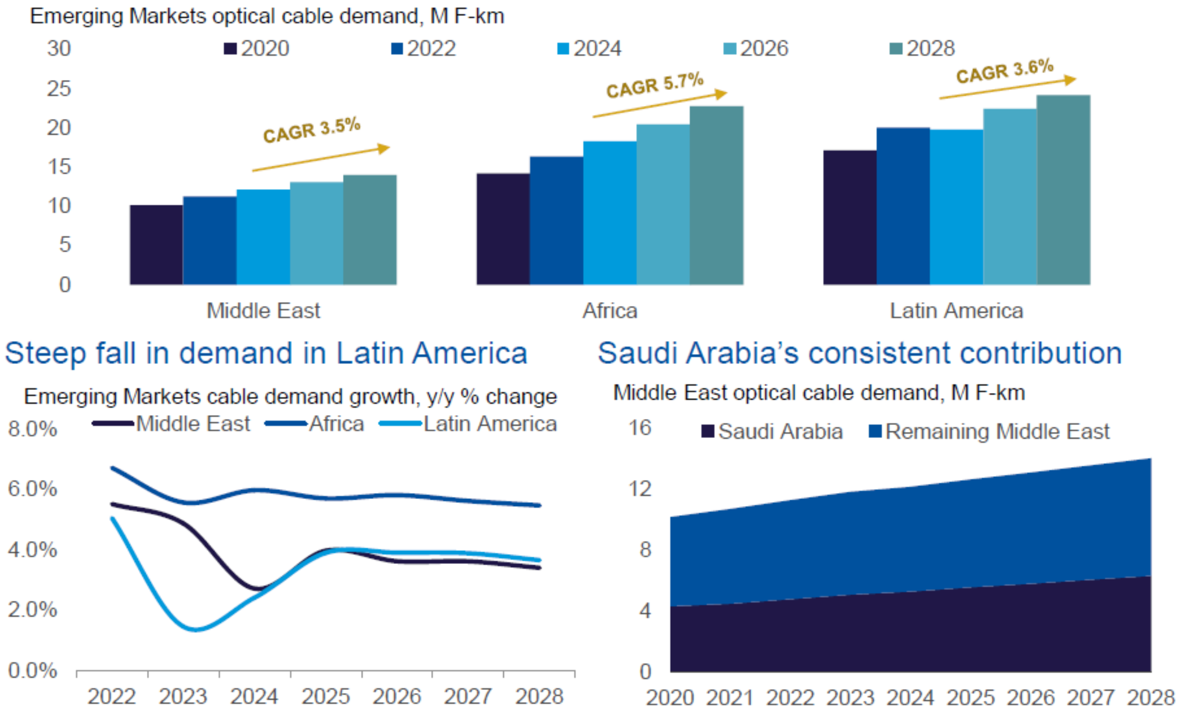
Source: CRU Telecom Cables Market Outlook, November 2023

BharatNet Phase III set to boost India's OFC demand

Government sponsored broadband initiatives across markets in the Non-China APAC region have resulted in significant demand for cables in the past, due to a dedicated focus on expanding optical fibre networks to reach an increasing number of households. However, deceleration in government expenditures and the prolonged delays associated with critical projects, especially in key markets such as India, which accounts for 28% of the total cable consumption in the region, have negatively impacted regional demand. Based on our forecast, Indian cable consumption will settle at 17.7 million fkm in 2023, showing a 1.5% y/y contraction. However, based on the recent news, the tender for Phase III of BharatNet project is expected to float by the end of this year as currently it is in draft stage. This along with increasing CAPEX of private Indian telcos towards FTTx and fibreisation of towers will support demand growth of 12.9% y/y in 2024. Until 2028, India is expected to grow at a 15.5% CAGR, followed by Indonesia and Vietnam with 5.1% and 5.0% CAGR, respectively.

Emerging Markets: Experiencing demand decline with promising growth prospects ahead

All emerging markets to exhibit uniform growth, with Africa leading the way



Source: CRU Telecom Cables Market Outlook, November 2023

Saudi Arabia market stands out in the Middle East

Emerging Markets constitute 9.1% of the global demand for optical fibre cables, with substantial growth potential at a projected 4.3% CAGR between 2023 and 2028. Latin American countries currently face economic challenges, resulting in stagnant regional cable demand at 20 million F-km in 2023. Africa faces a deceleration in demand growth in 2023, but is on a path to stability from 2024, with cable demand expected to reach 22.8 million F-km by 2028. Like other emerging markets, the Middle East region is also experiencing a slowdown, with y/y growth expected to decrease from 5.5% in 2022 to 4.9% in 2023. Regional demand for 2023 is expected to be 11.8 million F-km. The Saudi Arabia market is a key growth driver, contributing 42% to the region's demand and is projected to maintain a 4.5% annual growth rate in the midterm. This growth is due to substantial digital transformation efforts and ambitious nationwide smart city initiatives such as NEOM and the King Abdullah Economic City, which rely on advanced optical fibre cables for connectivity, IoT applications, and urban management.

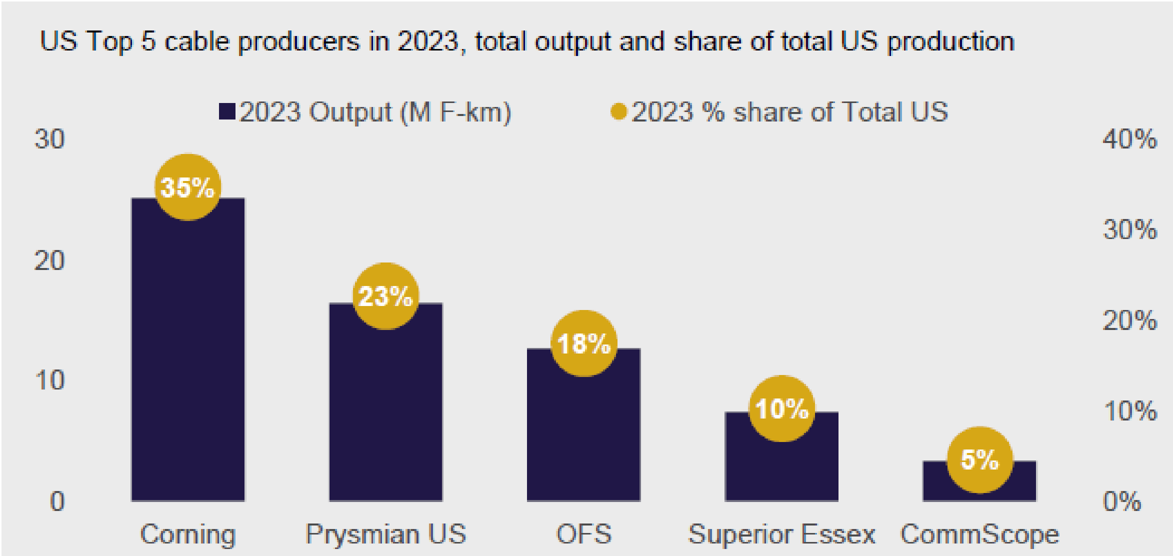
Competitive Landscape

STL sits amongst the biggest cable producers globally.

Leveraging its extensive production capacity, STL was well positioned as a global leader in the optical cable market in 2023. Ranked 8th and 9th globally in installed preform and draw capacity, respectively, and 9th in cable production volume, STL boasts significant production capabilities. This is evidenced by their impressive output of approximately 27 million F-km of optical cable across its main plant in India and the wholly owned Italian subsidiary, Metallurgica Bresciana. This equates to an approximate 5.2% share of total global cable produced last year. In 2024, we expect STL to further cement is position as a major player optical cable market following the commissioning of its new US optical cable plant in South Carolina in September 2023.

Major US and EU Cable Producers (Million F-km)

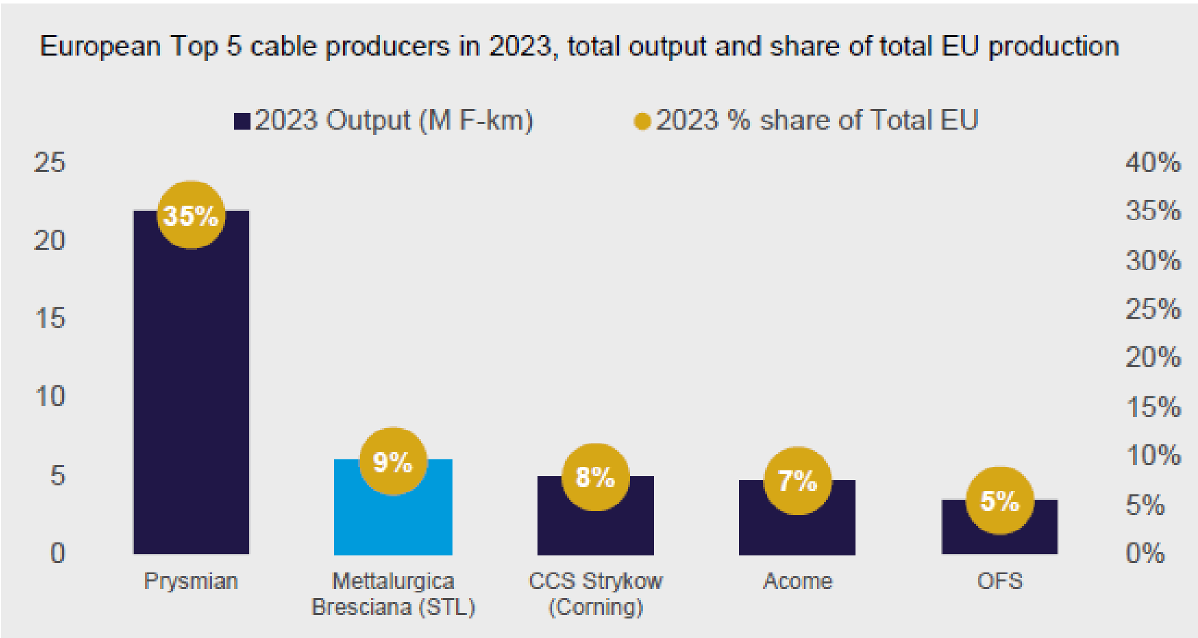
US - STL to expand footprint in the US market from 2024 as it ramps production at its newly commissioned South Carolina plant.



DATA: CRU, company reports

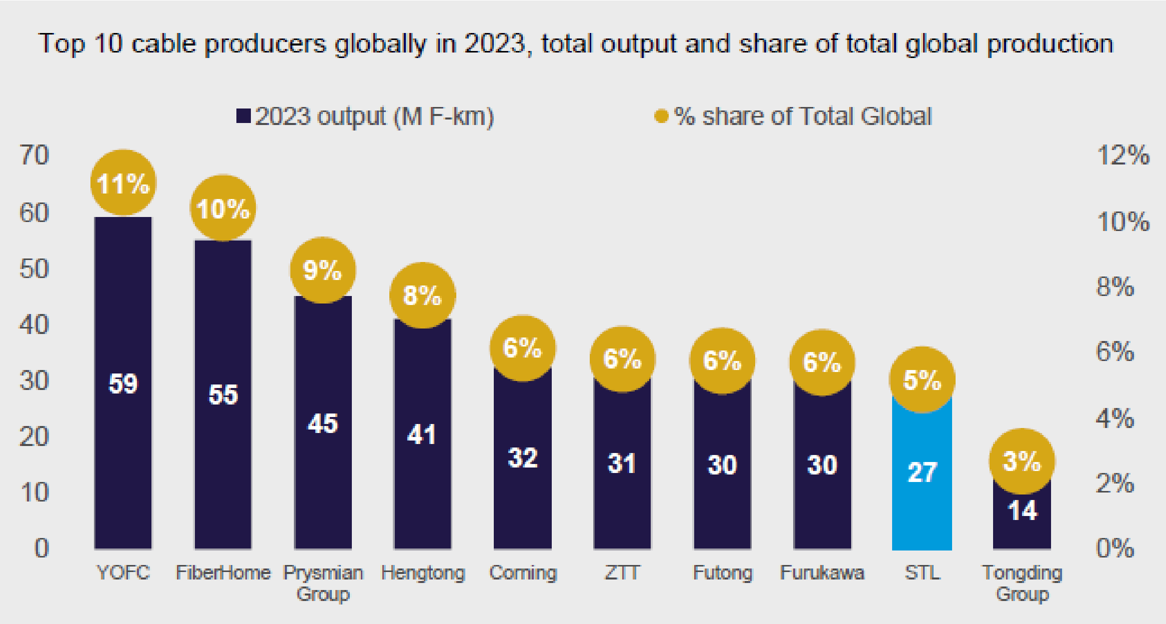
Looking ahead to this year and next, STL's share of global output is set to increase. This is driven not just by rising utilisation rates in response to improved demand and increasing market share, but also because of the successful commissioning of its South Carolina cable plant. CRU expects upwards of 5 million F-km could be produced at the facility in 2024. Based on our current estimates, this would push STL's share of global output to 5.9%, up 0.7 percentage points from its 2023 share of global output.

Europe – STL's Italy plant ranked 2nd largest in Europe in 2023



DATA: CRU, company reports

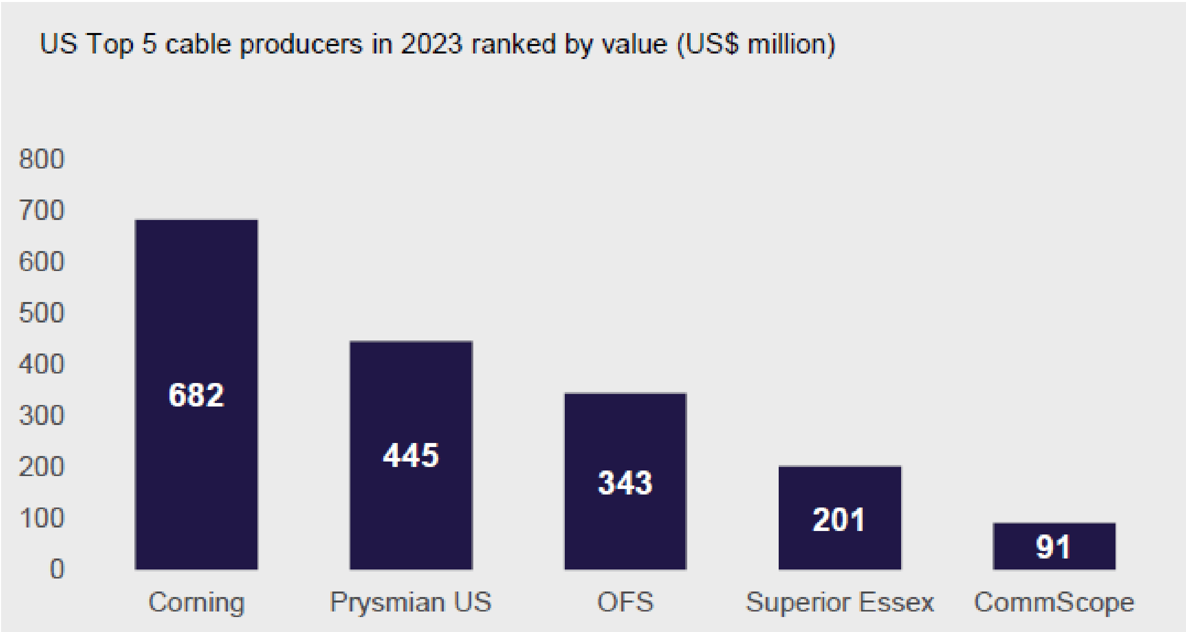
Global – STL ranked 9th globally last year in terms of cable production.



DATA: CRU, company reports. Note: Group totals shown here are according to majority shareholder. Therefore, in the case of any JV operations, 100% of the output is assigned to the majority shareholder. In the case of a 50:50 JV, the production is split evenly between partners.

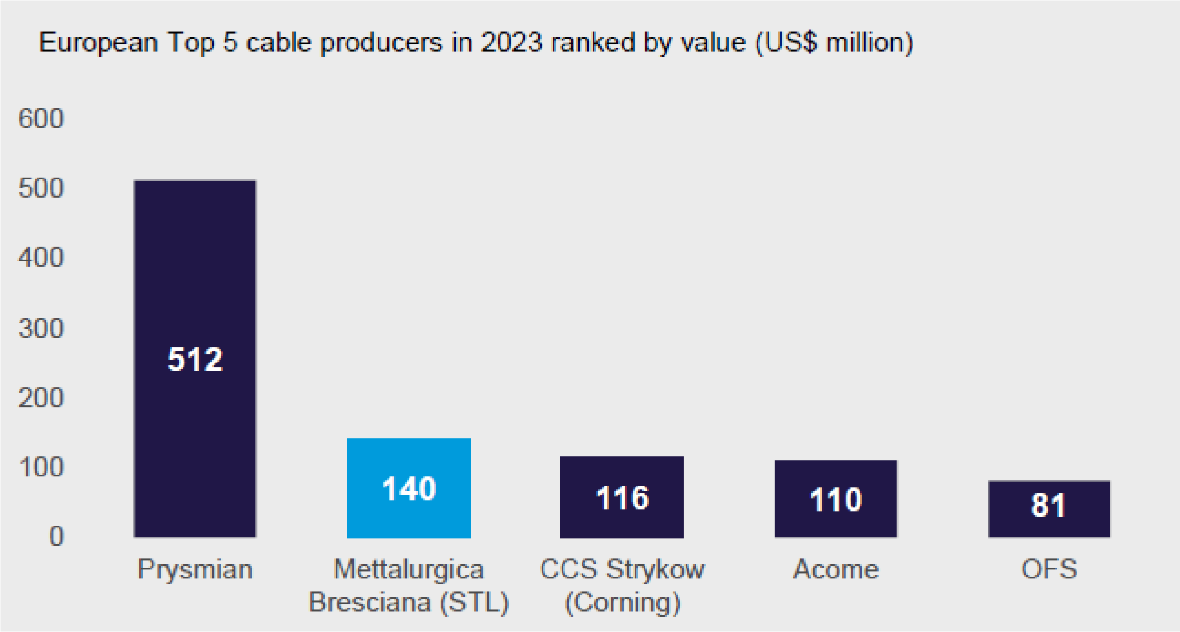
Major US and EU Cable Producers (USD million)

US - Corning leads the US, followed by Prysmian.



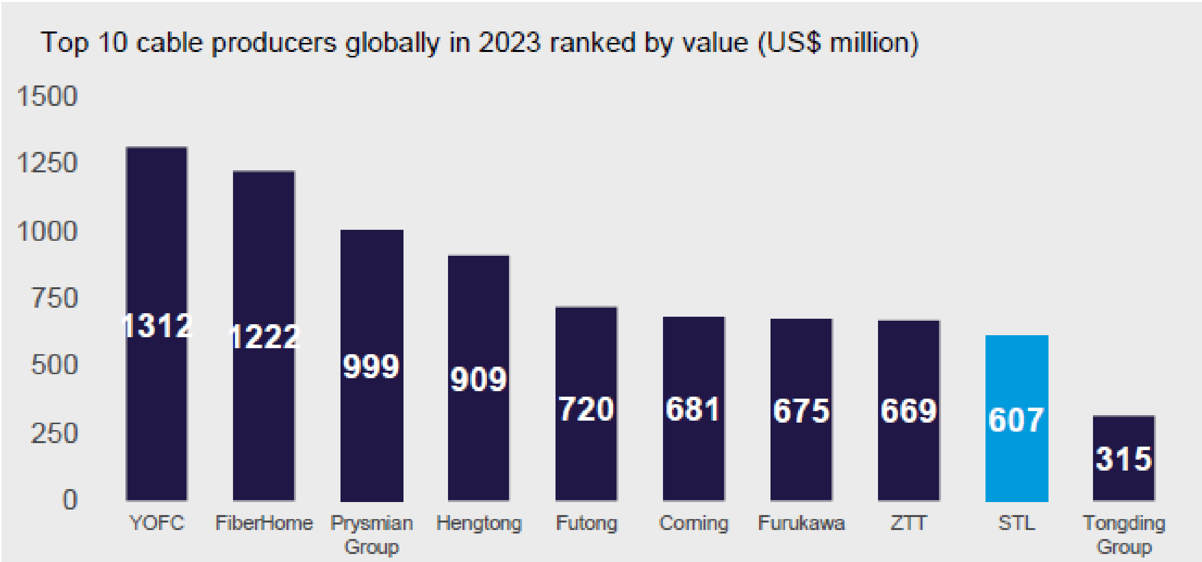
DATA: CRU. Note: relates to total company cable production solely in the US multiplied by average US single-mode cable prices

Europe – STL's Italian plant generated around USD 140M in cable sales last year.



DATA: CRU. Note: relates to total company cable production solely in Europe multiplied by average EU single-mode cable prices

STL ranks 9th globally in terms of total cable production value for 2023.



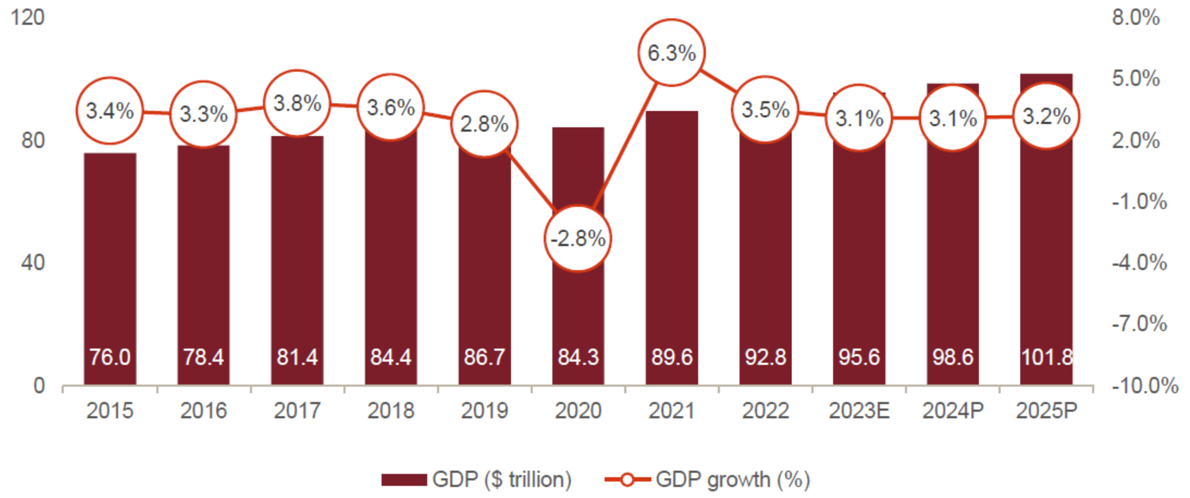
DATA: CRU. Note: Group totals shown here are according to majority shareholder. Therefore, in the case of any JV operations, 100% of the output is assigned to the majority shareholder. In the case of a 50:50 JV, the production is split evenly between partners. Total output in volume terms was then multiplied by global average single-mode cable prices.

The below information has been derived from the industry report title "*Assessment of Optical Fibre Cable, EPC and IT Services Industry*" dated February 2024 prepared and issued by CRISIL.

Global and India's macroeconomic assessment

As per the International Monetary Fund's ("**IMF**") January 2024 update, global gross domestic product ("**GDP**") growth is estimated at 3.1% for 2023 and projected to stay there in 2024 before rising modestly to 3.2% in 2025. The latest estimate for 2024 is 0.2 percentage points higher compared with IMF's previous forecast in October 2023, mainly due to greater-than-expected resilience in the United States (US) and several large emerging markets and developing economies, as well as fiscal support in China. Growth is likely to decline a tad in 2024 in advanced economies before rising in 2025, with the euro area recovering from low growth in 2023 and US expansion moderating. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

Global GDP trend and outlook (2015-2025P, USD trillion)



Note: E: Estimated, P: Projection

Source: IMF economic database, CRISIL Market Intelligence and Analytics (MI&A) Research

India's GDP is estimated to grow 6.7% In 2023 (fiscal 2024). It is projected to clock 6.5% growth in 2024 (fiscal 2025), growing faster than China and the global average.

Real GDP growth by geographies

Regions	2018	2019	2020	2021	2022E	2023E	2024P	2025P
US	2.9	2.3	-2.8	5.9	1.9	2.5	2.1	1.7
Euro area	1.8	1.6	-6.1	5.6	3.4	0.5	0.9	1.7
UK	1.7	1.6	-11.0	7.6	4.3	0.5	0.6	1.6
China	6.8	6.0	2.2	8.4	3.0	5.2	4.6	4.1
India*	**6.5**	**3.9**	**-5.8**	**9.1**	**7.2**	**6.7**	**6.5**	**6.5**
Advanced economies	2.3	1.7	-4.2	5.6	2.6	1.6	1.5	1.8
Emerging market and developing economies	4.6	3.6	-1.8	6.9	4.1	4.1	4.1	4.2
World	**3.6**	**2.8**	**-2.8**	**6.3**	**3.5**	**3.1**	**3.1**	**3.2**

Note: E: Estimated, P: Projection as per IMF update

* Numbers for India are for financial year (2020 is FY21 and so on) and as per the IMF's forecast. CRISIL's GDP forecast for India: 6.4% in FY25

Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

India GDP to grow 7.3% this fiscal, 6.4% in the next

India's GDP logged 5.7% CAGR between fiscals 2012 and 2023, increasing from ₹ 87 trillion to ₹ 160 trillion. In fiscal 2021, the GDP had contracted 5.8% because of the pandemic. The economy recovered from pandemic- related shocks in fiscal 2022, though inflation spiralled in the final quarter because of the ongoing Russia-Ukraine conflict. GDP grew a robust 9.1% with economic activity resuming and healthy trade flows. In fiscal 2023, growth printed at 7.2%, propelled by domestic demand, increased investment outlay by the government and private consumption.

In the current fiscal, growth is expected to be 7.3%, as per the Ministry of Statistics and Programme Implementation ("**MoSPI's**") First Advance Estimates ("**FAE**").

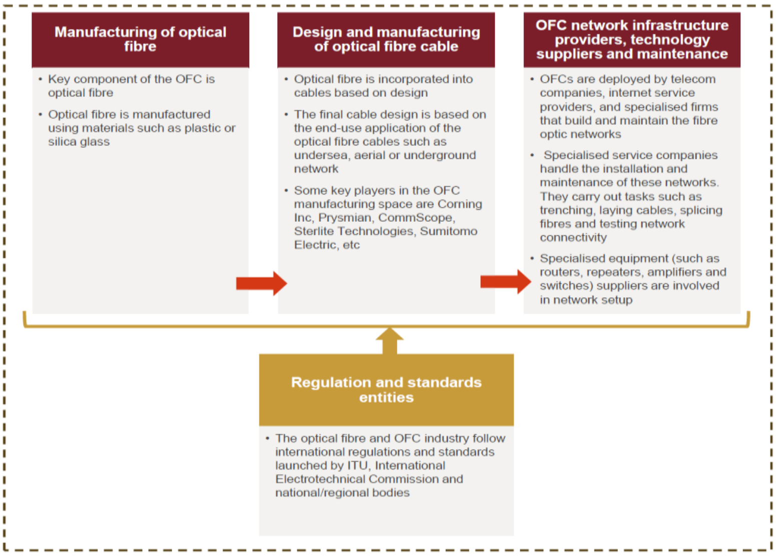
In fiscal 2025, CRISIL expects the country's GDP to expand 6.4%, driven by the manufacturing sector, strong growth in investments and resilient domestic demand.

Assessment of the global OFC industry

Overview of the global OFC industry

The optical fibre cable ("**OFC**") industry plays a vital role in the telecom industry, supporting a large digital population with high-speed internet and robust data transmission over the world. The OFC industry involves numerous stakeholders across the value chain starting from raw material suppliers to the final deployment and maintenance of OFC networks.

OFC industry structure



Key growth drivers and trends of the global OFC industry

Rising internet penetration

- In 2023, 5.4 billion people, ~67% of the global population, were connected online
- Over 2017 to 2023, internet users clocked a CAGR of 8.0% driven by the expanding digital economy, affordable smartphones/access devices, competitive markets and rising internet affordability

Growth in Data centres and end-use sectors

- Growing digital content, digital transformation, IoT, AI, data analytics, cloud computing and other internet services have led to the growth of data centres
- Investments are driven by large technology companies such as Alphabet, Meta, Amazon and Microsoft across strategic global locations
- End-use sectors such as telecom, railways, defence and industrial are driven by digital transformation and adoption of new age technologies

Growth of 5G

- Fibre rollout has picked up pace to support the 5G targets of telecom companies. As per Ericsson Mobility Report, November 2023, global mobile subscription of 5G in 2023 stood at an estimated 1,570 million and is expected to grow by 23% till 2029 reaching 5,330 million.
- In India, to achieve fiberisation targets, telecom operators are expected to shell out Rs 1,250 billion in FY24 and FY25 to achieve the remaining target by FY25 and spend on incremental BTS for 5G deployment

Growth of FTTH

- The demand for FTTH can be attributed to growing demand for high-speed and reliable internet, fuelled by data-intensive applications, online streaming, and remote work. In India, BharatNet aims to connect 0.25 million gram panchayats with broadband connectivity

Global opportunities driven by government policies

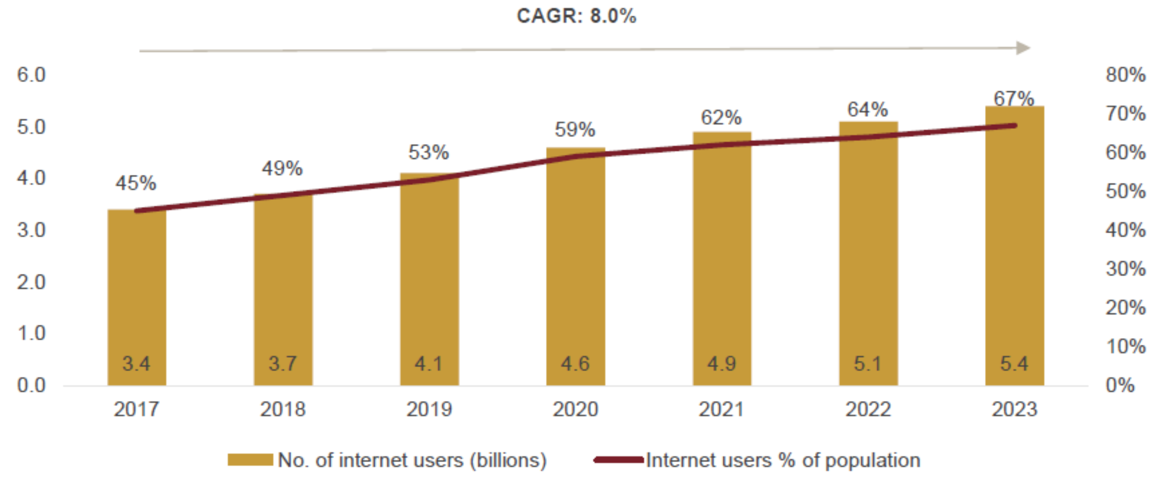
- In the US, various federal programmes plan to distribute $97 billion over the next 4-5 years for broadband infrastructure
- The UK government allocated GBP 5 billion to deploy next-generation gigabit broadband, aiming for 85% coverage by 2025 and 100% by 2030

Rising internet penetration

Global internet penetration has seen significant rise on account of technological improvement such as growth in fibre optic networks, 5G technology adoption and satellite internet. Digital infrastructure growth has been tremendous on account of public and private investments in the space. Moreover, the national-level broadband plan and PPP projects have contributed to growth across the globe. Advanced and affordable smartphones/access devices, competitive markets and rising internet affordability have significantly improved internet accessibility.

In 2023, 5.4 billion people, constituting approximately 67% of the global population, were connected online, marking a 4.7% growth since 2022. Over 2017 to 2023, the number of users clocked a CAGR of 8.0%. Offline population in 2023 reduced to an estimated 2.6 billion, representing 33% of the world. The expanding digital economy, along with a growing focus on remote work and online education, is driving the demand for internet services, leading to a continual increase in global internet penetration.

Global internet users: 2017-2023



Source: ITU, CRISIL MI&A

Growth in data centre facilities

Data demand has grown significantly on account of growth in digital content, digital transformation, Internet of Things, artificial intelligence, data analytics, cloud computing and other internet services. This has led to increased demand for data centres worldwide, influenced by growing demand for data processing, storage and distribution. Data centre operators are strategically expanding their global footprint considering data localisation rules, and reduction in latency and network redundancies. Investments are growing in emerging markets such as Asia-Pacific, Latin America and Africa. In India, the installed capacity of data centres is expected to more than double and reach approximately 1,700 MW by March 2026 from estimated approximately 780 MW as of March 2023. This would require investment exceeding ₹ 450 billion over the three fiscals through 2026 as growing demand for data and storage piques the interest of a diverse set of companies.

Other trends noticed in the data centre industry include green data centres where operators are focusing on sustainability, energy efficiency, renewable energy and innovative technologies, to reduce the carbon footprint. Operators are adopting edge computing and setting up edge data centres, which are defined by high-speed data processing with closer data generation sources, smaller facility, and ensures low latency. Hyperscale data centres with focus on AI-led management processes, innovative cooling methods and hyperscale architecture are gaining importance, backed by large technology companies such as Alphabet, Meta, Amazon and Microsoft.

Growing demand for optical fibre from end-use sectors

Telecommunication sector

The telecommunication sector is undergoing a transformative evolution, with a key trend driving the demand for the optical fibre industry being the relentless pursuit of faster, more reliable connectivity. As the global demand for high- speed internet and data-intensive applications increases, telecommunication companies are increasingly relying on optical fibre networks to meet these burgeoning needs. Optical fibre, with its unparalleled capacity for high-speed data transmission and low latency, has become the cornerstone for addressing the insatiable appetite for bandwidth.

The advent of 5G technology has further amplified the indispensability of optical fibre, as it necessitates robust and high-capacity networks to deliver the promised speeds and low latency. Telecommunication providers are making substantial investments in optical fibre infrastructure to support the seamless rollout of 5G services.

Moreover, optical fibre networks are gaining prominence for supporting the proliferation of connected devices, IoT, and the burgeoning demand for cloud computing services. These trends collectively underscore the pivotal role of optical fibre in shaping the modern telecommunication landscape, as it not only meets current requirements but also positions the industry for future advancements. The transition towards optical fibre by the telecom industry represents a strategic response to the dynamic demands of the sector, ensuring scalable, reliable and future-ready infrastructure to sustain the ever-evolving connectivity needs of a digitalised world.

Defence sector

Key trend in the defence sector driving the optical fibre industry is the increasing demand for secure and high- speed communication networks to support advanced defence technologies. As modern defence systems heavily rely on data-intensive applications, real-time connectivity, and secure communication, there is a growing need for resilient and high-bandwidth communication infrastructure.

Optical fibre technology is well-suited to meet these demands, providing advantages such as high data transmission speeds, immunity to electromagnetic interference, and enhanced cybersecurity. The defence sector's adoption of optical fibre facilitates the efficient transfer of large volumes of data, critical for applications like command-and-control systems, surveillance, unmanned aerial vehicles and secure communication networks.

Moreover, the trend towards network-centric warfare, where different defence systems and platforms are interconnected for seamless communication and coordination, further amplifies the reliance on optical fibre networks. This ensures rapid data transfer and enhances the overall situational awareness of military operations.

As the defence sector continues to invest in advanced technologies such as artificial intelligence, autonomous systems and IoT devices, the demand for optical fibre infrastructure is expected to surge. Optical fibre plays a pivotal role in creating a robust and future-ready communication backbone for defence applications, contributing to the overall modernisation and effectiveness of defence capabilities. The integration of optical fibre technology in defence networks aligns with the sector's imperative to stay technologically advanced, secure and responsive in an evolving threat landscape.

Railway sector

In the railway sector, a key trend driving the optical fibre industry is the rapid adoption of advanced communication and signalling systems to enhance the efficiency, safety and reliability of railway operations. Modern railways are increasingly relying on digital technologies for real-time monitoring, control and communication, giving rise to a growing demand for high-speed and resilient optical fibre networks.

The deployment of optical fibre infrastructure along rail tracks enables seamless communication between various components of the railway ecosystem, including trains, signalling systems, control centres, and maintenance facilities. Optical fibre networks facilitate the transmission of large volumes of data at high speeds, supporting applications such as train control, condition monitoring, video surveillance and passenger information systems.

Furthermore, the emergence of smart railways, incorporating technologies like the IoT and AI, intensifies the need for robust and low-latency communication networks provided by the optical fibre. This trend aligns with the industry's goals of improving operational efficiency, ensuring passenger safety and optimising maintenance processes.

Optical fibre also plays a critical role in the positive train control systems, which enhance safety by automatically controlling train movements to prevent accidents. As the railway sector embraces digital transformation, the optical fibre industry becomes integral to meeting the connectivity requirements essential for the modernisation and competitiveness of railway networks worldwide.

Industrial sector

The sector is experiencing a profound digital transformation driven by the adoption of Industry 4.0 and the IoT. At the forefront of this revolution is the optical fibre industry, playing a pivotal role in meeting the escalating connectivity demands of modern industrial practices. The trend towards industrial automation is steering the necessity for high-speed, low-latency communication, where optical fibre excels in seamlessly integrating automated systems and machinery, thereby enhancing operational efficiency and precision.

As smart manufacturing and IoT initiatives gain momentum, optical fibre serves as the fundamental infrastructure for interconnecting devices and sensors throughout industrial ecosystems. The Industrial IoT relies heavily on optical fibre networks to enable data exchange for applications such as predictive maintenance, asset tracking and remote monitoring, ushering in a new era of operational intelligence.

Critical components like control systems and supervisory control and data acquisition systems, pivotal for industrial processes, benefit from the reliable and secure communication provided by optical fibre. Its resilience to electromagnetic interference and suitability for harsh environments make it an ideal choice for industries requiring robust communication infrastructure.

Moreover, optical fibre ensures high-performance connectivity for applications like real-time video surveillance, quality control systems, and remote diagnostics, contributing significantly to enhanced productivity and quality assurance in industrial settings. Industries are increasingly recognising optical fibre as a future-proof solution capable of accommodating evolving technologies and higher bandwidth requirements, positioning it strategically for long-term infrastructure planning. In essence, the integration of optical fibre epitomises a key trend propelling the industrial sector towards smarter, interconnected and technologically advanced landscapes.

Growth of 5G

The emergence of 5G, the fifth-generation wireless technology, is propelled by numerous industry drivers poised to reshape the global connectivity landscape. Foremost among these is the commitment to significantly amplify data speeds, ushering in a new era of rapid downloads and reduced latency. This low latency is pivotal for applications such as augmented and virtual reality, where real-time responsiveness is paramount. Moreover, ability of 5G to support an extensive array of connected devices simultaneously underscores its role in the burgeoning IoT ecosystem. This enhanced capacity not only accommodates the surging demand for connectivity but also lays the groundwork for a seamlessly interconnected world. Leveraging technologies like beamforming and massive MIMO, 5G optimises network efficiency, ensuring a reliable and stable connection.

Technological advancements, including the utilisation of millimetre-wave frequencies and network slicing, contribute to the robust development of 5G. These innovations enable the deployment of high-frequency bands for faster speeds and the customisation of network slices tailored to specific applications or industries. Beyond technical prowess, 5G is set to catalyse transformative changes across industries, from healthcare to manufacturing and smart cities. The promise of global connectivity, fostering seamless communication on an international scale, aligns with the needs of businesses with a global footprint.

Key Global telecom industry player

Company name
Verizon Communications Inc
Deutsche Telekom AG
Comcast Corporation
AT&T Inc
T-Mobile US, Inc
Charter Communications, Inc
Vodafone Group Public Ltd Company
Orange SA
Telefonica SA
BCE Inc
BT Group plc
KT Corporation
Telus Corporation
Bharti Airtel Ltd
Lumen Technologies

Note: The list above is only indicative, and not exhaustive

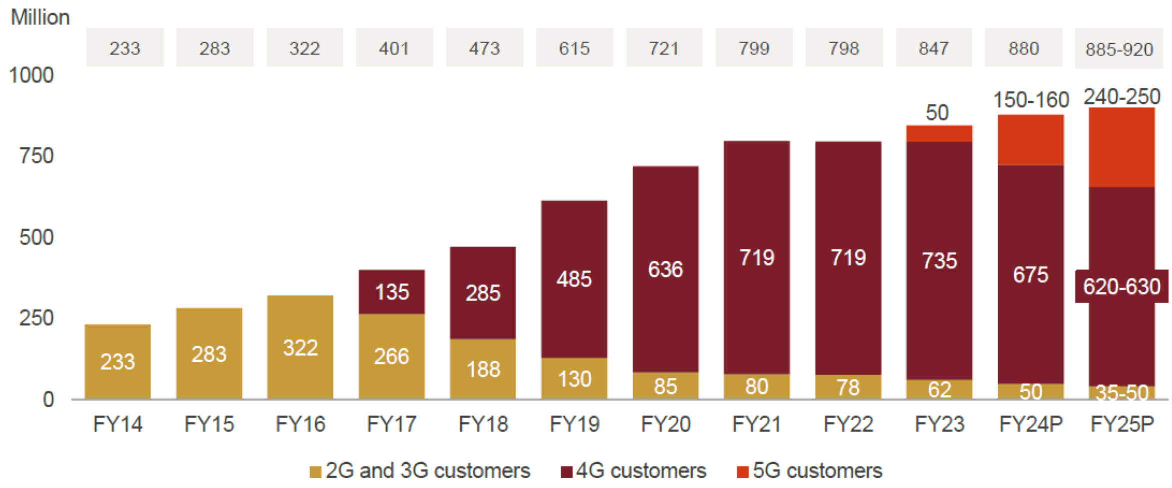
Source: Company reports, CRISIL MI&A

5G adoption to rise, fuelled by affordable 5G device options in India

CRISIL MI&A forecasts the number of 4G customers to reach approximately 675 million this fiscal, constituting approximately 77% of the internet customer base. The 5G customer base is expected to grow, with the pace of conversion largely influenced by affordable pricing of 5G devices and continued handset replacement cycle. Offering 5G introductory services for free allows customers to experience high-speed data. This encourages upgrades and plays a vital role in shaping the future trajectory of customers and data usage. Jio offers 5G free of charge for active prepaid or postpaid plans of ₹ 239 or above. Airtel offers 5G free of charge to all postpaid customers and to prepaid customers with unlimited packs starting from ₹ 239.

In fiscal 2025, CRISIL MI&A projects 65% to 70% of total users to be on 4G and approximately 27% to be 5G enabled, primarily in urban markets, surpassing 240 to 250 million users. Only a small fraction of data users will continue to rely on legacy 2G and 3G networks.

Number of customers across 2G/3G/4G/5G data



Note: Operators launched 5G services in October 2022. Number of 5G customers is catching up as users adopt 5G-enabled smartphones and 5G coverage becomes more ubiquitous. The number of 5G customers could differ as 5G coverage may be intermittent

P: Projected

Source: TRAI, CRISIL MI&A

In India, fibre rollout has picked up pace to support the 5G targets of telecom companies. Tower fiberisation is crucial for 5G services given that it requires full utilisation of networks and carry a large amount of data. The National Broadband Mission targets to fiberise 70% of India's base transceiver stations ("**BTSs**") by fiscal 2025, an ideal requirement for the efficient rollout of 5G services. However, with fiberisation at 35.11% in India as of June 2022, approximately 0.3 million km has to be covered at the pan-India level in fiscals 2024 and 2025. Telecom operators will have to shell out ₹ 1,250 billion in fiscals 2024 and 2025 to achieve the remaining target by fiscal 2025 and spend on incremental BTSs for 5G. The total length of optical fibre laid out as on June 30, 2023, was 3,726,577 km compared with 2,812,627 km as of September 2022 end.

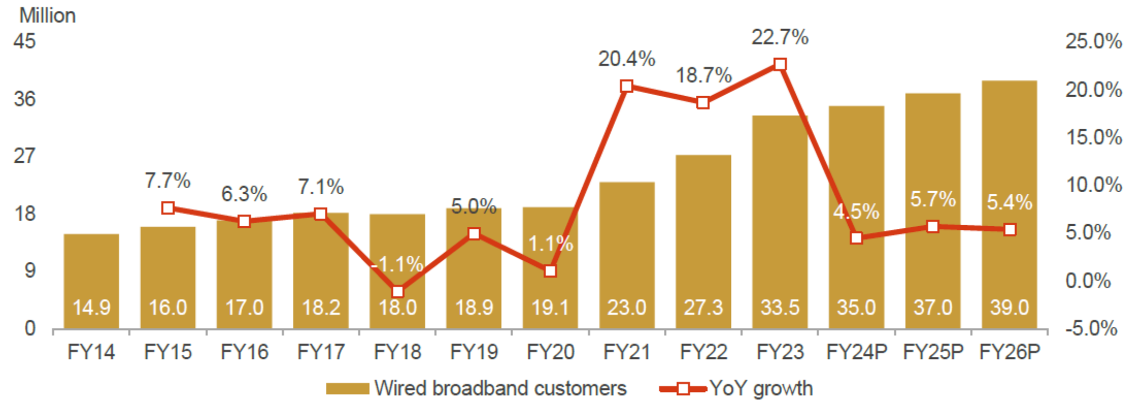
Growth of FTTH

The global surge in FTTH adoption results from heightened demand for high-speed, reliable internet, fuelled by data-intensive applications, online streaming and remote work. FTTH, offering significantly faster and more stable connections than traditional broadband, aligns with the escalating bandwidth needs of modern applications. Technological advancements and digital transformation have heightened awareness, showcasing the scalability, low latency and future-proof nature of FTTH, making it an appealing choice for broadband providers. Government initiatives globally, recognising high-speed broadband's strategic importance for economic development, innovation and competitiveness, contribute to investments and regulatory frameworks supporting FTTH deployment. Indian players like Sterlite Technologies, HFCL, Vindhya Telelinks, and Birla Cable etc. are positioned to benefit from 5G/FTTH deployment cycle domestically and globally.

Wired broadband customers to grow to 39 million by fiscal 2026 in India

In India, wired-broadband customer penetration in fiscal 2023 was 8.9% of households, which is low compared with developed countries' average of 30% to 40%. It is significantly lower even when compared to some emerging countries such as Brazil, China, Indonesia and Russia. The wired broadband penetration in India stands at 2.4%.

Wired broadband customers



P: Projected; Source: TRAI, CRISIL MI&A

After the surge in demand during the pandemic, the pace of wired-broadband customer base addition is expected to moderate, over fiscal 2024 onwards. Internet service providers and telcos have been acquiring new bandwidth and improving last-mile infrastructure to cater to various internet connectivity requirements.

With concurrent connected devices at home, such as multiple smartphones, smart TVs and gaming devices, a reliable and seamless internet connection is needed to provide high-speed data experience on all the devices. Driven by this consumption trend, CRISIL MI&A expects wired-broadband customers to grow to approximately 39 million in fiscal 2026 from 33.5 million in fiscal 2023, clocking a CAGR of 5.2%. Despite its growing popularity, wired broadband remains largely an urban phenomenon, as approximately 95% of overall customers belong to the urban areas. Setting up last-mile infrastructure in rural areas is tedious and uneconomical for players because of low adoption rates.

BharaNet to significantly boost optical fibre connectivity across Indian villages

BharatNet, launched by the government in 20122, is hailed as one of the largest rural telecom projects in the world, implemented in a phased manner to all gram panchayats (approximately 0.25 million), providing access to broadband connectivity. The total funding for BharatNet (Phase I approved in 2011 and Phase II in 2017), approved by the Cabinet is ₹ 420.68 billion (exclusive of GST, octroi and local taxes). As on December 31, 2023, total ₹ 398.25 billion had been disbursed under the project since its inception.

So far, 210,590 gram panchayats have been connected through the BharatNet project and 678,933 km of OFCs laid. Additionally, 847,474 FTTH connections have been commissioned and 104,675 Wi-Fi hotspots installed to ensure last-mile connectivity, as on February 5, 2024.

In 2023, the Cabinet approved an outlay of ₹ 1.39 trillion for BharatNet, the government's project for last-mile connectivity across 6.4 lakh villages in the country. This outlay significantly exceeds combined funds for Phase I and II of ₹ 420.68 billion.

In February 2024, BSNL brought forth a ₹ 650 billion tender for BharatNet Phase III. This tender represents major opportunity for domestic optical networking product suppliers such as Sterlite Technologies, HFCL, Birla Cable, Vindhya Telelinks and more. These developments underscore the growth and demand potential of the optical fibre industry in India.

Competitive position of China threatened by anti-dumping duties across various markets

The global optical fibre industry operates within a dynamic business environment shaped by various factors, with the competitive threat from China playing a prominent role. China has established itself as a powerhouse in optical fibre manufacturing, leveraging its robust capabilities and cost efficiency to dominate the supply chain for optical fibre products on a global scale. Strategic investments made by Chinese companies in research and development contribute to continuous innovation, positioning them at the forefront of technological advancements in the industry.

The potential for market consolidation looms large, driven by the strong presence of Chinese companies. As they continue to expand and innovate, there is a likelihood of increased market concentration, presenting challenges for other players in terms of market share and overall competitiveness. Geopolitical considerations and trade dynamics add an additional layer of complexity, with potential regulatory changes impacting the optical fibre industry's global operations.

Regardless of its strong position, China witnessed a 26% decline in total optical fibre and OFC exports in September 2023 on-year, with the export value dropping to USD 232.81 million. This downturn signals a challenging market environment for China's crucial OFC industry, driven by anti-dumping duties against China across various markets. The decline is a matter of concern for a sector that has significantly contributed to China's economic prowess and global market dominance. Various factors, including supply chain disruptions, rising input costs and heightened competition, have posed challenges for the OFC industry in China.

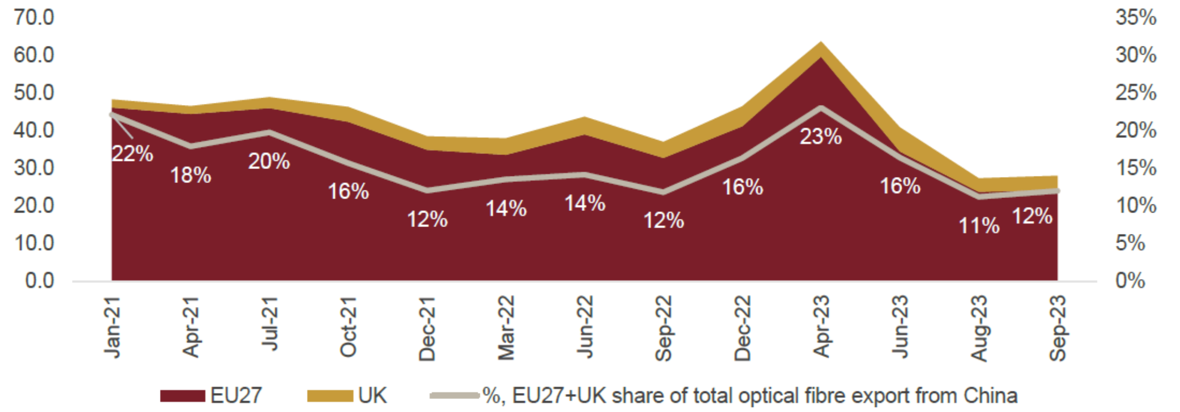
European Union (EU) strengthens anti-dumping measures on OFCs from China

The EU initiated an investigation into potential dumping on fibre optic cables from China from July 1, 2019, to June 30, 2020. The investigation unveiled a dumping range of 19.7% to 44%. Consequently, on November 17, 2021, the EU imposed import duties on Chinese producers equivalent to the identified dumping percentages.

Responding to a request from EuropaCable, the representative body for EU fibre optic cable producers, a subsequent investigation was launched to assess the pricing dynamics of these cables from China. This investigation focused on the period between October 1, 2021, and September 30, 2022, comparing the cost, insurance and freight delivered to European customs by product type to the initial survey. The findings revealed that during the evaluation period, customs prices experienced 13.2–50% decline. Dumping increased significantly, ranging from 67.3% to 116.6%, and the level required to eliminate injury ranged between 99.1% and 131.5%. The regulation limited the initial anti-dumping duties to two times, resulting in the EU applying import duties ranging from 39.4% to 88% for Chinese exporters, on August 8, 2023,. As a result of anti-dumping duties, optical fibre exports from China to the EU declined 56%, to USD 28.05 million by September 2023 from USD 63.7 million in April 2023.

In its August 2023 press release, the European Commission emphasised its commitment to safeguarding the 5,000 direct jobs across various member states threatened by dumping activities.

China optical fibre products exports (USD million)



Note: HS Code 854470 — OFCs made up of individually sheathed fibres, whether or not containing electric conductors or fitted with connectors, and HS Code 900110 — optical fibres, optical fibre bundles and cables (excluding made up of individually sheathed fibres of heading 8544), have been considered in the above chart

Source: UN Comtrade, CRISIL MI&A

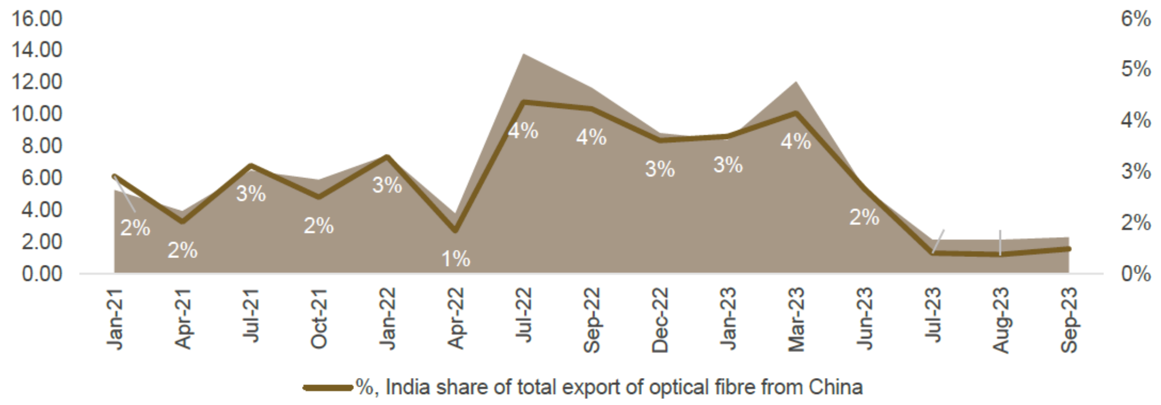
India imposes anti-dumping duty on optical fibre imports from China, Korea and Indonesia

India imposed anti-dumping duty, effective for five years, on specific optical fibre imports from China, South Korea and Indonesia in August 2023 on the recommendations from the Directorate General of Trade Remedies ("**DGTR**"). The duty, imposed on the alleged dumped imports of Dispersion Unshifted Single-Mode Optical Fibre ("**SMOF**"), offers relief to the domestic optical fibre industry impacted by the effects of low-priced and low-quality imports. The duty ranges from USD 122 per kfkm to USD 857.23 per kfkm, measured in fibre kilometres (fkm).

The export of Chinese optical fibre to India experienced a significant decline, amounting to 45% decrease in September 2023, compared with 2022, owing to the alleged dumping of Dispersion Unshifted SMOF, originating in or exported from China, South Korea and Indonesia. In fiscal 2024, the export of optical fibre from China to India significantly decreased 81% between April and September 2023, reaching USD 2.31 million.

The decision was taken to safeguard the domestic industry and international companies engaged in local manufacturing from being affected by the rampant practice of artificially reducing prices in the market. Companies such as Sterlite Technologies, Birla Cable, Birla Furukawa Fibre Optics and HFCL, among others, locally manufacture optical fibre.

China's optical fibre exports to India (USD million)



Note: HS Code 854470 —Optical fibre cables made up of individually sheathed fibres, with or without electric conductors or connectors and HS code 900110 —Optical fibres, optical fibre bundles and cables (excl. made up of individually sheathed fibres of heading 8544) has been considered in the above chart

Source: UN Comtrade, CRISIL MI&A

Strong demand potential globally

The global business environment for the optical fibre industry is characterised by dynamic and transformative trends, reflecting the rising demand for high-speed and reliable connectivity across sectors. Key elements of this overview include:

- **Technological advancements:** Advancements in telecommunications, data-intensive applications and IoT are driving the need for faster and more efficient data transmission. Optical fibre, with its ability to transmit data at high speeds and over long distances, is positioned as a foundational technology in this era of digital transformation.
- **5G rollout:** The global deployment of 5G network is pivotal for the industry. As 5G promises unprecedented data speed and low latency, optical fibre infrastructure is key to support the increased bandwidth requirements and ensure seamless connectivity.
- **Digitalisation across industries:** Industries such as healthcare, manufacturing and finance are undergoing extensive digitalisation. Optical fibre plays a crucial role in facilitating the connectivity required for digital transformation, enabling smart manufacturing, telemedicine and financial technology applications.
- **Smart cities and IoT:** The concept of smart cities, coupled with the proliferation of IoT devices, necessitates robust and high-capacity communication networks. Optical fibre provides the backbone for these interconnected systems, supporting the diverse data needs of smart infrastructure and IoT applications.
- **Sustainable solutions:** The optical fibre industry aligns with sustainability goals, offering an environment-friendly and energy-efficient alternative to traditional copper wiring. This aspect is gaining significance as businesses and governments prioritise green technologies.
- **Global connectivity needs:** The increasing globalisation of businesses and rise of remote work highlight the importance of global connectivity. Optical fibre networks, with their high bandwidth and reliability, are essential for seamless communication and collaboration across borders.

Global Opportunities

Country	Opportunities
Germany	The German Federal Government's 2021 coalition agreement had put digital infrastructure on national focus, emphasising on nationwide FTTH and 5G coverage. Commercial expansion takes precedence, with a focus on areas that are the need of the hour. Open access, net neutrality and targeted funding through vouchers are part of the strategy. The Gigabit Strategy, outlined in July 2022, aims for nationwide FTTH and advanced mobile technologies by 2030, with a 50% fibre optic connection coverage target for households and businesses by 2025. The plan enhances incentives for self-sufficient expansion and subsidies. The Digital Strategy for Germany, launched in August 2022, envisions nationwide fibre optic coverage, digitalised administrative services and innovations benefitting all citizens by 2030, also targeting 50% fibre connectivity for households and businesses by 2025.
Italy	The May 2021 Italian Strategy for Ultra Broadband Towards the Gigabit Society outlines seven key intervention areas: a) White Areas plan, b) Voucher plan, c) Italy 1 Giga plan, d) Italy 5G plan, e) Connected Schools plan, f) Connected Health plan and g) Minor Islands plan. The Italy 1 Giga plan allocated €3.8 billion, targets provision of 1 Gbps download and 200 Mbps upload speed in underserved and market failure areas, based on a comprehensive mapping exercise. Adhering to the principle of technological neutrality, it

Country	Opportunities
	aims to cover a total of 8.5 million households by 2026. The Italy 5G plan, backed by €2.02 billion, focuses on incentivising the deployment of 5G mobile network, specifically in areas facing market failures.
France - Plan France Très Haut Débit (PFTHD)	Initiated in 2013, this project aimed to achieve nationwide access to high-speed broadband (30 Mbps) by 2022, employing various technologies such as fibre optic, copper networks, coaxial cables and wireless technology, with a total estimated cost of €20 billion. In February 2020, the government announced an additional €240 million in funding to extend nationwide fibre coverage by 2025, thus advancing the original target date.
Austria	The European Commission approves a €2 billion aid scheme made available through the Recovery and Resilience Facility to roll out passive infrastructure for fixed broadband access networks in areas lacking current or planned network for at least 100 Mbps download speed.
Spain	The Digital Spain 2025 agenda delineates 10 key strategic priorities aimed at propelling the country's digital transformation in alignment with the EU Gigabit objectives. Specifically addressing broadband, the agenda aims to ensure 100 Mbps coverage for the entire population, thereby bridging the urban and rural digital divide. Additionally, it strives to accelerate the deployment of 5G by appropriately preparing the entire radio spectrum.
Poland	Fibre Optic Network Rollout Poland- The project involves implementing a new FTTH access network in regions lacking high-capacity networks, covering 2.1 million households and business premises. The operational model for the new network will be wholesale, offering services under uniform terms and conditions to all retail operators.
Sweden	The strategy had set a target that by 2020, 95% of households and businesses should have access to broadband with a minimum capacity of 100 Mbps. The ambitious goal extends to 2025 that Sweden should have access to high-speed broadband. This implies that 98% of all households and businesses should have access to broadband at a minimum capacity of 1 Gbps. The remaining 1.9% should be able to access connections with a minimum capacity of 100 Mbps and the final 0.1% at a minimum capacity of 30 Mbps.
Denmark	The 2021 update of Ireland's National Broadband Plan outlines targets for 2026, emphasising on its core objectives of contributing to sustained macro-economic growth and competitiveness. In November 2019, the government finalised the contract for the implementation of the national broadband plan. National Broadband Ireland ("**NBI**"), the chosen contractor, will construct a predominantly fibre-based network, aiming to cover 540,000 premises in Ireland with a minimum download speed of 150 Mbps. The extensive network will span approximately 146,000 kilometres of fibre, covering 96% of Ireland's landmass. NBI's role will be that of a wholesaler, providing both passive and active wholesale products to all retail and wholesale service providers interested in offering services in the designated area. These services will be available to big and small broadband retail providers.
United Kingdom	The UK government allocates £5 billion to deploy next-generation gigabit broadband, aiming for 85% coverage by 2025 and 100% by 2030.
US	In the US, various federal programmes are planned to distribute USD 97 billion over the next four to five years for broadband infrastructure. Key initiatives include the Broadband Equity, Access and Deployment (BEAD) programme (USD 42.5 billion) supporting the state expansion of high-speed broadband and the American Rescue Plan (USD 25 billion) investing in affordable high-speed internet and connectivity.

Note: The above list is only indicative and not exhaustive in nature

Source: CRISIL MI&A

Overview of capex outlay plans by key global industry players

Players	Capex outlay plans
Corning Inc	• In 2022, Corning declared plans to enhance its optical cable manufacturing capacity with a new facility in Gilbert, Arizona, driven by a longstanding collaboration with AT&T. This expansion, part of more than USD 500 million in investments since 2020, responds to surging demand for fibre-based networks. The move aligns with the growing wave of public and private investments in broadband, 5G and cloud infrastructure
Sumitomo Electric Industries	Energy Infrastructure (USD 0.66 billion - over the next three years) • New submarine cable plant • Enhancement of cable manufacturing facilities • Manufacturing facility for large-scale storage batteries Info Communications (USD 0.66 billion - over the next three years) • Manufacturing facility for next generation optical and electrical devices • Production increase of large diameter semiconductor wafers • Development and production increase of ultra fine pitch FPC
Prysmian Group	• Capex of USD 540 million per year in 2024-2025 for energy and digital transition

Players	Capex outlay plans
	• Capex of USD 2.9 billion over 2023-2027 on selective capacity expansion
CommScope	• Investment of USD 47 million capex in the US towards expanding fibre optic cable production focused on rural applications

Note: The above list is only indicative and not exhaustive in nature

Source: Company annual report, CRISIL MI&A

Key risks and challenges of the global optical fibre cable industry

The global optical fibre cable industry faces various risks and challenges that can impact its operations, growth and overall sustainability. Some key risks and challenges include:

Parameter	Description
Market demand and economic uncertainty	The optical fibre cable industry is influenced by the demand for high-speed internet, telecommunications and data transmission. Economic downturns or uncertainties can lead to reduced infrastructure investments by businesses and governments, affecting demand for optical fibre cables.
Technological changes and innovation	Rapid technological advancements may render existing optical fibre technologies obsolete. Continuous innovation and the emergence of alternative technologies might hit the industry's competitiveness and market share.
Regulatory and political risks	The industry is subject to regulatory changes and political decisions, such as trade tariffs, export controls or changes in telecommunications policies. Political instability in key manufacturing or consumer markets can also disrupt the supply chain.
Supply chain disruptions	Optical fibre cable manufacturing relies on a complex global supply chain. Disruptions, such as natural disasters, geopolitical tensions or pandemics, can lead to shortages in raw material, increased production costs and delays in delivery.
Competition and price pressures	Intense competition among optical fibre cable manufacturers may lead to price pressures, reducing profit margins. Companies need to continually invest in R&D to stay competitive, which can strain financial resources.
Cybersecurity concerns	With the increasing reliance on digital infrastructure, the optical fibre cable industry faces cybersecurity risks. Unauthorised access, data breaches or cyber-attacks on communication networks can disrupt services and erode consumer confidence.
Environmental and sustainability challenges	There is a growing emphasis on sustainable business practices. The manufacturing and disposal of optical fibre cables may face scrutiny regarding their environmental impact. Adapting to environment-friendly practices can be a challenge for the industry.

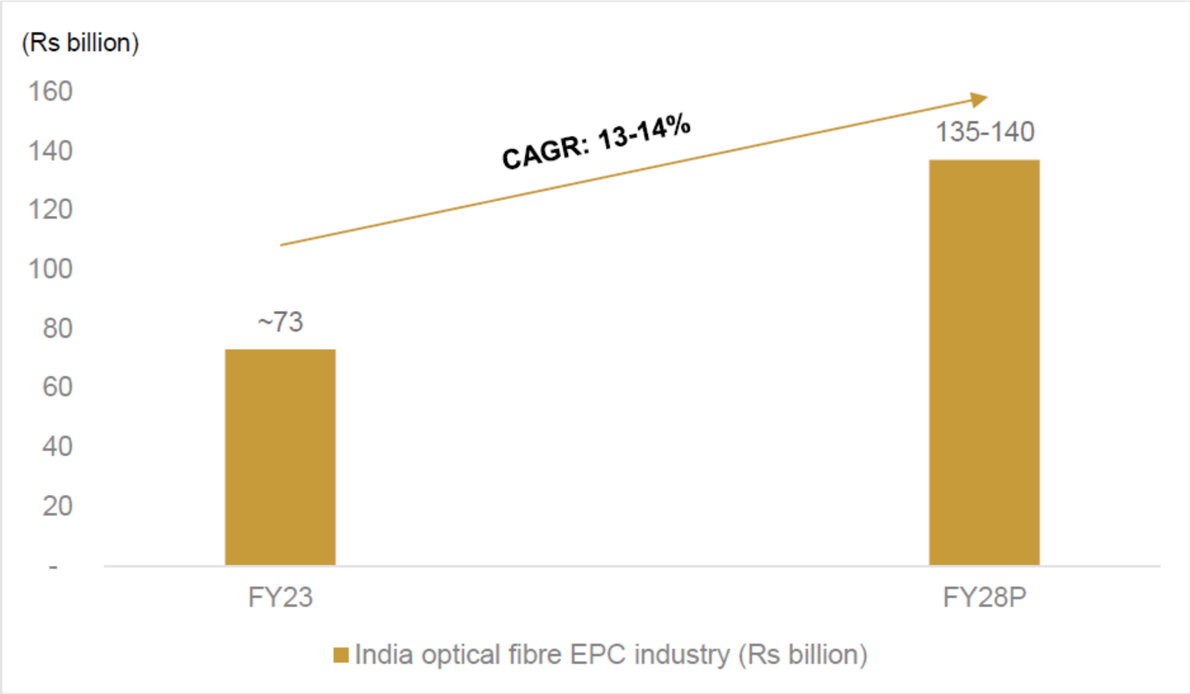
Source: CRISIL MI&A

Assessment of optical fibre EPC industry in India

Optical fibre EPC industry in India projected to be ₹ 135-140 billion by fiscal 2028

The Indian optical fibre EPC industry is defined according to the service offerings such as optical fibre laying and roll-out, network deployment, and system integration across end-use sectors such as telecommunications, defence, railways, smart cities, IT, and enterprises etc. The industry is estimated to be approximately ₹ 73 billion as of fiscal 2023. Going ahead, the industry is expected to grow to ₹ 135 billion to ₹ 140 billion by fiscal 2028, clocking a CAGR of 13% to 14% over the period fiscal 2023-2028. The optical fibre network is the backbone of the burgeoning digital economy of India. The industry growth is supported by drivers such as digital transformation across sectors, growing 5G coverage and infrastructure, FTTH, government schemes and policies (BharatNet, Digital India, Smart Cities, Fiberisation targets etc), systems and network modernisation across sectors such as defence, railways etc.

Optical fibre EPC industry in India



Note: The above industry size includes the optical fibre EPC projects implemented by 3rd party service providers and excludes optical fibre network deployment by an entity through its group companies

Source: Industry, CRISIL MI&A; Note: E – Estimated P – Projected

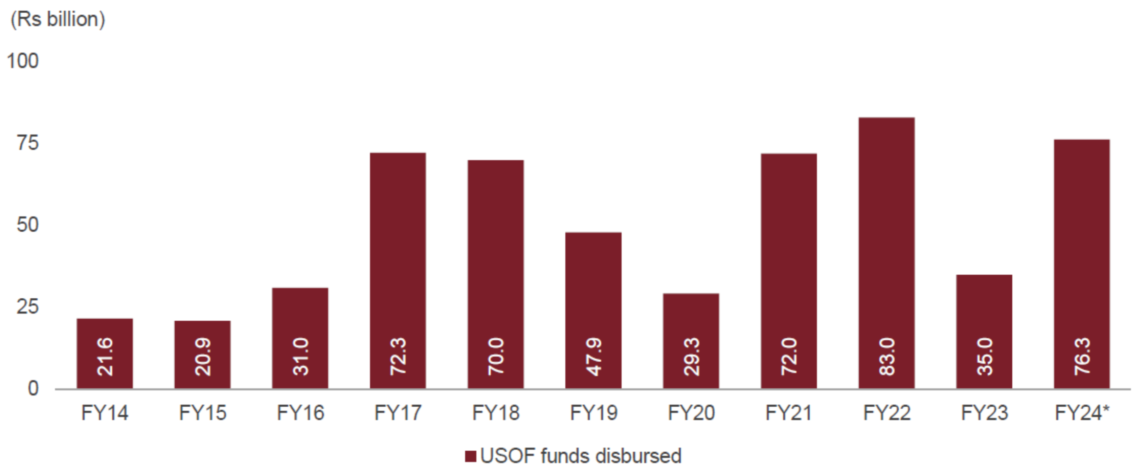
Government schemes and regulations to strongly support optical fibre EPC industry growth

Capital allocation to USOF and DoT projects to aid growth

The industry's growth is aided by government investments in the telecommunications sector. Between fiscals 2017 and 2024, the budget allocation towards the Department of Telecommunications (DoT) logged a CAGR of 22.3%, led by higher allocation towards the Universal Service Obligation Fund (USOF) and DoT projects, including towards the domestic industry incentivisation schemes (such as PLI) and wireless planning and coordination. For fiscal 2024, ₹ 975.8 billion was allocated to the telecommunication ministry, which is approximately 2% of the overall budget and up 19% on-year. Of this, ₹ 530.0 billion was infused in BSNL.

The USOF fund was started by the Government of India in 2003 to provide telecom services (including mobile services, broadband connectivity and information and communication technology ("**ICT**") infrastructure creation, added in 2006) for rural and remote areas. Under the fund, some projects are allotted to various mobile service providers to facilitate mobile network, especially in rural and remote areas. Additionally, approximately ₹ 559 billion was cumulatively disbursed starting from fiscal 2014 until December 2023 under various projects.

USOF funds disbursal



Note: * as on December 31, 2023

Source: Universal Service Obligation Fund, Department of Telecommunications, Ministry of Communications, Government of India, CRISIL MI&A

Additionally, allocation towards the Digital India programme, which includes electronic governance, capacity building and skill development, manpower development, promotion of electronics and IT hardware manufacturing and promotion of digital payments, among others, has seen a cumulative investment of approximately ₹ 290 billion since fiscal 2017, with approximately ₹ 48 billion budgeted for fiscal 2024.

NHAI's Digital Highways presents major opportunities for the industry

The National Highway Authority of India aims to develop approximately 10,000 km of OFC infrastructure across the country by fiscal 2025. The implementation of the OFC network and Digital Highways will be done by developing integrated utility corridors along the national highways. For the development of Digital Highway, a stretch of approximately 1,367 km along the Delhi-Mumbai Expressway and 512 km along the Hyderabad-Bangalore Corridor has been identified as pilot routes. A three-metre-wide dedicated utility corridor utilised to lay OFC is part of the 246 km-long Delhi–Dausa–Lalsot section of the Delhi-Mumbai Expressway. The network will aid the provision of internet connectivity to remote areas and new telecom technologies such as 5G and 6G. The network will be leased out on a fixed-price allotment mechanism on an 'open for all' basis through a web portal to eligible users. The OFC allotment policy is being finalised in consultation with DoT and the Telecom Regulatory Authority of India ("**TRAI**").

BharaNet scheme to significantly boost optical fibre connectivity across Indian villages

The government is implementing the BharatNet project hailed as one of the biggest rural telecom projects globally. It is scheduled to be implemented in a phased manner in all the gram panchayats (approximately 0.25 million) in the country for access to broadband connectivity to all the telecom service providers. The total funding of the scheme (phase-I approved in 2011 and phase-II in 2017), is ₹ 420.68 billion (exclusive of goods and services taxes, octroi and local taxes). As on 31st December 2023, a total of ₹ 398.25 billion has been disbursed under BharatNet Project since inception of the project.

So far, 210,590 gram panchayats are connected through the BharatNet project and 678,933 km of OFC has been laid. Additionally, 847,474 FTTH connections have been commissioned and 104,675 Wi-Fi hotspots installed to ensure last-mile connectivity as on February 5, 2024.

In 2023, the Cabinet approved an outlay of ₹ 1.39 trillion for BharatNet, the government's project for last-mile connectivity across 6.4 lakh villages in the country. This outlay is significantly more than that of ₹ 420.68billion of phase-1 and II combined.

In February 2024, BSNL rolled out a tender worth ₹ 650 billion for phase-III, which represents a major opportunity for domestic optical networking product suppliers such as Sterlite Technologies, HFCL, Birla Cable, Vindhya Telelinks and more.

National Broadband Mission targets 70% fiberisation in India's telecom industry by fiscal 2025

By fiscal 2025, the National Broadband Mission targets to fiberise 70% of India's base transceiver station (BTS), ideal for the efficient rollout of 5G services. However, with fiberisation at 35.11% in India as of June 2022, approximately 0.3 million km must be covered nationally in fiscals 2024 and 2025. To achieve the remaining target, telecom operators will have to spend ₹1,250 billion and on incremental BTS for 5G. The total length of optical fibre laid as on June 30, 2023, was 3,726,577 km, compared with 2,812,627 km as of end-September 2022. The government envisages fiberisation to be increased up to 5 million km by fiscal 2025, while targeting 1.5 million tower fiberisation.

As of July 2022, the OFC network of approximately 1 million route kms laid by public sector undertakings BSNL, Bharat Broadband Nigam Ltd (BBNL), RailTel Corporation of India Ltd, Mahanagar Telephone Nigam Ltd (MTNL), GAIL (India) Ltd, and approximately 5,73,000 telecom towers installed by telecom service providers (TSPs) were mapped on the PM GatiShakti National Master Plan portal.

Strong government support to BSNL

As part of its commitment towards enhancing the services in the telecom sector, the government has from time-to-time infused capital into BSNL for it to remain relevant against private competitors for implementing the latest technologies. In 2019, the government approved the first revival package for BSNL/MTNL worth ₹ 690 billion. In 2022, with the approval of the second revival package of ₹ 1.64 trillion, state-run entities gained financial support for capex, viability gap funding for rural landlines, financial support for de-stressing the balance sheet and settlement of adjusted gross revenue dues and merger of BBNL with BSNL. In June 2023, the third revival package for BSNL with the total outlay of ₹ 890.47 billion was approved. BSNL has a presence in the home fibre segment, providing more than 100,000 new connections monthly. The total home fibre subscriber base of BSNL in May 2023 is 30.88 lakh.

Amendments to the Right of Way Rules and GatiShakti Sanchar portal for faster 5G rollout and fiberisation

In August 2022, the government released amendments in the Indian Telegraph Right of Way (RoW) Rules, 2016 to facilitate faster and easier deployment of telecom infrastructure. The average time for approval of RoW applications reduced from 435 days in 2019 to 16 days in July 2022. In addition, certain revisions to the processing fees were part of these amendments. The administrative fee for laying overground optical fibre was limited to ₹ 1,000/ km. As per the amendments, the street infrastructure may be utilised at a nominal cost of ₹ 100/annum to install overground optical fibre. Further, if the telecom licensee is laying cables using horizontal directional digging technology and not digging a full trench, then restoration charges apply only for the pits and not for the entire route.

The government has launched the GatiShakti Sanchar portal for the Centralised RoW approvals. The portal is now functional with all 36 states/UTs onboard and integrated with the Ministry of Railways, Ministry of Road Transport and Highways and Ministry of Defence-Director General of Military Operations. The portal acts as a common single point for RoW permissions to lay down OFC and erecting mobile towers to be used by TSPs as well as infrastructure providers to aid faster infrastructure development, which will enable quicker 5G deployment.

Government is provided public Wi-Fi service through the PM-WANI scheme

To expedite the expansion of broadband internet services, the government introduced the Prime Minister Wi-Fi Access Network Interface ("**PM-WANI**") in 2020. The public Wi-Fi service is available across the nation through public data offices and has 182,034 Wi-Fi hotspots, including 100 train stations spanning 22 states. In August 2022, the government introduced a 5-P model (people-panchayat-public-private-partnership) to broaden the reach of the PM-WANI scheme, extending its coverage to rural areas and hinterlands of the country. This model emphasises on collaboration between people, local governance bodies (panchayats), the public and private entities to facilitate the implementation and success of the PM-WANI initiative in remote and rural regions.

Overview of select segments

Segment	Description
Managed services	Managed services encompass a comprehensive suite of solutions aimed at optimising and enhancing various aspects of IT infrastructure. **Fibre-managed services:** These services revolve around the efficient management and maintenance of fiber-optic networks. From installation to ongoing monitoring and troubleshooting, fibre-managed services ensure the reliability and performance of high-speed connectivity. **Managed network services:** Focused on end-to-end network solutions, this service ensures seamless connectivity, scalability and security. It includes designing, implementing and managing network infrastructure to meet evolving business requirements. **Managed data centre and IT infrastructure services:** Covering data centres and broader IT infrastructure, this service involves the oversight of hardware, software, security and data storage. It ensures optimal performance, scalability and reliability, contributing to the overall efficiency of IT operations. **Cloud-managed services:** These services streamline cloud computing operations, overseeing the deployment, management and optimisation of cloud resources. Cloud-managed services enhance flexibility, scalability and cost-effectiveness in leveraging cloud technologies. **Managed security services:** Focused on safeguarding digital assets, managed security services involve continuous monitoring, threat detection and incident response. This proactive approach helps organisations stay resilient against evolving cybersecurity threats. **Managed end-user support:** This service ensures a seamless end-user experience by providing support for hardware, software and

Segment	Description
	troubleshooting. It encompasses help desk services, remote assistance and user training, contributing to enhanced productivity and user satisfaction.
Network services	Network services play a pivotal role in the modern digital landscape, serving as the backbone for communication, connectivity and data exchange within and between organisations. In the system integration value chain of an IT infrastructure service provider, network services constitute a critical component, orchestrating a cohesive and functional IT ecosystem. A comprehensive overview of network services within this framework encompasses various key elements. **End-to-end (E2E) hyper-converged network integration solution:** Network services embrace E2E hyper-converged solutions, offering a unified and streamlined approach to network architecture. This not only enhances scalability and adaptability but also facilitates a seamless integration of various components within the IT infrastructure. **Transition and migration:** A key focus lies on ensuring a smooth transition and migration process, particularly from legacy systems to future-ready networks. Robust network services employ strategic planning and execution to minimise disruptions, allowing organisations to evolve their networks without compromising on operational continuity. **Building, monitoring and managing:** Network services excel in the efficient building and design of network architectures. They provide tools for real-time monitoring, centralised controls and efficient administration, ensuring optimal performance and responsiveness throughout the network's lifecycle. **Security measures:** Security is paramount and network services implement robust measures to protect the entire network. This includes end-to-end security protocols, encryption, firewalls and intrusion detection systems, safeguarding against potential threats and vulnerabilities.
Security services	Within the value chain of an IT infrastructure service provider's system integration, security services play a significant role in safeguarding critical assets and ensuring the integrity of the ecosystem. A comprehensive overview of security services encompasses various key elements. **Securing critical infrastructure:** Security services focus on fortifying critical infrastructure through a multi-faceted approach. Perimeter security, incorporating technologies such as Fibre Optic Sensors (FOS), Radar, Access Control Systems (ACS) and the Integrated Command and Control Center (ICCC), forms a robust line of defense against external threats. **Multi-layered security with zero trust architecture:** A qualitative security service adopts a multi-layered approach, embracing a zero-trust architecture. This involves cybersecurity consulting to identify vulnerabilities, architecture and engineering to design resilient systems, audit and compliance to ensure adherence to security standards and operation and management for ongoing monitoring and response. **FOS and radar:** In securing critical infrastructure, FOS and radar technologies contribute to advanced perimeter security. FOS detects disturbances in fibre cables, providing precise intrusion alerts, while radar systems enhance surveillance capabilities, ensuring a proactive defense against potential threats. **ACS and ICCC:** ACS ensures stringent access policies, allowing only authorised personnel into secured areas. The ICCC acts as the nerve centre, providing real-time insights, monitoring and coordination for effective security management. **Zero trust architecture components:** Cybersecurity consulting involves assessing the risk landscape and developing tailored security strategies. Architecture and engineering focus on designing systems with inherent security measures. Audit and compliance ensure adherence to regulatory standards and operation and management involve continuous monitoring, incident response and maintenance to uphold security postures.
Network modernisation and management in large enterprises in India	Network modernisation and management in large enterprises in India represent a crucial endeavor as organisations embrace digital transformation. With the increasing reliance on advanced technologies, businesses are reevaluating their network infrastructure to meet evolving demands. The modernisation process involves upgrading legacy systems, adopting scalable and agile solutions and integrating emerging technologies. Large enterprises in India are focusing on building robust and high-performance networks to support the burgeoning data traffic, accommodate diverse devices and ensure seamless connectivity. This includes the deployment of advanced networking technologies such as Software-Defined Networking and Network Function Virtualisation to enhance flexibility, scalability and efficiency. Network management plays a pivotal role in ensuring the optimal operation of these modernised networks. This comprises activities such as monitoring network performance, identifying and resolving issues promptly and implementing security measures to safeguard against cyber threats. The deployment of AI and Machine Learning ("**ML**") in network management enables predictive analysis, proactive issue resolution and automation of routine tasks, in addition to optimising network efficiency. The transition from traditional to future-ready networks involves addressing challenges related to legacy system integration, ensuring data security and managing the complexity of diverse network components. Additionally, large enterprises are adopting comprehensive strategies for E2E hyper-converged network integration solutions to streamline operations and enhance overall network performance. In the context of India's large enterprises, the modernisation and management of networks align with the broader digital initiatives of the country. This includes the emphasis on Industry 4.0, Smart Cities and

Segment	Description
	increased digital connectivity. The integration of modern network solutions not only enhances internal operations but also positions organisations to leverage emerging technologies such as the IoT, big data analytics and cloud computing. As large enterprises continue to navigate the digital landscape, the focus on network modernisation and management remains a strategic imperative. It ensures that organisations can harness the full potential of advanced technologies, stay competitive in the digital era and contribute to the ongoing digital transformation journey of India's business ecosystem.

Key trends and drivers of the optical fibre EPC industry

Parameter	Description
Increasing demand for bandwidth	The growing demand for high-speed internet, driven by applications like video streaming, cloud computing and 5G networks has led to a significant increase in the demand for optical fibre infrastructure.
5G deployment	The rollout of 5G networks requires robust and high-capacity optical fibre networks to support the increased data traffic, low latency requirements and connectivity demands of 5G technology.
Data centre connectivity	The expansion of data centres and the adoption of cloud services have driven the need for high-speed, reliable and low-latency connectivity solutions, making optical fibre infrastructure essential.
FTTH deployment	The push for broadband connectivity directly to residences and businesses is driving the deployment of FTTH networks. Governments and service providers are investing in optical fibre to enhance internet access and speeds.
Smart cities and IoT connectivity	The development of smart cities and the increasing number of Internet of Things devices are driving the demand for robust and scalable optical fibre networks to support the connectivity requirements of various smart applications.
Advancements in optical fibre technology	Ongoing advancements in optical fibre technology, such as higher data transmission speeds and improved efficiency, are influencing the EPC industry. These developments aim to enhance the overall performance and capacity of optical fibre networks.
Fiber optic network security	With the increasing reliance on optical fibre networks, there is a growing emphasis on implementing security measures to protect these networks from cyberthreats and ensure data integrity.
Global connectivity projects	Initiatives and projects focused on enhancing global connectivity, such as undersea cable systems, are driving the demand for optical fibre EPC services to lay and maintain the necessary infrastructure.

Source: CRISIL MI&A

Key risks and challenges the industry faces

The industry faces various risks and challenges that have an impact on its operations and growth. The following are some of key risks and challenges:

Parameter	Description
Regulatory and permitting challenges	Complex regulatory requirements and permitting processes can lead to delays and increased costs in project execution. Navigating through different regulations in various regions can be a significant challenge.
Cost overruns	Unforeseen construction challenges, changes in project scope, unavailability of right of way, and fluctuations in material or labour costs can lead to cost overruns, impacting project profitability.
Supply-chain disruptions	The optical fibre EPC industry is dependent on a global supply chain for equipment and materials. Disruptions such as shortages, transportation issues or geopolitical factors can impact the timely delivery of components.
Technological changes and obsolescence	Advancements in deployment technology can render existing techniques obsolete. EPC companies need to adapt to new technologies and ensure that the deployed optical fibre networks remain competitive and meet evolving standards.
Cybersecurity risks	Optical fibre networks are vulnerable to cybersecurity threats. Ensuring the security of the networks against hacking, data breaches and other cyberthreats is a critical challenge for the industry.
Environmental impact and sustainability	EPC companies may face challenges related to environmental regulations and sustainability concerns. Balancing the need for expanding networks with minimising environmental impact is a growing consideration.
Weather and natural disasters	Construction projects are susceptible to weather-related disruptions and natural disasters. Extreme weather conditions, such as hurricanes, earthquakes or floods, can cause delays and damage to infrastructure.
Quality control and performance assurance	Ensuring the quality and performance of the optical fibre networks is crucial. Issues related to network reliability, signal loss or other performance problems can lead to costly rework and damage the company's reputation.

Parameter	Description
Skilled-labour shortages	The optical fibre EPC industry requires skilled labour for design, installation and maintenance. Shortages of skilled workers in specific regions can lead to project delays and increased labour costs.

Source: CRISIL MI&A

Overview of optical fibre EPC market in UK

The optical fibre EPC market in the UK is characterised by a dynamic landscape shaped by technological advancements, regulatory frameworks and policy initiatives. It has experienced strong growth driven by the increasing demand for high-speed and reliable broadband connectivity. With the government's emphasis on digital transformation and the rollout of advanced technologies, the need for a robust optical fibre infrastructure is growing in the country. The optical fibre cable sector, contributing an estimated approximately £88 million to the UK economy (as per Trade Remedies Authority, UK), plays a pivotal role in delivering broadband services in the country, with approximately 5.7 million fibre kilometres sold in 2021.

The UK government has implemented protective measures to safeguard the nation's expanding optical fibre cables industry from unfair trade practices, particularly that for China. The decision follows an investigation by the Trade Remedies Authority (TRA), which explored potential dumping and subsidisation issues.

The TRA's inquiry focused on determining whether imported optical fibre cables were sold in the UK at prices below domestic values or whether they were influenced by unfair subsidies. With the UK optical fibre cable market expected to grow in the coming years driven by broadband demand and government initiatives such as Project Gigabit, the TRA found out that around half of the market demand was met with domestically produced optical fibre and the remainder via imports from China, India, the US, Poland and Germany.

The investigation revealed that the UK market suffered injury from both subsidised and dumped optical fibre cables from China. In response, measures were introduced to protect the domestic industry. The newly imposed anti-dumping duties range from 23% to 46.2%, while countervailing duties fall between 10.62% and 11.79%. These measures are aimed at ensuring fair competition, supporting the growth of the UK optical fibre cables industry and maintaining the integrity of the broadband infrastructure landscape.

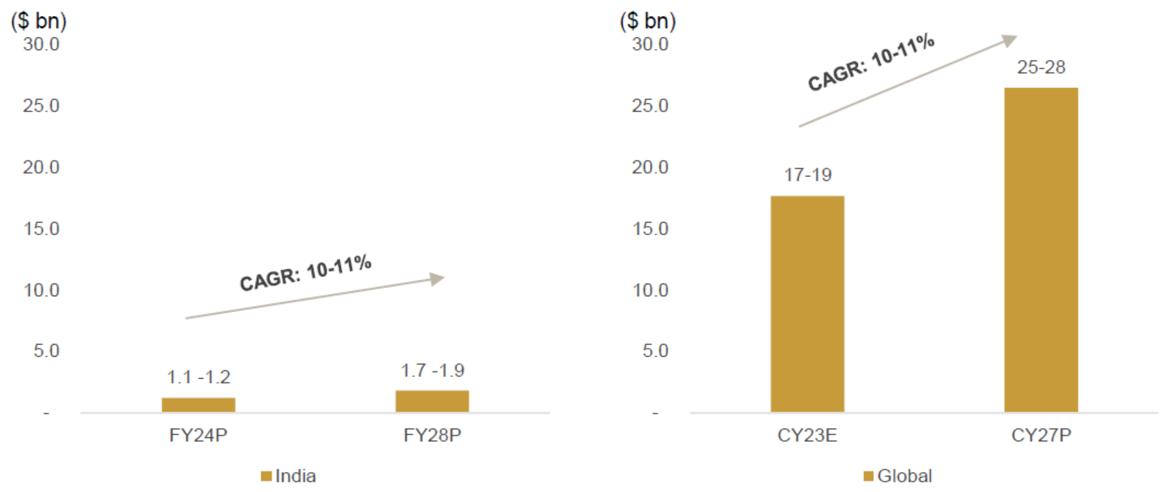
Overview of key aspects of regulatory and policy environment

Parameter	Description
Ofcom regulations	The Office of Communications (Ofcom) is the regulatory authority overseeing the communications sector in the UK. It plays a crucial role in regulating and promoting competition in the optical fibre market. Its policies focus on ensuring fair competition, encouraging investment in high-speed broadband infrastructure and fostering consumer interests.
Government initiatives	The UK government has launched initiatives to promote the deployment of full-fibre networks. The Fibre First and Project Gigabit programmes aim to accelerate the rollout of gigabit-capable broadband across the country. Financial incentives and support mechanisms are in place to encourage private sector investments in optical fibre infrastructure.
Digital strategy	The UK's digital strategy outlines a commitment to providing world-class digital infrastructure, with a specific focus on full-fibre and 5G networks. This strategy aligns with the goal of making the UK a global leader in digital connectivity.
National Infrastructure Commission (NIC)	The NIC provides strategic advice to the government on infrastructure challenges. It has emphasised the importance of prioritising full-fibre and 5G infrastructure to enhance the country's competitiveness.
Local authorities and planning	Local authorities play a role in facilitating the deployment of optical fibre networks. Planning policies and permissions are crucial factors influencing the speed and efficiency of network rollout
Openreach and market competition	Openreach, a subsidiary of the BT Group, holds a strong position in the UK's optical fibre market. Regulatory measures are aimed at ensuring fair access to Openreach's infrastructure, promoting competition among service providers.
International collaboration	The UK collaborates with international partners to share best practices and align standards in optical fibre technology. This collaboration contributes to the global interoperability of optical fibre networks. While regulatory measures and government initiatives promote the growth of the optical fibre EPC market, challenges, such as ensuring rural connectivity, addressing planning constraints and navigating complex supply-chain dynamics, remain. The market presents opportunities for innovation, collaboration and investment to meet the evolving connectivity needs of businesses and consumers across the UK. These developments underscore the intricate interplay between regulatory frameworks, government policies and industry dynamics shaping the optical fibre EPC market in the UK.

Overview of India and global data centre construction industry

The demand for data centres across the globe is driven by the emergence of AI and ML and the growing digital economy's demands for data-intensive applications, IoT applications, online streaming, gaming, remote work etc. Globally and in India, the industry is expected to clock 10-11% CAGR in capex between calendars 2024 and 2027 towards the mechanical, electrical and plumbing (MEP) components which include power set-up, cooling units, fibre connectivity, racks etc.

Projected data centre construction — MEP capex (including fibre optic connectivity)



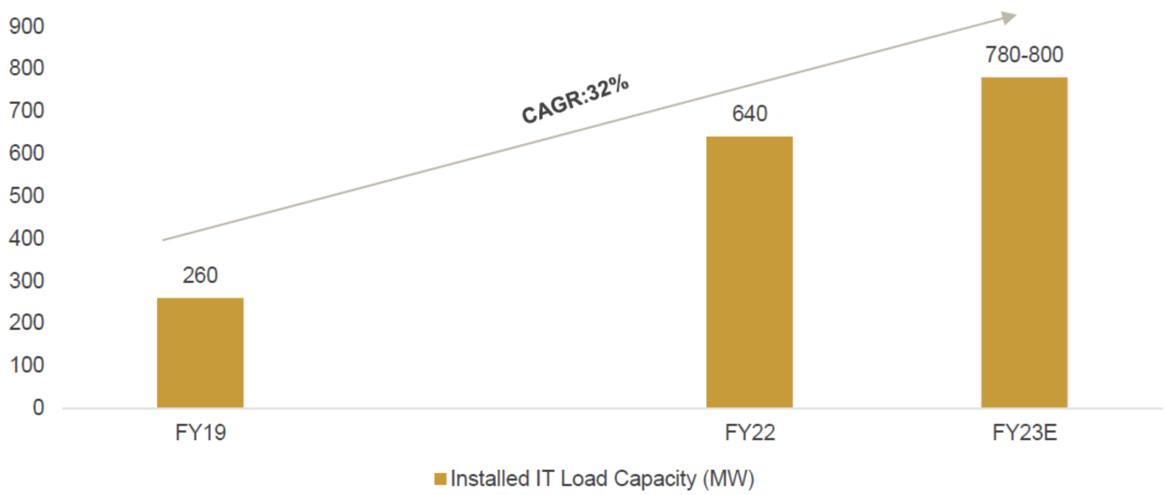
Notes:
The above figure includes only the capex towards new data centre construction
MEP: power set-up, cooling units, fibre connectivity, racks etc.
CY — calendar year; FY — fiscal year; E — estimated; P — projection; conversion rate: $1 = ₹ 80.3

Source: Industry, CRISIL MI&A

Data Centre capacity in India has grown four times from approximately 260 MW to 780-800 MW between fiscal 2019 and fiscal 2023

The Indian data centre market has experienced significant growth and transformation in recent years. The key factors that contribute to the dynamism and potential of the market are the Digital India initiative, data localisation regulation and rapid growth in data consumption. The increasing global investment and rise of colocation and edge computing have also boosted the overall growth of data centre market in India. Data centre capacity in the country has grown more than four times from 260 MW in fiscal 2019 to 780-800 MW in fiscal 2023.

Data Centre capacity in India (fiscal 2019-23)

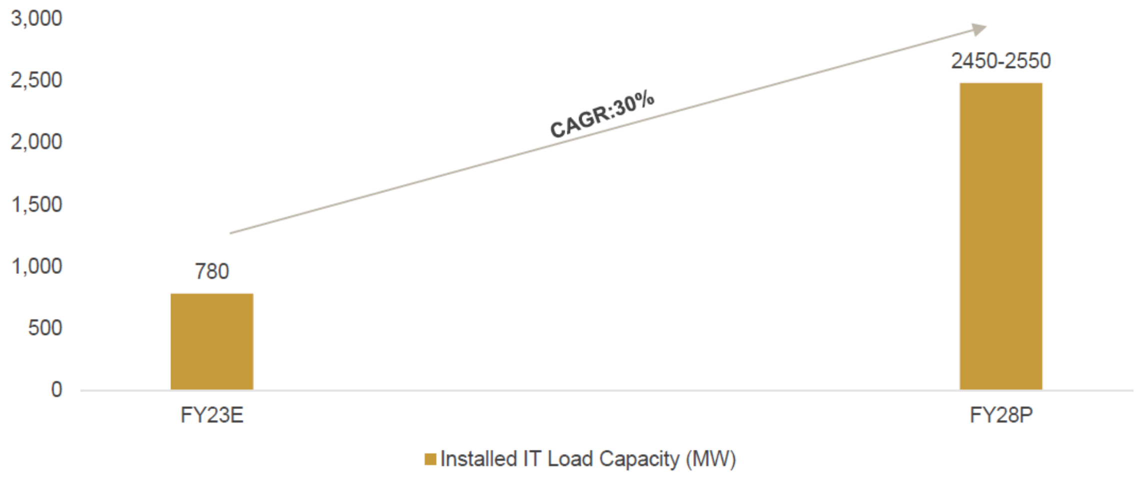


Source: Industry, CRISIL MI&A; Note: E – Estimated P – Projected

India's data centre capacity is on a remarkable growth trajectory. This explosive growth was driven by a powerful trifecta of factors: i) the data boom fuelled by the proliferation of digital services and the widespread adoption of technology creating an insatiable demand for data storage and processing capabilities; ii) the imminent launch of 5G services, which promises unprecedented data speeds and connectivity and are expected to boost the demand even further; iii) government regulations mandating data localisation (the storage of sensitive data within the country). The regulations align with the government's broader digital initiatives that seek to ensure data sovereignty. Collectively, these dynamics position India as a key player in the global data centre landscape.

India's installed IT capacity to reach approximately 2.45-2.55 GW by fiscal 2028

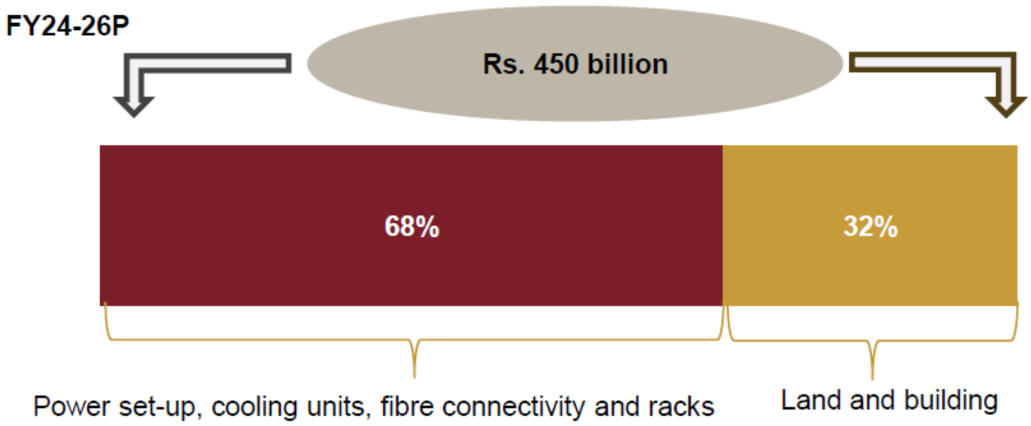
The domestic data centre capacity is poised log 30% CAGR between 2023 and 2028 from 780-800 MW to 2.45-2.55 GW. The exponential growth will be driven by increasing digitalisation, rising internet usage and surging demand for cloud services. As a result, the segment is seeing substantial investments.



Source: Industry, CRISIL MI&A; Notes: E – estimated; P – projection

Capex of nearly approximately ₹ 450 billion expected over fiscals 2024-26

As much as 68% of the capex in the data centre segment over fiscals 2024-26 will be towards power set-up, cooling, fibre connectivity and racks (MEP) infrastructure, underscoring the critical need for efficient energy management and equipment maintenance. The balance 32% will be for land and building materials as data centres are expected to create robust physical infrastructure during the period.

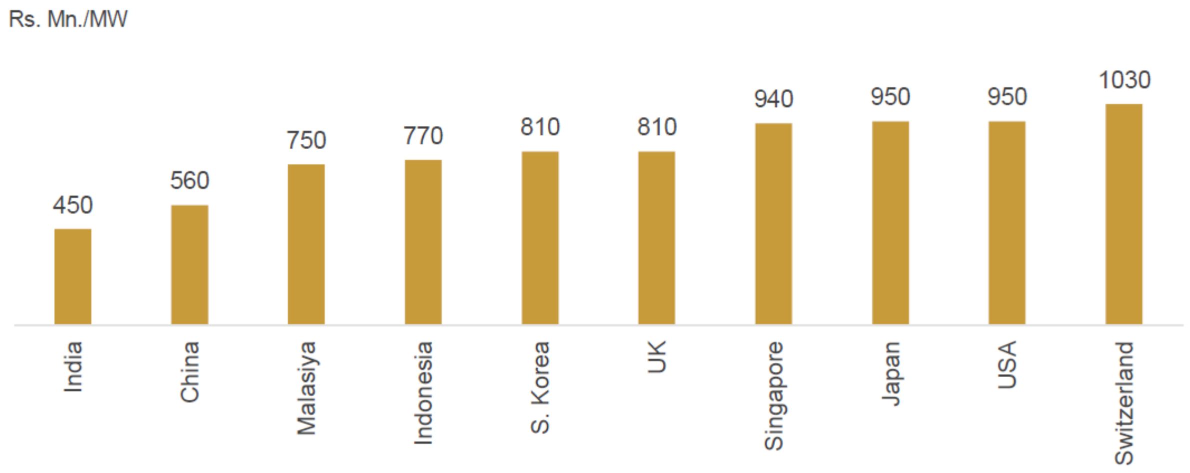


Source: Industry, CRISIL MI&A; Note: P – projection

Increasingly, investments in the data centre sector are tied to contractual agreements, providing greater predictability. Industry players are strategically investing upfront in land, construction and shared MEP infrastructure to showcase their expertise and ensure readiness.

Remarkably, nearly half of the capex is expected to be dedicated to modular components, allowing customisation according to customers' specific MEP requirements. This approach optimises resource allocation and aligns with the flexibility demanded by diverse clients in the ever-evolving data centre landscape. It indicates that as a dynamic industry, the data centre operations are adapting to customer needs and also maintaining cost-efficiency and expertise.

Lower real estate cost and availability of skilled manpower make India a cost-effective market



India stands out as a cost-effective market for data centre as the cost for creating per MW of capacity in the country stands at ₹ 450 million, lower than many other countries. The reasons for the lower cost are the affordable rates of real estate in the country and the presence of a skilled workforce. In contrast, countries such as Switzerland, the USA and Japan have considerably higher construction costs per MW, ranging from ₹ 950 million to ₹ 1,030 million.

Overall, India has a competitive edge in the data centre industry. For businesses, establishing or expanding their data infrastructure in India will be economical as they will be able to maintain cost-efficiency.

Key trends in Indian and global data centre industry and growth drivers

Parameter	Description
Indian government Initiatives	Recognising the significant role they can play in expanding the coverage of digital economy, the Indian government has undertaken several measures to aid the establishment and expansion of data centres across the country. The measures include: Inclusion of data centres in a harmonised list of infrastructure to aid the industry in availing long-term credit from domestic and international lenders at concessional rates, which is expected to boost investments in the industry Introduction of the Digital Personal Data Protection Bill (2023) which mandates personal data collected online or offline and digitalised should be processed within India Introduction of the draft Data Centre Policy (2020), with focuses on various aspects such as declaring these centres as essential services, recognising them as separate category under the National Building Code and setting up data centre economic zones Promotion of the Digital India campaign focusing on improving digital penetration, e-governance and digital manufacturing in the country Skill development programmes such as DESH for developing an efficient and skilled workforce The data protection Bill and Digital India campaign would also drive the demand for cloud services in India.
Adoption of new technology-based solutions	Firms are consistently incorporating modern technologies into their operations to meet the growing need for IT and related services. As enterprises embrace digital transformation, the integration of advanced tools such as AI, IoT, Big Data analytics and ML into their processes requires robust and scalable IT systems, leading to a surge in data centre demand. Moreover, the adoption of technologies such as 5G accentuates the importance of low latency and swift data access, further driving the requirement for more data centres as well as cloud services.
Rise in internet penetration	In 2023, 5.4 billion people, constituting approximately 67% of the global population, were connected online. Over 2017-2023, internet users logged a CAGR of 8.0% driven by expanding digital economy, affordable smartphones/ access devices, competitive markets and rising internet affordability. Internet users in India have surged over the past few years — net penetration as a percentage of the total population was 63.5% as of fiscal 2023 (vs 20.3% as of fiscal 2014). CRISIL expects the number of internet customers (wireless) to reach 925-935 million by fiscal 2025 with an internet penetration rate of 65-67%. In fact, by fiscal 2025, we expect most of the customers to transition from 2G and 3G to 4G and 5G services. This can be attributed to increased demand for data, affordable pricing of 4G services, early conversion to 5G and availability of affordable smartphones. The Indian market has evolved from feature phones user base to a smartphone user base, with smartphone users accounting for 64% of the overall phone customers as of fiscal 2023, estimated at approximately 945 million. This is expected to rise to 70% in fiscal 2024. Also, industry sources estimate the market to have had more than 120 million 5G-enabled smartphone units by the third quarter of fiscal 2024, which is estimated to account for 10-15% of the mobile phone base in India. CRISIL expects rapid 5G smartphone growth to continue owing to improving affordability and attractive pricing. This, coupled with data 157odernize157on proposed under the Digital Personal Data Protection Bill, would aid the growth of data centres and cloud services in India.

Parameter	Description
AI gold rush impact	The surge in AI's prevalence drives demand for data centres, with companies such as Nvidia delivering a large number of AI server platforms. The trend is intensifying, solidifying data centres as essential backbones for AI applications.
Cloud and AI bandwidth competition	While AI garners attention, cloud services providers ("**CSPs**") continue to be a dominant force, creating bandwidth competition within data centres. As AI and cloud coalesce, the lines blur, challenging providers to adapt to changing usage specifications.
International data centre expansion	With traditional tech hubs reaching capacity limits, international expansion becomes crucial. Customers, particularly in AI, seek emerging tech centres or global alternatives, leading to a surge in the industry's global footprint, with regions such as Latin America, Europe and Asia-Pacific experiencing substantial growth.
Sustainability focus	Heightened environmental concerns prompt a focus on sustainability. Data centres address energy and water consumption issues, adopting renewable energy sources, recyclable materials and innovative cooling systems. Sustainability efforts become a competitive advantage, driven by pressures from customers, investors and regulators.
Technological innovation	Unprecedented demand for digital infrastructure fuels technological innovation. From liquid cooling for high-powered AI chips to accommodating higher density demands, providers innovate to 158oderniz efficiency and flexibility.
Business transformation	As companies across sectors race to 158odernize their operations, adopt digital technologies, and harness the potential of cloud computing, the need to accommodate vast amounts of data, ensure seamless connectivity and facilitate advanced analytics also increase. This, in turn, creates a demand for robust, scalable and efficient data centre infrastructure, thus aiding the industry growth.

Key risks and challenges for Indian and global data centre industry

Parameter	Global	India
Cybersecurity threats	Data centres worldwide face constant risk of cyberattacks, including ransomware, DdoS attacks, and data breaches, posing a significant threat to data integrity and confidentiality.	As India rapidly digitises, the reliance on data centres increases. They become attractive targets for cyberattacks, which increases the need for robust security measures to protect sensitive information.
Regulatory compliance	Evolving data protection and privacy regulations, such as GDPR, require data centres to comply with stringent rules, impacting data handling practices and potentially leading to legal consequences for non-compliance.	India's data protection laws and compliance requirements are evolving, posing challenges for data centres to adapt and ensure adherence to changing regulatory frameworks.
Resource constraints	Energy consumption and resource constraints are significant concerns, as data centres require substantial power for operations and cooling.	Energy infrastructure challenges in India may lead to power shortages, making continuous operation of data centres difficult and their reliability
Environmental impact	The environmental footprint of data centres, including energy consumption and e-waste generation, is a growing concern, requiring industry efforts to adopt sustainable practices.	With increasing environmental awareness, data centres in India face pressure to adopt eco-friendly technologies and practices to mitigate their impact.
Operational resilience	Natural disasters, such as earthquakes and hurricanes, pose risks to the operational resilience of data centres, necessitating robust disaster recovery and business continuity plans.	
Supply-chain disruptions	The global supply-chain disruptions, such as those experienced during the Covid-19 pandemic, impact the availability of critical components and equipment for data centre construction and maintenance.	Dependency on global suppliers may expose Indian data centres to similar disruptions, affecting the timely deployment and maintenance of infrastructure.
Scalability and flexibility	Meeting the growing demand for data storage and processing capacity requires continuous investment and innovation to ensure scalability and flexibility.	Rapid digital transformation in India requires data centres to stay agile and adaptable to evolving technological needs and user expectations.

Digital transformation and product engineering among the key trends of IT industry

The global IT services industry has undergone a significant transformation, with a strong focus on digital transformation and product engineering. These trends have reshaped the industry structure, influencing service offerings, client engagements, and the overall competitive landscape.

Digital transformation:

Digital transformation has emerged as a driving force within the IT services industry. Organisations across sectors are leveraging technology to enhance their operations, customer experiences, and business models. IT service providers play a pivotal role in guiding companies through this transformative journey. Services encompass digital strategy consulting, data analytics, cloud adoption, and the implementation of emerging technologies, such as AI, ML, and IoT.

The industry's structure has adapted to accommodate the growing demand for digital transformation services. Traditional IT services providers have diversified their offerings, incorporating specialized digital capabilities. This includes expertise in user experience design, agile methodologies, and the integration of advanced technologies to help clients navigate the complexities of digital evolution.

Product engineering

Product engineering, another key facet of the industry's evolution, emphasises the development and innovation of software and hardware products. IT service providers are increasingly involved in the entire product lifecycle, from conceptualisation to design, development, testing, and maintenance. This shift reflects the industry's move beyond conventional IT services to a more comprehensive approach encompassing product ideation and creation.

Product engineering within the IT services industry often involves collaboration with clients to bring their ideas to fruition. This collaborative model has given rise to a more strategic partnership between service providers and businesses, with a shared focus on innovation and product excellence. Service providers are investing in research and development capabilities to stay at the forefront of technological advancements, driving product innovation for their clients.

Impact on IT services industry from Cloud adoption

Cloud adoption has had a profound impact on the IT services industry, influencing various aspects of service delivery, business models, and client relationships. Here are some key impacts:

Parameter	Description
Shift in service offerings	Cloud adoption has prompted a shift from traditional on-premises IT services to cloud-based solutions. Service providers now offer a range of cloud-related services, including cloud consulting, migration, management, and optimisation.
Transformation to "as-a-Service" models	The emergence of cloud computing has led to the rise of "as-a-Service" models such as Infrastructure as a Service ("**IaaS**"), Platform as a Service ("**PaaS**"), and Software as a Service ("**SaaS**"). IT service providers are adapting their offerings to align with these cloud-based consumption models.
Digital transformation enabler	Cloud adoption is a key enabler of digital transformation. IT service providers play a crucial role in helping organizations leverage cloud technologies to innovate, automate processes, and enhance their overall digital capabilities.
Agility and scalability	Cloud computing allows organizations to scale their IT resources based on demand, providing greater agility and flexibility. IT service providers help clients harness the scalability of the cloud, enabling them to adapt to changing business needs more effectively.
Managed cloud services	The demand for managed cloud services has risen as organizations seek expertise in operating and optimizing their cloud environments. IT service providers offer services for managing infrastructure, security, compliance, and performance in the cloud.
Cost optimisation and efficiency	Cloud adoption offers potential cost savings through pay-as-you-go models and reduced upfront capital expenditures. IT service providers assist clients in optimizing costs, ensuring efficient resource utilization, and providing insights into cloud cost management.
Security and compliance challenges	The shift to the cloud introduces new security challenges and compliance considerations. IT service providers specialize in implementing robust security measures, ensuring data protection, and assisting organizations in navigating compliance requirements in the cloud.
Skills evolution	Cloud adoption has led to a shift in the skills required within the IT services industry. There is an increased demand for professionals with expertise in cloud architecture, cloud security, and cloud management. Service providers are investing in upskilling their workforce to meet these demands.
Global reach and collaboration	Cloud services enable organizations to operate globally without the need for extensive physical infrastructure. IT service providers leverage cloud capabilities to facilitate collaboration, communication, and the seamless integration of operations across geographies.
Evolving client relationships	Cloud adoption has changed the dynamics of client relationships. IT service providers are becoming strategic partners in helping clients navigate digital transformations and achieve business goals through the effective use of cloud technologies.
Increased competition and innovation	The growing demand for cloud services has led to increased competition among IT service providers. This competitive landscape has driven innovation, with companies continuously enhancing their offerings to stay ahead in the rapidly evolving cloud market.

Source: CRISIL MI&A

Overall, cloud adoption has not only impacted the services offered by IT service providers, but has also transformed how organisations approach technology, innovation, and business operations. The industry continues to evolve, as new cloud technologies and services emerge.

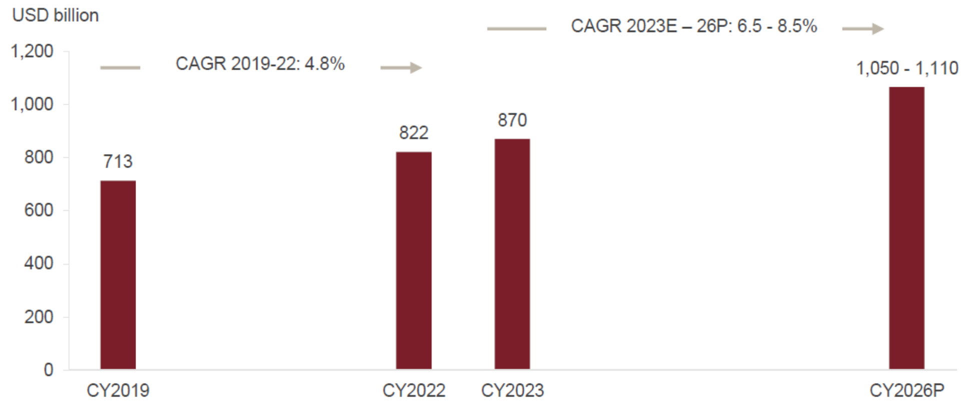
Global IT professional services industry

The constantly evolving global IT sector plays a crucial role in our interconnected world, encompassing a diverse array of technologies and services, such as software development, hardware manufacturing, cybersecurity, and cloud computing.

Between calendars 2019 and 2022, the IT industry has seen a growth of 4.8% CAGR. In recent years, the IT industry has been characterised by rapid innovation and digital transformation, due to the emerging technologies such as artificial intelligence, blockchain, and the Internet of Things. Moreover, the COVID-19 pandemic accelerated the adoption of remote work and digital solutions, further highlighting the industry's significance.

Moving forward, as global business organisations continue to rely on IT to drive efficiency, connectivity, and innovation, the global IT professional services industry is poised to grow at a considerable pace. The industry is expected to grow at a CAGR of 6.5% to 8.5% to USD 1,050 to USD 1,100 billion between calendars 2023 and 2026.

Global IT professional services industry



Note: The above values include revenues from project-oriented services, ITO services, IT support and training services, and enterprise cloud computing services segments

Source: Grand View Research, CRISIL MI&A

Recent trends and growth drivers in global IT industry

Parameter	Description
Growing use of edge computing and quantum computing	Demand of edge and quantum computing is continuously growing due to their benefits like improved response times, enhanced bandwidth availability, faster insights, better data security are helping companies strengthen their operations.
Increasing focus on digital services across sectors	Digital services are gaining traction across all the major sectors due to which IT companies are increasingly shifting their focus on their digital solutions offering portfolio. Additionally, increasing adoption of digital-first strategy by brands is further expected to boast this trend.
Increasing adoption of IT in emerging economies	As the emerging economies continue to develop economically and technologically, they are recognizing the pivotal role that IT services play in enhancing productivity, fostering innovation, and driving economic growth. With the growing availability of affordable hardware and internet connectivity, businesses and governments in emerging economies are leveraging IT services to streamline operations, improve public services, and bolster their global competitiveness.
Increasing focus on sustainability	Companies are increasingly incorporating sustainability into their IT strategies. Green IT services, energy-efficient data centres, and environmentally friendly practices are gaining prominence to reduce the environmental impact of IT operations

Source: CRISIL MI&A

Indian IT services

The Indian IT services segment formed 52.4% of the total Indian IT revenue as of fiscal 2023. The segment is predominantly an export-oriented sector, with exports accounting for 83% to 85% of the total revenue with North America and Europe being key geographies. However, over years, the Indian IT services has diversified its markets. The Indian IT Services market has been a catalyst for India's economic growth, making significant contributions to sectors such as Banking, Finance, Telecom, Retail, Healthcare & Government. This has enabled these sectors to improve efficiency, productivity, quality and innovation.

Today, enterprises are shifting to digital infrastructure and using technology to differentiate themselves. For example, adoption of Robotic Process Automation ("**RPA**") is leading entities to spend on IT services to ensure better-quality process outcomes and better customer service. The large-scale shift of consumers towards digital channels is expected to drive future growth for IT services industry. The Indian IT services industry has matured well over time and has become a low-cost service provider to a hub of innovators delivering world class technology solutions globally. Also, global-in-house centres have found increased traction in India with global players setting up digital innovation hubs in the country.

Government's Digital India mission to aid growth for the IT services industry over the medium term

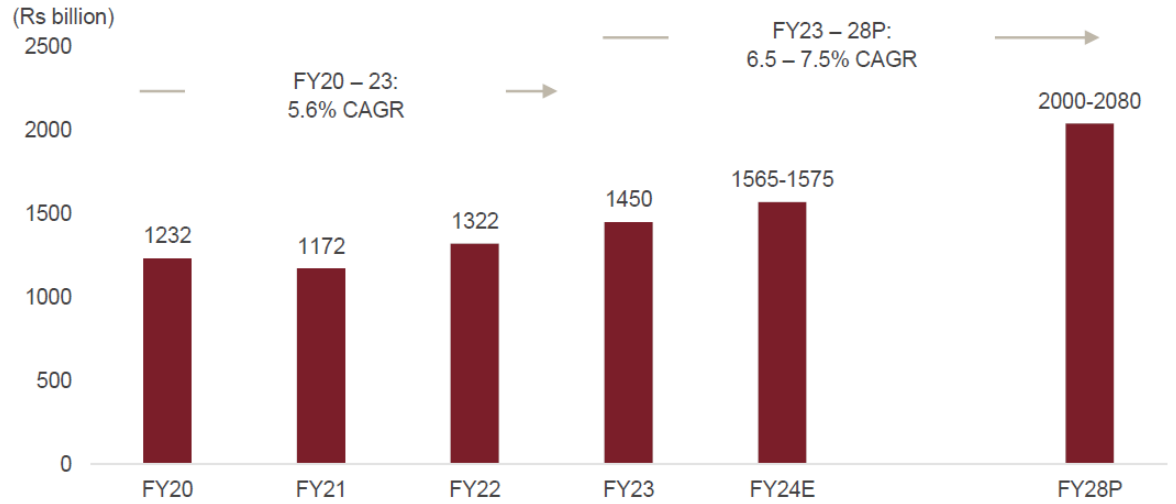
The IT services industry comprises an array of services encompassing AI, ML, data engineering, enterprise-risk management, cybersecurity, software management and consultancy services across industries ranging from BFSI, healthcare to automotive. The industry also provides sector-specific services, such as digital patient management and supply chain optimisation.

According to Nasscom, as of fiscal 2021, Indian players account for over 65% of the domestic market, and global IT vendors, the rest 35%. About 40% to 50% of the domestic IT services market comprises a sizeable number of unorganised players.

Domestic IT revenue is estimated to have seen a growth of 10% in fiscal 2023 due to government initiatives. In fiscal 2024, domestic spending is expected to be focused on products with mass personalisation involving data analytics, ML and AI. CRISIL MI&A expects domestic IT spending to grow at a CAGR of 6.5% to 7.5% between fiscals 2023 and 2028 because of technology and platform upgrades and also the e-governance initiatives of the government. The government and its agencies are expected to be the largest contributors towards domestic IT spending. However, the growth rate is constrained due to increased domestic leading to pressure on billing rates.

As per NASSCOM estimates, government spending has increased on digitalisation, IT infrastructure improvement and implementation of technology in industries, such as healthcare, manufacturing and agriculture as a part of the Digital India Initiative. This is expected to translate into a USD 6 billion opportunity for IT players. However, slow pace of implementation, clearances and stretched timelines in government approvals remain key monitorables.

Trend and outlook of Indian IT services industry



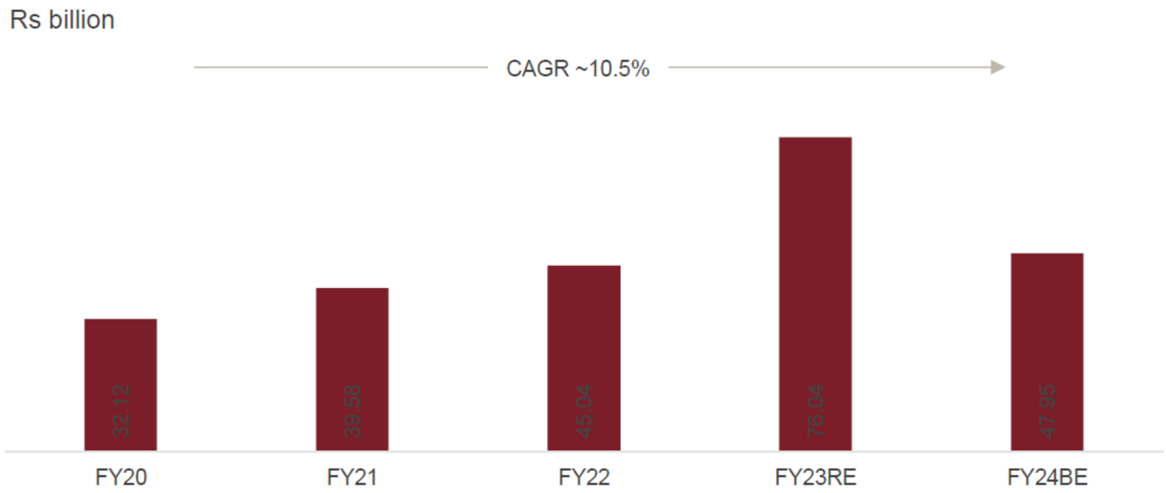
Note: E: Estimated, P: Projected

Source: Company Reports, NASSCOM, CRISIL MI&A

Government outlay on Digital India initiative to aid domestic IT services industry growth

To boost the implementation of Digital India schemes, the government of India provides capital allocation each year, which helps in providing more opportunities for domestic IT players. Over the fiscals 2020 to 2024 (budgetary estimates), capital allocation under the Digital India programme has increased by 10.5%.

Capital outlay under the Digital India program



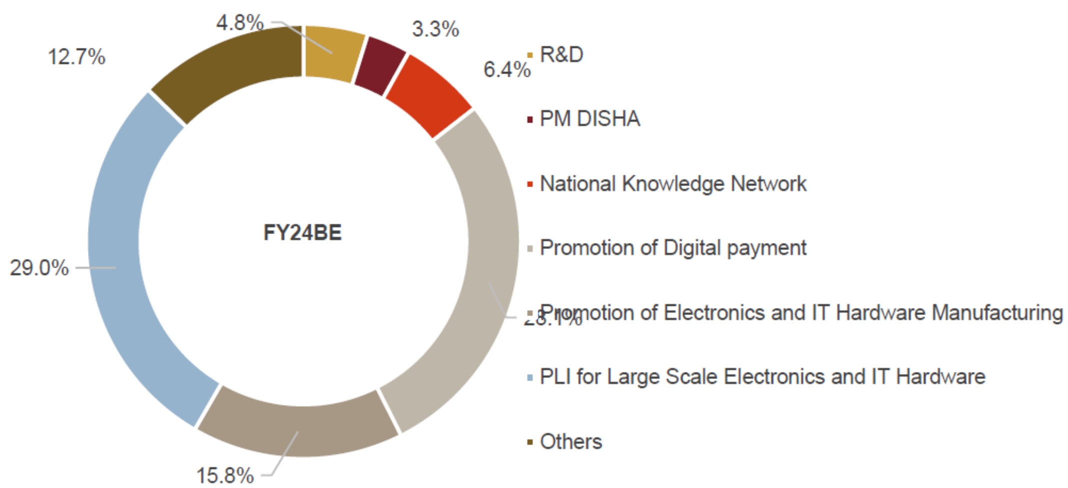
Note: RE: Revised Estimates, BE: Budgetary Estimates

Source: Budget Documents, CRISIL MI&A

Among the various allocations, R&D under the Ministry of Electronics and IT accounts for approximately 5% to help shift focus from assembling electronics to manufacturing electronics. PM Disha accounts for approximately 2%, which is concerned with empowering citizens in rural areas by training them to operate computer or digitally access devices, such as tablets and smart phones, to enable them to use IT and related applications. National Knowledge Network is also allocated a approximately 6% share, where it intends to interconnect all institutions of higher learning and research with high-speed data.

While the promotion of digital payments provides a push towards having cashless economy account for a share of approximately 28%. The PLI scheme for large-scale electronic manufacturing and IT hardware took the highest share of approximately 29%. All these provide the opportunities to aid growth for IT services players in India.

Classification of Capital outlay under Digital India programme



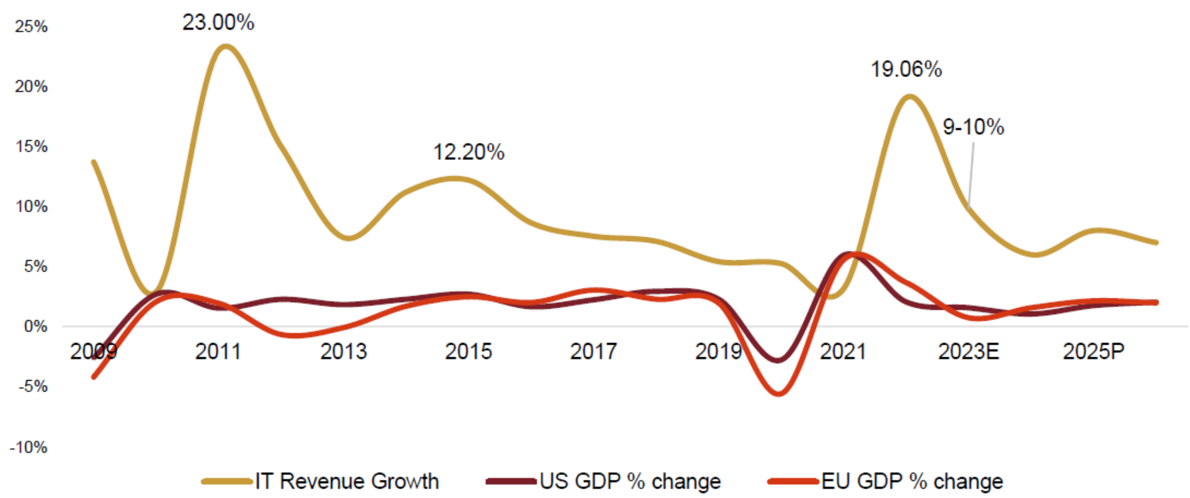
Note: BE: Budgetary Estimates

Source: Budget Documents, CRISIL MI&A

IT services in India, correlation with GDP growth in the US and the EU

Indian IT players derive majority of their revenue from the key markets of North America and Europe, especially the consumer and banking sectors. The global slowdown has compelled clients in these markets to clip digital transformation spending. In this backdrop, Indian IT players have matured and become resilient having witnessed major worldwide crises in the past two decades. Post the Covid-19 pandemic, IT players have resorted to measures such as improving productivity, providing newer tech services such as generative AI to increase margin, etc.

Historical trends indicate a stable growth phase supported by steady economic growth



Note: US GDP % change calculated on the basis of GDP at constant prices

Source: IMF, CRISIL MI&A

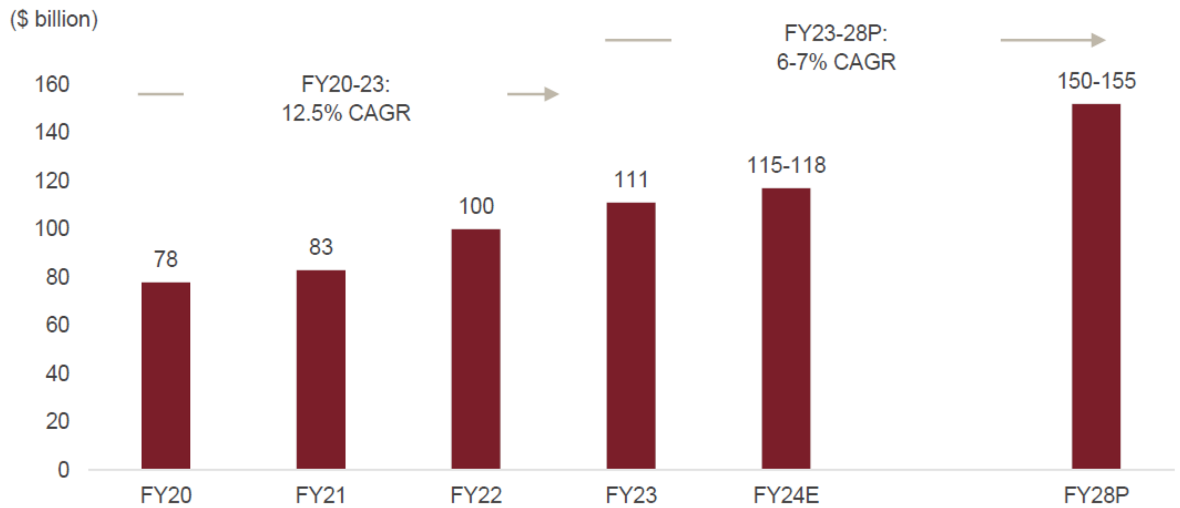
Indian IT services exports

India's IT services exports to grow because of structured digital transformation services

In fiscal 2023, the export earnings of Indian IT service providers increased 11% on-year to approximately USD 111 billion driven by companies focusing on front-to-back digitisation, a new set of services in terms of differentiation. Moreover, enterprises use data analytics, AI and ML for mass personalisation to differentiate themselves. This has led to the migration of consumers towards digital platforms, providing further support for the industry's expansion.

CRISIL MI&A expects IT services export revenue to log a CAGR of 6% to 7% between fiscals 2023 and 2028, led by cloud services, robotic process automation (RPA) and AI along with offer differentiation, which is expected to provide an opportunity for Indian IT players to collaborate with product-based companies. Additionally, global capability centers ("**GCC**") have found increased traction in India, with players setting up digital innovation hubs to experiment with newer technologies. This will further boost IT exports from India.

India's IT services exports trending up



Note: E - estimated, P - projected

Source: Company reports, NASSCOM, CRISIL MI&A

Vertical-wise performance of IT services exports

Sector	Performance
Banking and financial services (BFSI)	Historically, the banking, financial services and insurance (BFSI) sector has been the largest vertical, accounting for 30% to 32% of IT services exports. This vertical typically spends on customer service, mortgage transformation and lending services despite pressure on demand for loans. The focus is on digitisation of the core systems, improving customer experience, and using technology to mitigate risks and implement controls. Recently, Tata Consultancy Services (TCS) entered a deal with a Swedish bank Ikano to provide banking solutions through its SaaS platform TCS BaNCSTM.
Insurance	In the insurance segment, players have been increasingly investing in data and analytics to make smarter decisions, and gain customer insights into the development of new products and services. Recently, TCS inked a deal with ReAssure, a phoenix group holding company, to digitally transform its insurance business.
Telecom	The telecom players have increased technology spending in the past few years, as increased global penetration of 4G VoLTE services, which are IP-based and involve management of many virtual assets, along with spending in network virtualisation and customer retention driven by telecom analytics, provide growth opportunity. Further, the 5G rollout will boost IT exports. Recently, Infosys entered into a deal with Liberty Global (digital communications company) to build and scale the entertainment and connectivity platforms for the company.
Healthcare	Healthcare and pharmaceutical industries focus on patient care platforms, customer experience, predictive patient care and dynamic health monitoring. The industry is experiencing traction in R&D-based analytics services.
Retail	The key retail markets for Indian players continue to be the US, the UK and the EU. As per industry interactions, retail is fast witnessing digital service adoption, with retail majors seeking to go omni-channel to counter the threat from e-commerce companies. Thus, the drive for retails firms to go digital and improve their omni-channel capabilities is expected to provide avenues for Indian IT players in the retail space in the current fiscal. Recently, TCS entered into a contract with a global fashion retailer, as the strategic partner to accelerate its AI/data journey. This includes decommissioning of the legacy platforms.

Emerging trends in the Indian IT services Industry

Technological disruptions are changing the IT landscape. Technological spending is critical in today's world as companies transform into a scalable, secure and connected organisation. Some of the emerging trends such as AI, ML, augmented and virtual reality ("**AR/VR**"), and Metaverse are detailed below.

Trend	Advantages	Use cases
Metaverse/AR and VR	Increased collaboration, new communication opportunities, reduction of costs in testing model concepts, innovative marketing tool, lower employee training and onboarding costs	• Home improvement companies using Metaverse to elevate customer experience in digital shopping - immersive and interactive • Gaming companies using AR and VR to give an immersive customer experience • Medical companies using AR and VR for medical imaging
IoT	Access to real-time visibility, smart solutions, reduced costs and data-driven operational efficiency	• Manufacturing companies using IoT driven devices to improve operations • Healthcare industry using IoT to monitor health via wearables
AI/ML/ Natural Language Processing ("**NLP**")	Reduction of human error, perform repetitive tasks and saving time	• E-commerce companies using AI to better understand customer preference, personalise the customer journey and help in sales forecasting • Banks using conversational AI chatbots to ensure the balance between chatbots and giving customers the human experience. • Human workforce management platforms using NLP to scan thousands of applications

Trend	Advantages	Use cases
Cloud computing	Cost savings, mobility, flexibility, data driven insight and increased collaboration security	• Banks using cloud services for fraud detention • Healthcare industry using cloud to let patients access lab results, prescriptions, etc
Blockchain	Reduced costs, traceability, and speed	• Companies using blockchain technology to make smart contracts
Automation	Cost savings, fulfill compliance requirement, error reduction, customer satisfaction and increased productivity	• Automating driving such as robo taxis, etc • Reinsurance companies using automation to streamline processes and incorporating it as a part of the business model
Big data analytics	Modernising business models, enhanced decision making, improved customer experience, enhanced data security and transfer of data into models	• Home improvement companies using visual analytics to deliver an immersive customer experience and AI solutions for smart inventory solutions • Online streaming companies using analytics to predict customer choices
Cybersecurity	Protect sensitive data, fulfill compliance requirement, increased customer trust, early detection and response mechanism and remote work security	• Banks using cybersecurity to ensure highest level of security for customer's personal data • Aerospace and defense companies using robotics to automate processes
RPA	Increase efficiency, reduce human error, time saving and better security	• Process manufacturing companies using RPA to automate repetitive processes

Companies are adapting these digital processes in their businesses. A few instances are listed below:

- Aditya Birla Sun Life Insurance has launched a 3D virtual lounge, enabling customers to interact with experts and agents and increase communication opportunities
- Airtel has partnered with Secure Motors to enable 1.3 million Narrow Band IoT smart meters in Bihar, ensuring uninterrupted data transfer
- NVIDIA has partnered with Reliance Industries and Tata Group to build on AI, cloud and generative applications
- Apollo Hospitals has partnered with Google Cloud to boost its healthcare services in India
- JP Morgan has partnered with six Indian banks to settle interbank transactions using its blockchain trading platform

Long-term trends in the Indian IT services industry

Increasing pace of digitisation

Businesses continue to invest in digitisation by making more cost-conscious decisions and value-driven investments to support long-term sustainability. The aim is to mitigate risks and insulate from financial and regulatory shocks. India is a preferred global IT services outsourcing location for global clients because of its digitally skilled workforce, supportive policies, robust infrastructure, and lower cost. Some of the sectors that are at the forefront of digitisation are as follows:

Sector	Business processes undergoing digitisation
BFSI	Credit underwriting, loan processing, payment systems, customer service, customer onboarding and identity verification
Transportation	Online bookings, customer support, price optimisation and customer experience
Media and entertainment	Content production, analytics-based marketing, predicting customer preference and customer experience
Government	Self-service portals, e-governance, digital payment system and digital public platforms

Source: CRISIL MI&A

The pace of digitisation in India has picked up led by higher mobile penetration, improved data connectivity and faster and cheaper data. Wireless data consumption in India has grown approximately 12 times in the past five fiscals at a CAGR of approximately 65%. The proportion of data subscribers is, hence, expected to rise to approximately 78% in fiscal 2025 from approximately 62% at fiscal 2020. India's 4G data rates are also among the lowest in the world. Private players are finding new opportunities driven by the digitisation drive. For instance, the quantum of retail digital payments has catapulted from ₹ 140 trillion in fiscal 2017 to ₹ 606 trillion in fiscal 2023. Within UPI, the quantum of person-to-merchant payments has jumped from ₹ 6.2 trillion in fiscal 2021 to ₹ 30.7 trillion in fiscal 2023. This increase has created a digital footprint of customers, which can be potentially used for credit analysis of customers, for which the IT players can build the infrastructure.

Revenue shift towards cloud, IT and analytics

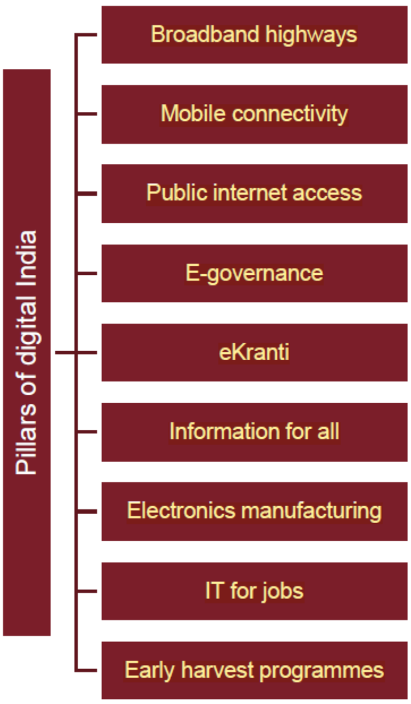
Growth in digital services such as 3D printing, AI, Metaverse, block chain and big data analytics are expected to increase going forward. CRISIL MI&A expects that within the ambit of digital services, cybersecurity and cloud computing will be the two main areas of focus. Here are a few use cases: using AI for predicting business parameters such as sales and margins; using IoT for real-time tracking in logistics; and using generative AI-led chatbots as front-office aids.

Digital India drive

In fiscal 2023, CRISIL MI&A estimates that Indian IT services revenue grew 9% to 11% on-year, driven by the core digital transformation and the increasing demand from businesses to adopt digital technologies. Furthermore, the government's significant investment in digital initiatives, such as the digital census, is expected to contribute to this growth. The growth rate will, however, be constrained owing to pressure on billing rates because of increased competition in the domestic market.

While the establishment of digital infrastructure includes schemes such as BharatNet and the provision of free Wi-Fi at railway stations, the provision of digital services represents a significant growth area for domestic service providers. Many government service delivery programmes such as Meghraj (the government cloud platform), necessitate involvement from the private sector. This project encompasses nine major components, and among them, four pertain to IT services: e-Kranti, e-governance, Information for All and IT for Jobs.

Pillars of digital India

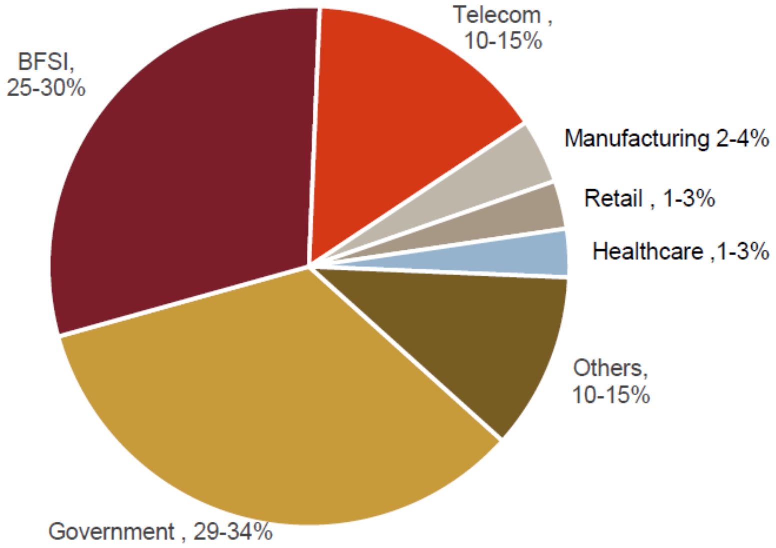


Source: Digital India, CRISIL MI&A

Digital transformation boosts sector performance

In India, digital transformation is being led by three sectors – government, BFSI and telecom. Banks are adopting IT solutions for regulatory compliance as well as customer convenience. The telecom industry is digitising due to huge volume of voice and data, and networks. The government has pledged substantial investments in IT infrastructure as part of the Digital India and Smart Cities Mission initiatives. However, speed of implementation is a key monitorable. Healthcare expenditure has also seen an uptick due to the need in improving operational efficiencies through technology.

Government and BFSI to remain the key segments, healthcare to gain share (CY2023)



Source: NASSCOM, CRISIL MI&A

Digital payments will increase IT players opportunities in the BFSI space with respect to database management, analytics, security and user experience. IT spending in retail is expected to be around logistics, cash management, human resources and inventory management. Omni-channel retailing, wherein multiple channels of shopping are provided in such a way that the consumer has an integrated smooth shopping experience, has been identified as a key focus area by organised retailers.

The adoption of IT among small and medium enterprises (SMEs) has been limited due to the high associated costs. Nevertheless, the emergence of innovative technologies such as cloud services, which require minimal initial capital investment, has substantially reduced the financial barrier for SMEs to embrace it. CRISIL MI&A anticipates that the cost advantages will be a major driver for the growth of cloud services, and numerous small businesses will actively consider its implementation. We expect cloud services, utilising a pay-per-use model, to significantly boost the adoption among SMEs.

Key risks and challenges faced by the Indian IT services industry

Parameter	Description
Global economic uncertainty	The IT services industry is highly dependent on global economic conditions. Economic downturns or uncertainties in major markets, such as the US and Europe, can impact outsourcing decisions and IT budgets of client companies.
Currency exchange rate fluctuations	The IT services industry earns a significant portion of its revenue in foreign currencies, primarily the US dollar. Exchange rate fluctuations can impact profit margins and overall financial performance.
Competition from other countries	India faces increasing competition from other countries offering IT services such as the Philippines, China and Eastern European nations. The rise of nearshore and onshore outsourcing options may pose a threat to India's traditional dominance in offshoring.
Technological disruptions	Rapid advancements in technology, including automation, AI and robotic process automation, pose challenges to traditional IT service models. Companies need to continually adapt and invest in new skills to remain relevant.
Data security and privacy concerns	With the increasing prevalence of cyber threats and stringent data protection regulations globally, the IT services industry must continually invest in robust cybersecurity measures to protect client data and comply with international privacy standards.
Talent shortage and skill gap	There is a constant demand for highly skilled IT professionals. However, there is a challenge in sourcing and retaining top talent, particularly in emerging technologies. The industry needs to address the skill gap through training programmes and education initiatives.
Regulatory changes	Changes in global and domestic regulations can impact the operating environment for IT services companies. Compliance with regulations related to data protection, taxation and intellectual property rights is crucial.

Parameter	Description
Political and geopolitical risks	Political instability and geopolitical tensions can impact the outsourcing decisions of client companies. Trade policies, visa regulations, and political changes in key markets may affect the industry's growth prospects.
Client dependency	A high concentration of clients in specific industries or regions can expose IT services companies to the risk of disruption or downturn in those sectors.
Infrastructure challenges	Despite significant improvements, India still faces infrastructure challenges, including power shortages, transportation issues and connectivity problems, which can impact the smooth operation of IT services.

Source: CRISIL MI&A

Overview of select segments of IT industry

Segment	Description
Cloud and cyber security	In the ever-evolving landscape of digital transformation, organizations are increasingly relying on cloud services to enhance their operational efficiency and scalability. Leading cloud providers such as AWS, Microsoft, and Google have become pivotal players, offering comprehensive cloud solutions to meet diverse business needs. Alongside the adoption of cloud practices, ensuring robust cybersecurity measures has become paramount. Companies are investing in advanced cyber services to fortify their Security Operations Center ("**SoC**") capabilities, adopting cutting-edge practices like Threat Hunting to proactively identify and mitigate potential security risks. Additionally, Cloud Cyber Security Posture Management is gaining prominence, allowing organizations to maintain a secure and compliant posture across their cloud environments. This approach, encompassing cloud adoption and cyber services, underscores the significance of a well-integrated strategy to navigate the complexities of the digital realm while safeguarding against emerging cyber threats.
Data and analytics	In the dynamic landscape of data and analytics, businesses are leveraging cloud services from industry giants such as AWS, Microsoft, and Google to optimize their data practices. These cloud platforms offer robust frameworks for organizations to build, manage, and scale their data infrastructure efficiently. Embracing data products on the cloud has become a strategic imperative for companies looking to extract actionable insights from their vast datasets. The evolution of data monetization strategies further underscores the value of leveraging data as a valuable asset. Simultaneously, organizations are prioritizing data governance to ensure the integrity, quality, and security of their data assets. Data engineering plays a crucial role in transforming raw data into meaningful insights, enhancing decision-making capabilities. The emergence of platforms like the Data & Insights Xchange Marketplace facilitates collaboration and data-sharing among organisations, fostering a collaborative ecosystem for driving innovation and maximizing the value of data across industries. This holistic approach to data and analytics reflects the pivotal role that cloud services and advanced data practices play in shaping the future of business intelligence and innovation.
Enterprise SaaS services	In the realm of Enterprise SaaS Services, businesses are prioritizing comprehensive solutions to streamline their operations across various domains. From financials to supply chain management, customer relationship management ("**CRM**"), human capital management ("**HCM**"), IT service management ("**ITSM**"), IT operations management ("**ITOM**"), customer service management, field service, to workplace service delivery. Organizations are turning to robust platforms like Oracle Fusion Cloud, SAP, Salesforce, Microsoft, ServiceNow, and even exploring offerings from emerging players. These platforms enable the seamless implementation of diverse enterprise solutions, fostering efficiency and integration across different business functions. The flexibility offered by these SaaS services allows companies to tailor their software stack to meet specific needs, ensuring scalability and adaptability in a rapidly changing business landscape. The adoption of such comprehensive SaaS solutions represents a strategic move by enterprises to enhance agility, collaboration, and overall business performance.

Assessment of competitive landscape of India's optical fibre cable industry

CRISIL has analysed some key players operating in the optical fibre cable industry in India. The players considered are Sterlite Technologies Ltd, HFCL Ltd, Vindhya Telelinks Ltd, Birla Cables Ltd, Aksh Optifibre Ltd and Finolex Cables Ltd.

Note: The list of peers considered in assessing the competitive landscape is not exhaustive, but indicative. Peers have been selected based on offerings.

Data has been obtained from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites and social media pages. Financials in the competitive section have been re-classified by CRISIL, based on annual reports and financial filings by the relevant players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of standardisation and re-classification done by CRISIL.

Overview of key players

Company name	Year of incorporation	Business overview
Sterlite Technologies Ltd	2000	Sterlite Technologies Ltd (STL) is one of the leading optical connectivity products and solution providers in India. STL's operations primarily relate to the telecom sector, including manufacturing of telecom products, telecom services and providing digital and technology solutions. The Company is a provider of end-to-end data network solutions. The company designs and deploys high-capacity converged fibre cables and wireless networks.
HFCL Ltd	1987	HFCL operates in the telecom infrastructure space with its offerings across telecom infrastructure development, system integration, and manufacture and supply of high-end telecom equipment, optical fibre and optical fibre cable.
Vindhya Telelinks Ltd	1983	Vindhya Telelinks Ltd (VTL) is engaged in the manufacturing and sale of cables (comprising telecommunications cables, other types of wires and cables, FRP rods/glass rovings, etc.) and engineering, procurement, and construction (turnkey contracts and services business).
Birla Cables Ltd	1992	The company is engaged in manufacturing and sale of cables, comprising telecommunications cables, other types of wires and cables, etc.
Finolex Cables Ltd	1967	Finolex Cables Ltd is principally engaged in the manufacturing of electrical cables, communication cables and other electrical appliances.
Aksh Optifibre Ltd	1986	The company is engaged in the manufacturing and selling of optical fibre, optical fibre cable, fibre reinforced plastic rods, impregnated glass roving reinforcement and ophthalmic lens. The company caters to both domestic and international markets. It also provides e-governance services and FTTH services.

Source: Company annual reports, CRISIL MI&A

Overview of key operational parameters

Company name	Revenue segmentation (FY3)	Share (%) of exports (FY23)	Manufacturing presence	Total current capacity	Planned expansion
Sterlite Technologies Ltd	• Sale of products: 73% • Network integration projects: 22% • Others1: 5%	72%	10 production facilities across India, China, Italy, Brazil, US	OF: approximately 50 million fkm ("**Mfkm**") OFC: 42+ million fkm	Not available
HFCL Ltd	• Telecom products: 56% • Turnkey contracts and services: 44%	17%	5 manufacturing facilities across Hyderabad, Chennai, Goa and Hosur	OF: 12 Mfkm OFC: 25 Mfkm	OF: 33.9 Mfkm OFC: 35 Mfkm by FY25
Vindhya Telelinks Ltd	• Telecommunication cables, other types of wires and cables and FRP rods/glass rovings etc.:	4.5%	1 manufacturing facility at Rewa, Madhya Pradesh	OFC: 6 Mfkm	Not available
Birla Cables Ltd	• Optical fibre: 50% • Structured cables: 47.5% • Others[2]: 2.5%	29%	1 manufacturing facility at Rewa, Madhya Pradesh	OFC: 3.6 Mfkm	Not available

Company name	Revenue segmentation (FY3)	Share (%) of exports (FY23)	Manufacturing presence	Total current capacity	Planned expansion
Finolex Cables Ltd	• Electric cables: 82%, • Communication cables: 13% • Copper rods: 1% • Others[3]: 4%	0.9%	5 manufacturing facilities across Roorkee, Pune, Goa	OFC: 4 Mfkm	OFC: 8 Mfkm
Aksh Optifibre Ltd	• Manufacturing: 79% Services: 21%	30%	7 manufacturing divisions across India, the UAE, and Mauritius	Not available	Not available

Note: Revenue segmentation and share of exports are based on FY23 consolidated revenue reported by the companies in their annual report
OF: Optical fibre
OFC: Optical fibre cable
1 Others for STL include revenue from sale of services, software products/licences and implementation activities, scrap sales, export incentives and other operating income
2 Others for Birla Cables include revenue from scrap sales, export incentives and processing charges received
3 Others for Finolex Cables include trading of electrical and other goods
Source: Company annual reports, CRISIL MI&A

Key financial parameters – Operating income, OPBDIT, PAT

Company name	Operating income (₹ million)			Operating profit (OPBDIT) (₹ million)			Net profit (PAT) (₹ million)		
	FY20	FY23	CAGR (FY20-23)	FY20	FY23	CAGR (FY20-23)	FY20	FY23	CAGR (FY20-23)
Sterlite Technologies Ltd	51,769	69,500	10.3%	10,919	9,700	-3.9%	4,245	1,270	-33.1%
HFCL Ltd	38,389	47,510	7.4%	4,941	6,455	9.3%	2,373	3,124	9.6%
Vindhya Telelinks Ltd	18,832	28,892	15.3%	2,598	2,711	1.4%	2,374	1,853	-7.9%
Birla Cables Ltd	2,231	7,922	52.6%	169	673	58.4%	10	335	220.6%
Finolex Cables Ltd	28,850	44,910	15.9%	4,133	5,211	8.0%	3,910	5,043	8.9%
Aksh Optifibre Ltd	2,994	2,865	-1.5%	(1,626)	477	n.m.	(3,593)	(136)	n.m.

Note: Above financials are consolidated
Source: Company annual reports, CRISIL MI&A

Key financial ratios (FY23)

Company name	OPBDIT margin (%)	PAT margin (%)	ROCE (%)	ROE (%)	Current ratio (times)	Interest coverage ratio (times)	Gearing ratio (times)
Sterlite Technologies Ltd	14.0%	1.8%	10.2%	7.8%	0.9	2.7	2.2
HFCL Ltd	13.6%	6.6%	15.8%	11.1%	1.9	4.3	0.3
Vindhya Telelinks Ltd	9.4%	6.4%	7.3%	6.0%	1.7	4.6	0.2
Birla Cables Ltd	8.5%	4.2%	18.1%	16.1%	2.1	5.3	0.6
Finolex Cables Ltd	11.6%	11.2%	14.8%	12.2%	10.4	562.2	0.0
Aksh Optifibre Ltd	16.6%	-4.7%	4.4%	-15.2%	0.3	1.9	2.1

Note: Above all financials are consolidated except for Birla Cables which is standalone
n.m.: Not meaningful
OPBDIT % = OPBDIT / operating income
PAT % = PAT / operating income
RoCE = Profit before interest and tax (PBIT) / (total debt + tangible net worth)
RoE = PAT / tangible net worth
Gearing ratio = Adjusted Debt / Adjusted networth
Interest coverage ratio = Profit before depreciation, interest and tax / (interest + finance charges)
Current ratio = Current assets / Current liabilities
Source: Company annual reports, CRISIL MI&A

Key YTD financial parameters (9MFY24)

Company name	Operating income (₹ million)	Y-o-y growth (%)	PAT (₹ million)	Y-o-y growth (%)	PAT margin (%)
Sterlite Technologies Ltd	43,380	-14.1%	240	-61.9%	0.6%
HFCL Ltd	31,390	-5.2%	2281.6	-4.5%	7.3%
Vindhya Telelinks Ltd	27,966	83.4%	1743.4	107.5%	6.2%
Birla Cables Ltd	5,108	-6.6%	210.2	2.4%	4.1%
Aksh Optifibre Ltd	1,700	-17.9%	-109.4	n.m	-6.4%
Finolex Cables Ltd	36,134	10.9%	4655.9	41.4%	12.9%

Note: All above financials are consolidated, except for Birla Cables which is standalone
n.m.: Not meaningful
Source: Company reports, CRISIL MI&A

Revenue from operations for key global companies

Company name	Revenue from operations (USD million)		
	2021	2022	Y-o-y growth rate
Corning Incorporated	14,082	14,189	0.8%
Prysmian Group	13,755	17,352	26.2%
CommScope Holding Company	8,587	9,228	7.5%
Sumitomo Electric Industries*	22,565	26,837	18.9%

Note: Above financials are consolidated
**For Sumitomo Electric Industries, the 2021 revenue represents revenue for the year ended in March 31, 2022. Similarly, for 2022 revenue. Exchange rate considered: €1 = USD 1.08; ¥1 = USD 0.0067*
Source: Company annual reports, CRISIL MI&A

Key observations

Among the players compared, Sterlite Technologies has the highest capacity for optical fibre and optical fibre cable. It also leads this list in terms of the number of production facilities. Sterlite Technologies had 72% of revenue from international markets in fiscal 2023. It also had the highest share of exports within the total revenue across the players considered.

Sterlite technologies had the highest operating revenue and OPBDIT among the players considered for fiscal 2023. It also had the second highest OPBDIT margin at 14% among the players considered. In terms of revenue, Sterlite Technologies is the leading optical connectivity products and solution provider in India.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 44, 259 and 87, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or unless the context requires otherwise, the financial information contained in this section as at and for the year ended March 31, 2023 is derived from Fiscal 2023 Audited Financial Statements, the financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2023 in Fiscal 2023 Audited Financial Statements except for certain financial information which is derived from Fiscal 2022 Audited Financial Statements where there have been no adjustments on account of discontinued operations (refer below), the financial information as at and for the year ended March 31, 2021 is derived from Fiscal 2021 Audited Financial Statements, the financial information for the nine months period ended December 31, 2022 is derived from the comparative financial information included for the nine months period ended December 31, 2022 in Unaudited December 2023 Results except for certain financial information which is derived from Unaudited December 2022 Results where there have been no adjustments on account of discontinued operations (refer below) and the financial information for the nine months period ended December 31, 2023 is derived from Unaudited December 2023 Results. During Fiscal 2023, our Company discontinued the wireless solution business and telecom software business and divested our entire stake in Impact Data Solutions Limited, UK and therefore, the Fiscal 2023 Audited Financial Statements are not directly comparable with the Fiscal 2022 Audited Financial Statements and Fiscal 2021 Audited Financial Statements. See "Presentation of Financial and Other Information" on page 10 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" on page 91.

*Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiaries, our Joint Venture and our associate, as applicable, on a consolidated basis. Also, see "Definitions and Abbreviations" on page 16 for certain terms used in this section. Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Optical Fibre Cable, EPC and IT Services Industry" dated February 2024 (the "**CRISIL Report**"), prepared and issued by CRISIL Limited which has been exclusively commissioned and paid for by us, as well as other information reported by CRU International Ltd ("**CRU**") to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CRISIL Report and information reported by CRU and may have been re-ordered by us for the purposes of presentation.*

Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and information reported by CRU and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 127. For further information, see "Risk Factors – Certain sections of this Placement Document disclose information from the CRISIL Report and information reported by CRU which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 63. Also see "Industry and Market Data" on page 12.

Overview

We are an integrated digital network provider, headquartered in India, with a global presence and manufacturing capabilities across countries including India, Italy, Brazil, the United States and China. According to CRU, we were one of the largest cable producers globally in terms of installed preform and draw capacity and cable production volume in 2023, which positioned us as one of the global market leaders in the optical cable market in 2023. We offer our customers a wide range of products across fibre, cable and optical connectivity and services including fibre deployment, system integration and managed services. We have a long and established operating history, particularly in the optical networking business, where we have over 25 years of experience with a track record of manufacturing high quality products to meet the demands of our customers.

We have three main business units, comprising the following:

- **Optical networking business:** We are a fully backward integrated manufacturer and possess the capabilities to produce glass preform from pure silicon, optical fibres from glass preform as well as optical fibre cables from optical fibres, which we believe enables us to maintain control over our value chain to offer our customers high quality products and end-to-end optical networking hardware, including optical fibre and specialty cables and optical connectivity products. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our optical networking business accounted for 68.29%, 78.54%, 77.88% and 70.38% of our revenue from operations, respectively.

- **Digital and technology solutions:** We believe that our digital and technology solutions enable businesses to experience digital transformation and enhance operational efficiency. We focus on offering customised solutions across product engineering, cloud and cyber security, data analytics and artificial intelligence ("**AI**") and enterprise SaaS services. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our digital and technology solutions accounted for 0.11%, 1.01%, 0.69% and 5.07% of our revenue from operations, respectively.

- **Global services business:** Our global services business comprises three main service offerings, namely (a) fibre deployment, (b) system integration, and (c) managed services. Our system integrations services include network services, data centre services, cloud services and security services. In Fiscal 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our segment revenue from our global services business accounted for 33.92%, 21.82%, 22.97% and 26.12% of our revenue from operations, respectively.

We offer our products and service offerings mainly to our customers in four key categories, namely telecommunications companies, large enterprises/defense, citizen networks and cloud companies. Our customers are located in key markets such as Europe, North America and India and as of December 31, 2023, we have served customers located in more than 75 countries. In the nine months ended December 31, 2023, our revenue from America, Europe, Middle East and Africa ("**EMEA**"), India and rest of the world accounted for 23.74%, 39.01%, 35.47% and 1.78% of our revenue from operations, respectively.

We manufacture our products in the optical networking business primarily through 10 manufacturing facilities, which are located in India, Italy, Brazil, the United States and China. We believe that our manufacturing facilities are strategically positioned at locations which are closer to our customers to mitigate supply chain risks. Our fully backward integrated manufacturing operations, through the production of glass preform from pure silicon, optical fibres from glass preform, optical fibre cables from optical fibres, and the manufacturing of optical connectivity and specialty cables, enables us to achieve operational efficiencies and economies of scale to maintain our costs while ensuring quality control. As of December 31, 2023, our manufacturing facilities have a combined installed capacity of 51.66 million fibre kilometer ("**fkm**") per year for optical fibre production and 43.09 million fkm per year for optical fibre cables production.

We have developed an extensive global distribution network through our order fulfilment centers located in our downstream manufacturing facilities and distribution centers. Our finished goods manufactured in our optical fibre cable manufacturing facilities located in India, Italy, Brazil and United States are transported either directly to our customers, or to our other distribution centers in the United Kingdom, United States, France and UAE.

In relation to our global services business, we offer our customers three main service offerings, namely (a) fibre deployment, (b) system integration and (c) managed services. Our systems integration services include network services, data centre services, cloud services and security services.

In addition to our optical networking business and global services business, we offer digital and technology solutions across product engineering, cloud and cybersecurity, data and analytics, enterprise Software-as-a- Service ("**SaaS**") services. Our cloud services include consulting, infrastructure modernization, application transformation, API empowerment, cloud security, and cloud FinOps, enabling enterprises leverage the power of the cloud for increased scalability and efficiency. In terms of cybersecurity, we offer solutions such as advanced threat management, identity and access management and cloud security to safeguard digital landscapes and ensure compliance and privacy. Additionally, we offer data analytics and AI solutions to help enterprises derive valuable insights from their data and make informed business decisions. We also provide enterprise SaaS solutions such as enterprise resource planning solutions, supply chain management solutions, customer relationship management solutions, human capital management solutions and contract lifecycle management solutions. Our product engineering services include product lifecycle management, digital experience design, product management, software engineering, embedded cybersecurity, automation AI, machine learning, and consulting services.

Over the years, we have received several leading awards and recognitions such as HSE Award at the Global Safety Summit in 2023, 'Excellence in Use of Technology' winner at the 8th Annual ISM – India Conference and CPO Awards 2023, 'Excellence in Risk Mitigation' winner at the 8th Annual ISM – India Conference and CPO Awards 2023, Gold at the prestigious League of American Communications Professionals (LACP) Spotlight Award in 2023, Economic Times Datacon Award in 2023, the Gold Award 2022 at the 4th ICC Occupational Health and Safety Awards by Indian Chamber of Commerce in 2022, Tata Innovista Award for our product "Stellar Fibre" in 2022, Cabling Innovators Award for our products "*Optotec Compact Optical Ribbon Closure*" and "*Celesta Intelligently Bonded Ribbon Optical Fibre Cable*" in 2022, and the CII-ITC Sustainability Awards for Excellence in sustainable business in 2020.

The following tables set forth certain financial information for the years/ periods indicated:

Particulars	**For the year ended March 31,**			**For the nine months ended December 31,**	
	2021	**2022**	**2023**	**2022**	**2023**
Revenue from operations (₹ crores)	4,825	5,437	6,925	5,054	4,338
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ crores) **(A)**	844	723	931	652	559
EBITDA margin (%)(1)	17.49%	13.30%	13.44%	12.90%	12.89%
Depreciation and amortization expense **(B)**	285	308	309	231	250
EBIT (₹ crores) **(C) = (A) – (B)**	559	415	622	421	309
Finance costs (₹ crores) **(D)**	203	238	311	222	281
Profit before exceptional items and tax (₹ crores) **(E)**	380	182	315	202	32

Exceptional Items (₹ crores) **(F)**	-	16	-	-	-
Share of net profit of associates and joint ventures (₹ crores) **(G)**	15	5	4	3	4
Profit before tax (before share of net profit of associates and joint venture) (₹ crores) **(H) = (E) + (F) – (G)**	365	193	311	199	28
Total tax expenses (₹ crores)	111	52	84	50	14
Profit from continuing operations (₹ crores) **(I)**	269	147	231	152	18
Profit/ (loss) for the year/period attributable to non-controlling interests **(J)**	(10)	(15)	(14)	(11)	(6)
Adjusted Net Profit (after share of associates and joint venture and non-controlling interest) (₹ crores) **(K) = (I) – (J)**	279	162	245	163	24
Profit /(loss) from discontinued operations (₹ crores) **(L)**	(4)	(102)	(104)	(89)	6
Profit/ (loss) for the year/ period attributable to owners of the parent (₹ crores) **(M) = (K) + (L)**	275	60	141	74	30
Net Profit Margin (%)(2)	5.78%	2.98%	3.54%	3.23%	0.55%
Profit for the year/ period (₹ crores) **(N)**	265	45	127	63	24
Interest Coverage Ratio (in times) **(O) = ((M) + (B) + (D)) /(D)** (3)	3.76	2.55	2.45	2.37	2.00

(1) EBITDA margin is calculated as EBITDA divided by revenue from operations.

(2) Net Profit Margin is calculated as adjusted net profit (after share of associates and joint venture and non-controlling interest) divided by revenue from operations.

(3) Interest coverage ratio is calculated as profit for the year/ period attributable to owners of the parent plus depreciation and amortization and finance costs divided by finance costs.

Particulars	**For the year ended March 31,**		
	2021	**2022**	**2023**
Total Equity (₹ crores) **(A)**	2,085	2,047	2,095
Net Debt (₹ crores)(1) **(B)**	2,431	2,791	3,128
Total of the total equity and net debt (₹ crores) **(C) = (A) + (B)**	4,516	4,838	5,223
Fixed Assets (₹ crores)(2) **(D)**	2,677	3,016	2,977
Goodwill (₹ crores) **(E)**	292	270	225
Net working capital (₹ crores)(3) **(F)**	1,197	1,551	2,023

(1) *Net debt is calculated as cash and cash equivalents plus current investments, current borrowings (including interest accrued but not due) and non-current borrowings.*

(2) *Fixed assets is calculated as total of property, plant and equipment, capital work-in-progress, intangible assets, capital advances and investments – non-current less payables for purchase of property, plant and equipment – current, payables for purchase of property, plant and equipment – non-current and right of use asset.*

(3)*Net working capital is net current assets less net current liabilities. Net current assets is calculated as total of trade receivables, contract assets, inventories, deferred tax assets (net), loans – non-current, other non-current financial assets, other non-current assets, loans – current, other current financial assets, other current assets, asset classified as held for sale, deposits with original maturity of more than 12 months and unpaid dividend account less capital advances and asset classified as held for sale – cash and cash equivalents. Net current liabilities is calculated as total of lease liabilities (non-current), other non-current financial liabilities, employee benefit obligations non-current, provisions non-current, other non-current liabilities, deferred tax liabilities (net), lease liabilities - current, trade payables, other financial liabilities (current), contract liabilities, other current liabilities, employee benefit obligations – current, provisions – current, current tax liabilities (net) and liabilities directly associated with assets classified as held for sale less payables for purchase of property, plant and equipment – non-current, payables for purchase of property, plant and equipment – current, right of use of assets, liabilities associated with assets classified as held for sale – borrowings and interest accrued but not due on borrowings.*

For reconciliation of EBITDA Margin, Net Debt, Fixed Assets and Net Working Capital, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Non GAAP Measures*" on page 107.

In addition, we believe we have secured a strong order book to support our future growth. As of December 31, 2023, our order book was ₹ 9,849 crores and 46.85%, 20.52%, 25.26% and 7.37% of our order book was from our optical networking business, global services business (i.e., from the supply and/ or installation of our products and/ or services), global services business (i.e., in connection with the operation and maintenance of the networks which we installed) and digital and technology solutions, respectively, and out of which, 55.00%, 23.89%, 21.10% of our order book was from our telecommunications companies, large enterprises and citizen networks customers, respectively.

Our Strengths

Our fully backward integrated optical networking business model provides us with control over the value chain of production and enables us to offer our customers comprehensive end-to-end solutions.

The majority of our segment revenue is derived from our optical networking business, which accounted for 68.29%, 78.54% and 70.38% of our revenue from operations in Fiscal 2022 and 2023 and the nine months ended December 31, 2023, respectively. According to CRU, we were ranked 8th and 9th globally in terms of installed preform and draw capacity in 2023, which positioned us as one of the global market leaders in the optical cable market in 2023. In Europe, our manufacturing facility in Italy was ranked as the second largest in terms of our share in total production in 2023. (*Source: CRU*) Furthermore, it is expected that we would cement our position as a major player in the optical cable market in 2024 in the United States on account of the establishment of our new optical cable plant in South Carolina in September 2023. (*Source: CRU*)

Our fully backward integrated manufacturing operations, through the production of glass preform from pure silicon, optical fibres from glass preform, optical fibre cables from optical fibres, and the manufacture of optical connectivity and specialty cables, enables us to achieve operational efficiencies and economies of scale to maintain our costs while ensuring quality control. Through our fully backward integrated manufacturing capabilities, we are able to manufacture products across the value chain such as optical fibre which is the key raw material in the production of optical fibre, thereby enabling us to maintain a degree of supply chain security and better cost efficiencies. As our products and certain raw materials such as optical fibre, which is the key raw material used to manufacture optical fibre cables, are manufactured in-house by us, we are able to maintain a consistent standard of quality across our product offerings. We have implemented various quality control measures to enable us to meet the quality standards for our products which are imported into or exported to different markets. For instance, some of our manufacturing facilities have been awarded the ISO 9001:2015 (quality management systems) and/or TL 9000:2016 (telecommunications sector-specific extension to ISO 9001:2015). In addition, our optical fibre and optical fibre cable such as "Intelligently Bonded Ribbon Lite Optical Fibre Cable", "G.652.D/G.657.A1 OH-LITE NOVA 250 Micron Coated Optical Fibers with DSM coating", "Hardened Fiber Optic Connectors (OPTO-BOLT) and Hardened Fiber Optic Adapters", "864-Fiber Ribbon MLT Duct Lite Gel Free Optical Fiber Cable", "Stellar 250 Fiber ITU-T G.657.A2 250 Micron Coated Optical Fibers with DSM Coating" and "864-Fiber Ribbon MLT Duct Lite Gel Free Optical Fiber Cable", have awarded the Telcordia certification, which is a testament to our stringent quality standards. Additionally, as we have control over the entire manufacturing cycle through our fully backward integration capabilities, we are able to adopt a design-to-cost approach to achieve cost efficiencies. We also monitor our cost efficiencies by running operational and cost assessments on the entire manufacturing process periodically through certain key performance indicators including First Time Right ("**FTR**"), Overall Equipment Effectiveness ("**OEE**") rates and utilization rates of assets.

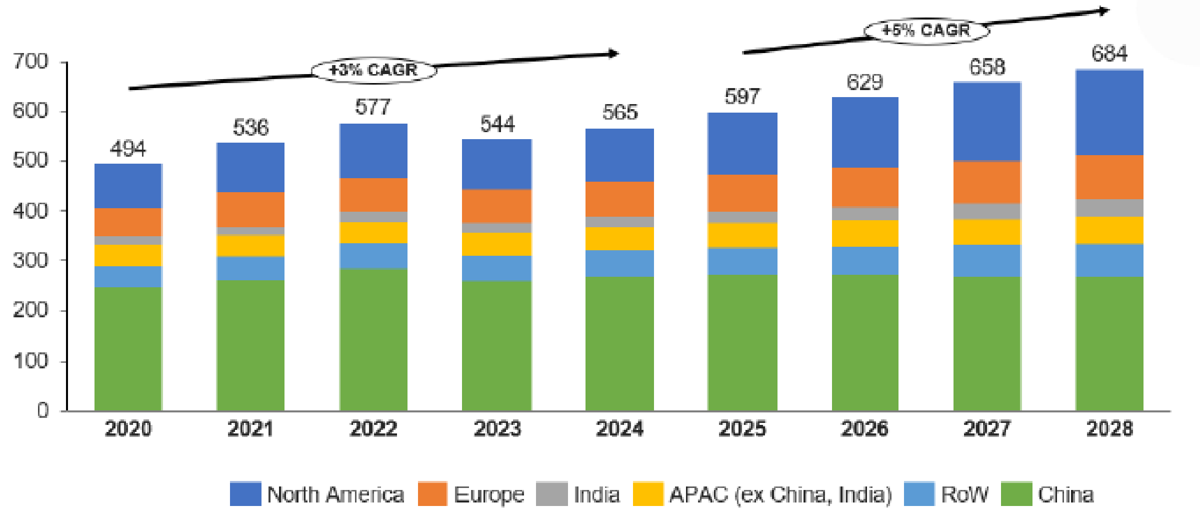
Strategically positioned manufacturing facilities

We conduct our optical fibre, optical fibre cable and optical connectivity manufacturing operations through 10 manufacturing facilities located in India, Italy, Brazil, the United States and China, which are either owned by us or held through a joint venture arrangement. Our optical fibre, optical fibre cable and optical connectivity manufacturing facilities are strategically positioned to mitigate supply chain risks. We strategically adopt a hub and spoke model for our manufacturing activities. The manufacture of our optical fibres is carried out by our manufacturing facilities in Shendra and Waluj in Aurangabad in India and our manufacturing facility in China which we believe generally have lower manufacturing and labor costs as compared to our other manufacturing facilities in Brazil, Italy and the United States. Such bare optical fibres are then transported to our downstream 'spokes' optical fibre cable manufacturing facilities, which serves as the primary raw material used to manufacture our optical fibre cables and specialty cables. We strategically position our downstream 'spokes' manufacturing facilities at a mix of low cost locations in Aurangabad (Waluj) in India and Silvassa (Rakholi and Dadra) in India and China to lower our costs, as well as in Brazil, Italy and the United States, to be closer to where our North America and Europe customers are located. In 2013, we expanded our manufacturing presence and set up Sterlite Conduspar Industrial Ltda in Brazil through a joint venture with Conduspar Condutores Eletricos Limitada, of which we have a 50% effective shareholding, enabling us to manufacture optical fibre cables and specialty cables in South America to reduce the delivery times for our customers located near the region. In addition, in 2018, we acquired Metallurgica Bresciana S.p.A., a European specialized optical cable manufacturer based in Italy with a global presence that designs and manufactures special precision optical fibre cables and specialized copper cables for various communication applications and Optotec S.p.A in 2020, also a company based in Italy which is involved in the manufacturing of optical connectivity products. Further, in 2023, we expanded our 'spokes' manufacturing presence through our new optical fibre cable facilities in South Carolina, United States to produce high-end ribbonised cables that are essential for high-capacity deployment in North America.

We believe our hub and spoke model enables us to lower our upstream manufacturing costs by producing optic fibres at our 'hub' manufacturing facilities in India. In addition, through our downstream 'spoke' manufacturing facilities, which are located both in low cost countries and locations which are closer to our customers, we are also able to shorten our delivery lead times, lower our shipping costs and create a more efficient supply chain.

As a market leader in the optical cable business, we are well-positioned to take advantage of the favorable industry growth dynamics.

According to CRU, the total optical fibre cable demand of regions including North America, Europe, India, APAX (excluding China and India), China and rest of the world, is expected to grow at a CAGR of 5% from 597 million fkm in 2025 to 684 million fkm in 2028. The below graph set forth details of the optical fibre cable demand by region in million fkm:

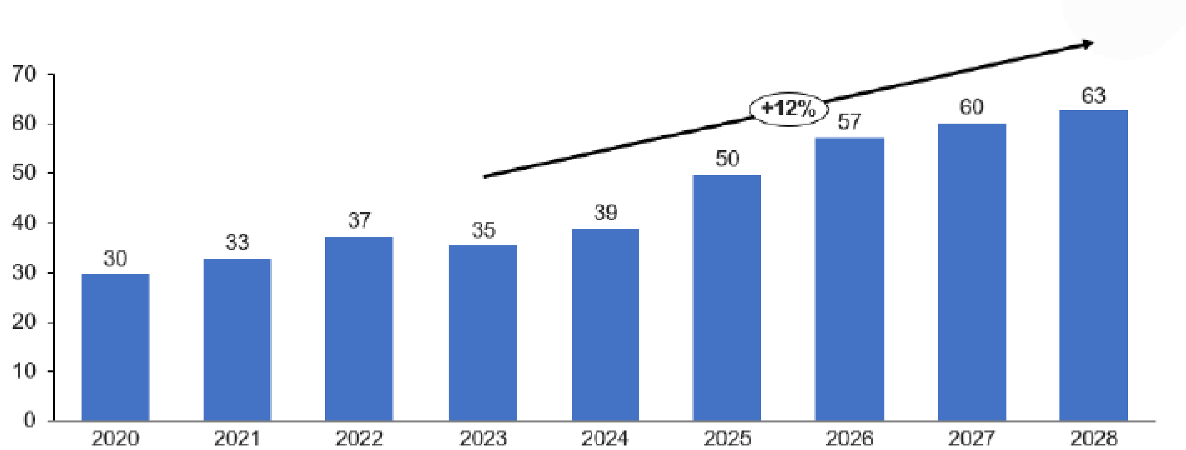


(*Source: CRU Telecom Cables Market Outlook, November 2023*)

We believe that FTTx, 5G, and data centers are the three primary factors that would drive cable demand, with their investment cycles aligned and occurring simultaneously.

- *FTTx*: Certain countries, including our focus markets India and North America, have rolled out FTTH/FTTx programs. For example, in India, in 2023, the government approved an outlay of ₹ 1.39 trillion for BharatNet, the government's project for last-mile connectivity across 6.4 lakhs villages in the country. (*Source: CRISIL Report*) This outlay is significantly bigger than phase 1 and 2 combined fund of ₹ 420.68 billion. (*Source: CRISIL Report*) Further, in February 2024, BSNL brought forth a ₹ 650 billion tender for the BharatNet phase-III. This along with increasing CAPEX of private Indian telecommunication companies towards FTTx and fibreisation of towers will support demand growth of 12.9% year-on-year in 2024. (*Source: CRU*) We believe we are well-positioned to benefit from the anticipated increase in demand for FTTx related optical cables in India.

  According to CRU, in the United States, the cable demand from the Broadband Equity, Access, and Deployment ("**BEAD**") funding is set to come in 2025. The USD 42.5 billion BEAD program is aimed at the last-mile FTTH deployment to unserved and underserved locations in the United States is planned to be allocated to states by federal government. To receive a share of the fund, each state needs to submit their proposals. Among the top 15 states, only two of them, Louisiana and Virgina are at the last stage of this funding approval process. Both states have projected to receive their first tranche of the funding which will constitute 20% of their total funding allocation in early 2024. Louisiana is predicted to be the first funding receive in the first quarter of 2024. The below graph set forth details of the optical fibre cable demand from FTTx in North America:



  (*Source: CRU Telecom Cables Market Outlook, November 2023*)

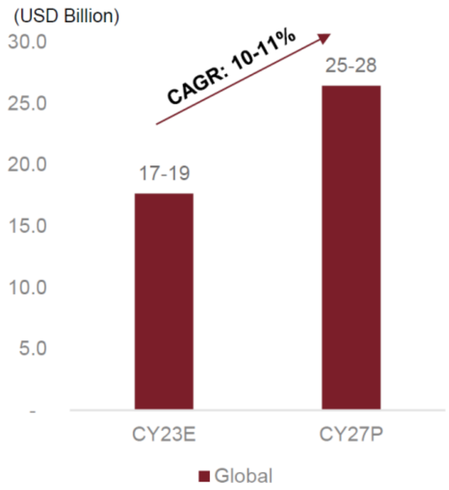
  One of the end uses of fibre cable is FTTx/ FTTH and we believe that aforesaid growth in FTTx/ FTTH presents us with an opportunity to increase our market share in the North America including the United States and India.

  - *Growth in 5G subscriptions*: According to the CRISIL Report, the global mobile 5G subscription was estimated at 1,570 million in 2023 and is expected to grow by 23% till 2029 reaching 5,330 million. Further, the 5G subscription in India was estimated at 50 million in Fiscal 2023 and is expected to reach 240-250 million by Fiscal 2025. Further, in India, to achieve fiberisation targets, telecom operators are expected to shell out ₹ 1,250 billion in Fiscal 2024 and

Fiscal 2025 to achieve the remaining target by Fiscal 2025 and spend on incremental BTS for 5G deployment. We believe this presents us with opportunities to increase our market share in our optical networking business since 5G network deployments will result in tower fiberization which will lead to an increase in cable demand.

- *Growth in data centres*: According to the CRISIL Report, the demand for data centres across the globe is driven by the emergence of artificial intelligence and machine learning and the growing digital economy's demands for data-intensive applications, IoT applications, online streaming, gaming and remote work. Globally and in India, the industry is expected to clock 10% to 11% CAGR in capital expenditure between 2024 and 2027 towards the MEP components which includes power set-up, cooling units, fibre connectivity, racks, etc.

Projected data centre construction - MEP capex (including fibre optic connectivity)



Note:
The above figure includes only the capex towards new data centre construction.
MEP: Power set-up, cooling units, fibre connectivity, racks etc.
CY: Calendar Year; FY: Fiscal Year; E – Estimated; P – Projected
Source: CRISIL Report

Further, according to the CRISIL Report, in India, the installed capacity of data centres is expected to more than double from 780 MW as of March 2023 to reach approximately 1,700 MW by March 2026 and 2,450-2,550 MW by Fiscal 2028. Further, as per the CRISIL Report, this would require investment of exceeding ₹ 450 billion over the three fiscals through 2026 as growing demand for data and storage piques the interest of a diverse set of companies. We believe this will increase the demand for our optical cables and optical connectivity products, thereby enabling us to increase our market share in our optical networking business.

Further, as per CRISIL Report, as a result of the anti-dumping measures on optical fibre from China to protect a substantial EU industry, the optical fibre export from China to European Union experienced a 56% decline, dropping from USD 63.7 million in April 2023 to USD 28.05 million by September 2023. Furthermore, as a result of India's anti-dumping duty on optical fibre imports from China, during the fiscal year 2024, the export of optical fibre from China to India experienced a significant 81% decrease from April 2023 to September 2023, reaching USD 2.31 million.

In light of the above, through our extensive experience and our strong market position, we believe we are well-positioned to capture the growth opportunities in the rising global optical cable demand, data centers and 5G applications.

Diversified customer base, supported by long-standing relationships with our key customers.

We offer our integrated digital network solutions primarily to customers in four key categories, namely telecommunications companies, large enterprises/defense, citizen networks and cloud companies, which comprised 90.84%, 3.75%, 5.40% and 0.01% of our revenue from operations, respectively, in Fiscal 2023. Our customers include multinational enterprise customers across a wide range of verticals, including major mobile and fibre operators, multinational enterprises and telecommunication providers located in various key markets globally such as Europe, North America and India. Further, over the years, we have developed long-standing relationships with our customers. We have established key relationships in the US market, allowing us to meet the growing fibre demand of US customers. Additionally, we enabled fibre connectivity in the United Kingdom by collaborating with telecom operators and network creators. Moreover, we also supported Italy's broadband plans by establishing partnerships with telecom companies and key distributors. As of December 31, 2023, we have maintained long-standing relationships exceeding eight years with two large telecommunication operators in India, a large telecom operator in the United Kingdom and a global UK-based multinational company providing converged, broadband and tele services. In addition, our relationship with a US-based fibre cable distributor, a large telecom operator in Italy and a large telecom operator in France range from two to six years.

We believe that one of our competitive advantages is our ability to deliver a value proposition to our customers by seeking to lower our customers' total cost of ownership. This is done in two ways. Firstly, through our fully backward integrated manufacturing operations which we believe presents cost-saving benefits and mitigates supply chain risks. Secondly, we seek to value-add by leveraging on our industry knowledge and R&D and technological expertise, to offer our customers bespoke solutions to achieve their specific targets. Through our solutions-based approach, we focus on co-creation and co-innovation with our customers to build an account-based organization with skilled personnel focusing on customer engagement. We focus on strengthening our customer relationships by offering them customized solutions, through closely collaborating with such customers to develop bespoke solutions that are ready to 'plug and play', thereby reducing installation time, cost and labour. We believe that creation of bespoke solutions to suit our customers' unique business needs, creates high barriers to entry since competitors would not have the same technological expertise or proprietary knowledge, thereby enabling us to strengthen our relationship with our key customer.

As a testament to our success, we have secured multi-million dollar engagements with customers across the globe. For example, in Fiscal 2023 and 2024, we received orders for optical fibre cable from a US-based fibre internet provider, a telecom and mass media company based in the United States, a telecommunication company based in Dallas, Texas in the United States and for specialty cable from an Italian railway's technological system developer. As of December 31, 2023, our order book was ₹ 9,849 crores and 46.85%, 20.52%, 25.26% and 7.37% of our order book was from our optical networking business, global services business (i.e., from the supply and/ or installation of our products and/ or services), global services business (i.e., in connection with the operation and maintenance of the networks which we installed) and digital and technology solutions, respectively, and out of which, 55.00%, 23.89%, 21.10% of our order book was from our telecommunications companies, large enterprises and citizen networks customers, respectively.

We believe our deeply entrenched relationships with our key customers provides us with the stability and ability to pursue strategic initiatives specifically tailored to the needs of our customers, thereby strengthening our business in the medium to longer term.

Extensive experience and expertise in the execution of large-scale and complex turnkey projects.

Over the years, we have developed extensive technical expertise and gained significant project management experience in the execution of various large-scale network related turnkey projects, where we are responsible for all stages from planning to engineering to construction. In the past, we have undertaken six large system integration projects with a revenue exceeding ₹ 1,000 crores. As a testament to our success, we have executed several complex notable projects, including India's defense network modernization project, which was an end-to-end project to build a large-scale next generation digital network. We were also involved in the Indian government's BharatNet initiative in Maharashtra to lay a statewide network connecting all major administrative units. This project involved the laying of involved the laying of optical connectivity cables across specific locations including adverse terrains, dense forest areas and arid conditions, which is a testament to our innovative technological expertise. Apart from complex public and private projects in India, we have also undertaken large-scale projects outside of India. For example, the deployment of FTTx for gigabit-broadband connection for certain cities in the United Kingdom.

We believe our success in undertaking large-scale and complex projects both in the public and private sectors in India and elsewhere has increased our ability to design, build and manage such large-scale projects for different customers. This will in turn strengthen our credibility and enable us to attract new customers and other large-scale projects. We believe our extensive experience and expertise in undertaking large-scale and complex projects is our competitive strength and sets a high barrier to entry for new entrants, thereby positioning us as a go-to partner for network integration services across various customer segments.

Ability to offer differentiated and innovative solutions through our strong R&D capabilities.

We believe R&D is fundamental in anticipating industry needs and we seek to become the trailblazer in developing innovative solutions for our customers' needs. We believe that we have a strong track record of innovation and product development underpinned by a dedicated R&D team. As of December 31, 2023, we held 217 patents and we have also submitted 464 patent applications which are currently pending. Our optical networking business accounted for 196 granted patents as of December 31, 2023, which protects our proprietary technology and product offerings to strengthen our competitiveness in various markets. We aim to anticipate the needs of our customers and the industry, to develop differentiated solutions in order to attract new customers and capture new demand from our existing customer base. In Fiscal 2023, our research and development expenses were ₹ 41 crores.

As of December 31, 2023, our R&D team has more than 112 qualified engineers, leading to a diverse team from varying backgrounds. To support our R&D team, we have three innovation centers, including a center of excellence for glass preform, optical fibre and specialty cables, which is equipped with advanced equipment for research. We also have an application engineering laboratory with an in-house deployment test track that can simulate various field conditions to enable us to deploy our fibre cables effectively in difficult conditions.

In the field of telecommunications, numerous challenges arise due to factors such as signal attenuation, the sensitivity of signal leakage to bending, ensuring compatibility with both legacy and future technology, managing complex connectivity requirements, reducing the total cost of ownership, and optimizing limited duct space. To address these challenges, through our extensive R&D efforts, we have developed optical fibre and optical fibre cable products, including (i) our 'Stellar' optical fibre, which is a bend-insensitive fibre with backward compatibility with legacy networks, (ii) our 'Celesta' optical fibre cable which is an intermittent bonded ribbon with multiple use cases, including for data center interconnectivity, defense, metro networks and long distance deployment, (iii) our "Multiverse" optical fibre by leveraging space division multiplexing technology to achieve 4X transmission capacity per fibre, (iv) 160 micron fibre which offers greater capacity within limited duct space, with a reduced diameter cable, resulting in improved deployment and increased bandwidth capacity, and (v) eco labelled certified optical products.

Our strong R&D capabilities have enabled us to continue to adapt to changes in the industry and ensure that we are able to continue to develop holistic solutions to our customers to stay competitive.

Experienced leadership teams spearheading each of our three business units, supported and guided by a strong and committed management team with a strong track record of success.

We believe corporate governance rigor and setting a clear chain of command across our three business units is key to the success of our organization as a whole. In 2021, we strengthened our leadership panel by appointing a CEO to oversee the day-to-day operations and strategy of each of our business units.

Our Managing Director and Whole Time Director, Ankit Agarwal, who is supported by our executive leadership team, including our Group Chief Financial Officer, Chief Corporate Officer, Chief Human Resource Officer, Group Chief Technology Officer and Chief Marketing Officer, oversees the overall business and operations of the Company and ensures there is synergy between the different business units. Our executive leadership team comprise qualified individuals who have extensive experience in their respective fields. For further details, see "*Board of Directors and Senior Management – Key Managerial Personnel and Senior Management*" Our Managing Director and Whole Time Director, Ankit Agarwal is responsible for setting the roadmap for the strategic growth of our Company. He has played a crucial role in expanding our global presence and developing our products and solutions offerings, as well as leading disruptive growth strategies through acquisitions and greenfield projects. He was recognized as the Economic Times "40 Under Forty: India Inc's Top Young Leaders 2021". We believe that the industry knowledge and leadership of our executive leadership team, combined with their extensive experience, provide us with a competitive advantage and is instrumental in enabling us to attract high-quality talent, drive implementation of our strategy and achieve our long-term objective of delivering sustainable growth across our businesses.

The governance of our Company is also overseen by our Board of Directors, who are committed to implementing best practices of corporate governance and achieving a high level of transparency, with a focus on investors' best interests and maximizing shareholder value. For further details, see "*Board of Directors and Senior Management*".

Our Strategies

Continue to scale our optical fibre cable business to capture the growth potential of the optical fibre cable market and enhance our leadership in the industry.

According to CRU, we were recognized as one of the global leaders in the optical cable market in 2023 and we intend to strengthen our market position by increasing our market share in the optical fibre cable business across all our focus markets. We were also ranked as the 9th largest cable producer in the world in 2023, accounting for 5.2% of the total global cable production. (*Source: CRU*) Additionally, we were ranked 8th and 9th globally in terms of installed preform and draw capacity in 2023, respectively. (*Source: CRU*) In Europe, our manufacturing facility in Italy was ranked as the second largest in terms of our share in total production in 2023. (*Source: CRU*) Furthermore, it is expected that we would cement our position as a major player in the optical cable market in 2024 in the United States on account of the establishment of our new optical cable plant in South Carolina in September 2023. (*Source: CRU*)

We intend to continue to focus on expanding our market share in the global optical fibre cable market, particularly in India, North America and Europe, which we have identified as focus markets. To establish our presence in our focus markets, we intend to continue with our fibre capacity augmentation programs, including through investments. We intend to continue with our strategy to position ourselves closer to our focus markets to enable us to capture the growth potential in these markets. We also intend to seek to increase our market share by continuing to foster deep customer engagement with our key customer accounts and cross-selling the additional products in our comprehensive end-to-end products portfolio to such existing customers. As part of fostering deep customer engagement, we intend to continue to partner with existing customers on R&D efforts to develop new products and revenue streams.

Increase the attach rate of our optical connectivity products and continue to expand our solutions-based products and services.

We intend to increase our optical connectivity attach rate (measured by our revenue generated from our optical connectivity business divided by our revenue generated from our optical fibre cable business) and which illustrates the rate at which optical connectivity products are sold as an attachment to optical cable sales products. Our optical connectivity business offers our customers complementary end-to-end solutions in the optical network business. Our optical connectivity products are specialized and customized solutions which we offer to our customers along with our fibre cables. We believe this presents a compelling and attractive value proposition to our customers during network deployment as it only requires a single window serviceability and simplified vendor interaction as well as ensures a greater fit between the optical fibre and optical connectivity products. This in turn reduces the time taken to deploy such network cables, requires less specialized and trained manpower to deploy such network cables and is more efficient on a total cost of ownership basis.

We intend to leverage on our existing customer relationships in Europe and North America. We aim to focus on customer acquisition to gain traction with our existing key accounts such as telecommunications companies, and as well as focus on building our optical connectivity portfolio for hyperscalers and data centers, to gain new customers. To complement the growth in our optical fibre cable business, we intend to increase our optical connectivity attach rate. In Fiscal 2022 and 2023 and the nine months ended December 31, 2022 and 2023, our optical connectivity attach rate was 11.22%, 10.05%, 9.51% and 11.75%, respectively. We seek to continue to offer our optical connectivity products by increasing the scale and product offerings.

In addition to our in-house R&D development initiatives, we may also seek to strengthen our optical network solutions by augmenting capabilities through inorganic initiatives, to expand our product offerings and access to new customers across the globe. We seek to proactively identify opportunities that complement our existing strengths and expand our portfolio of optical network capabilities. We may also seek to explore inorganic strategies which allow us to fast-track our technological development and customer base, including partnerships with international players. Our key criteria in pursuing and selecting such potential targets include their geographic location and customer base, their manufacturing facility capacity and location, the complementarity of their portfolio and value proposition, areas with high growth potential, their ability to defend their technology and know-how and whether they are a leader in their sustainability efforts. For example, in 2020, we acquired Optotec S.p.A in Italy, which is involved in the design, manufacture and marketing of a comprehensive a range of fibre optic products and solutions for telecommunications and FTTH networks and specialized end-to-end central office to customer premises. Through this acquisition, we were able to increase our optical connectivity capabilities, supported by a strong design team to further strengthen our position in Europe. We may seek to replicate a similar acquisition strategy with other industry players which we may identify in the future, to expand our product offerings, capabilities and customer base. We may also consider opportunistic bolt-on acquisitions of smaller players to expand our domain expertise in optical connectivity, as well as to complement our geographical expansion plans, particularly in our focus markets.

Continue to adopt a prudent capital management policy.

For the past three Fiscals, we have focused our investments and capital expenditure on establishing and expanding each of our business units. Further, we have historically financed our liquidity requirements primarily through a mix of cash from our operating activities and long-term debt. As a result of our investments, both organically through capital expenditure and inorganically through strategic acquisitions, we have increased our cable manufacturing capacity from 28.39 million fkm as of March 31, 2021 to 43.09 million fkm as of December 31, 2023. We have made a series of strategic investments and acquisitions over the years, including the acquisition of Metallurgica Bresciana S.p.A. in 2018, Optotec S.p.A in Italy in 2020, and Clearcomm Group Ltd in 2021. In addition to such strategic investments to improve our manufacturing capacity, provide access to Tier-1 customers and strengthen our capabilities, we have also over the last three Fiscals sought to streamline our business and improve our balance sheet by identifying and disposing of non-core, non-performing assets so that we are able to better focus on our key growth engines. For instance, we demerged our power business in Fiscal 2017 with effect from April 1, 2015 and in Fiscal 2023, we divested our entire stake in Impact Data Solutions Limited, UK which was operating in certain niche areas of the data-centre market, primarily inside-data-centre connectivity and containment solutions, discontinued our wireless business and divested our telecom software business as well. Such divestments of non-core assets will not only enable us to direct our attention and resources towards our core businesses in our focus markets, but will also enable us to realize cash flows from the sale of such assets to maintain an optimal balance sheet to support our future business plans. We intend to continue to look for ways to optimize and strengthen our balance sheet, which may include strategic investments and divestments of non-performing assets.

We will also seek to improve our other financial metrics including our net profit margin and EBITDA margin. In Fiscal 2021, 2022 and 2023 and in the nine months ended December 31, 2022 and 2023, our net profit margin (calculated as net profit (after share of associates and joint venture and non-controlling interest) divided by revenue from operations) was 5.78%, 2.98%, 3.54%, 3.23% and 0.55%, respectively and our EBITDA margin was 17.49%, 13.30%, 13.44%, 12.90% and 12.89%. We intend to improve the profitability of our business through several margin expansion drivers. For instance, in view of rising raw materials and logistics costs, we intend to implement additional cost-saving initiatives at our manufacturing facilities. These measures include (a) seeking to reduce raw materials costs by sourcing for alternative substitute materials and vendors and (b) optimizing our manufacturing processes to reduce the consumption of raw materials and conversion costs such as helium recycling, reducing the use of draw furnace and consumption of raw material such as silicon, tetrachloride and oxygen. Additionally, we may consider increasing the prices of our optical fibre cables to pass on any increases in raw materials and logistics costs and improve our profit margins.

We also seek to reduce our finance costs by reducing our leverage. We intend to achieve this by applying an estimated amount of up to ₹ 800 crores from the Net Proceeds of the Issue towards repayment/prepayment of our debt facilities. This will help to reduce our outstanding indebtedness, assist us in maintaining a favorable debt-equity ratio and enable us to utilize additional funds from our cash from operations towards investments in our business growth and expansion. In addition, we believe that since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds / capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Expand our digital and technology solution business

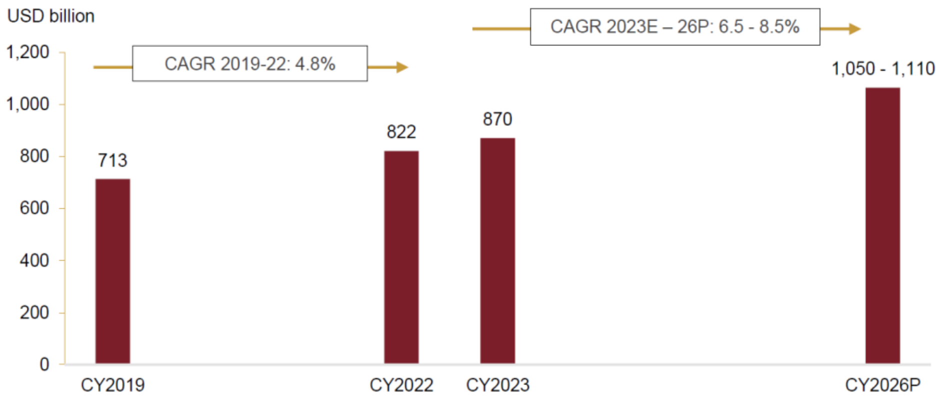
We provide a comprehensive range of IT solutions and services to enterprises, enabling them to undergo seamless digital transformation. Our offerings cover solutions across cloud and cybersecurity, data analytics and artificial intelligence, enterprise SaaS services, and product engineering. In Fiscal 2023 and in the nine months ended December 31, 2023, our segment revenue from digital and technology solution business was ₹ 70 crores and ₹ 220 crores, respectively. Further, as of December 31, 2023, our order book from digital and technology solutions business was ₹ 726 crores.

As of December 31, 2023, we served 25 customers across multiple sectors, including technology, life sciences and healthcare, energy, resources and utilities and manufacturing. Further, by partnering with software vendor partners and leveraging their platforms, we deliver customized solutions to meet our customers' specific needs. As of December 31, 2023, we have a core technology leadership team of more than 45 members. Our core technology leadership team has a collective experience of over 200 years and 22% of the team are women. Further, As of December 31, 2023, we had 931 IT professionals with experience in various industry verticals which enable us to deliver business outcomes for our customers. Our delivery centres are located in Bangalore and Ahmedabad in India and in the United States and United Kingdom. Further, our IT professionals who are responsible for technology and engineering are certified in cloud, data, SaaS and cyber security and are supported by our team of delivery, quality assurance and compliance.

We intend to focus on increasing our existing customer base by attracting new customers across different industries and sustaining customer's annual revenue contributions in subsequent years after acquiring such customers. In addition, going forward, we intend to increase our portfolio in specific industries such as technology, life sciences and healthcare, energy, resources and utilities and manufacturing. Further, we work with global software companies and aim to strengthen our existing alliances by achieving higher-level of certifications and establishing new alliances.

As per the CRISIL Report, the global IT professional service was estimated at USD 870 billion in 2023 and is expected to grow at a CAGR of 6.5% to 8.5% between 2023 to 2026 to reach USD 1,050 to USD 1,110 billion by 2026, driven by factors such as (i) growing use of edge computing and quantum computing, (ii) increasing focus on digital services across sectors, (iii) increasing adoption of IT emerging economies, and (iv) increasing focus on sustainability.

Global IT professional services industry

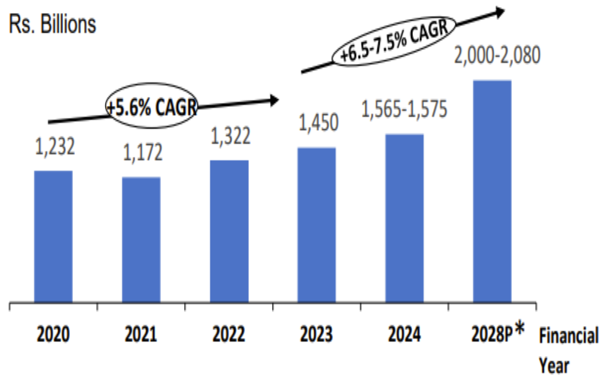


Note: The above values include revenues from project-oriented services, ITO services, IT support and training services, and enterprise cloud computing services segments; Source: Grand View Research, CRISIL MI&A
Source: CRISIL Report

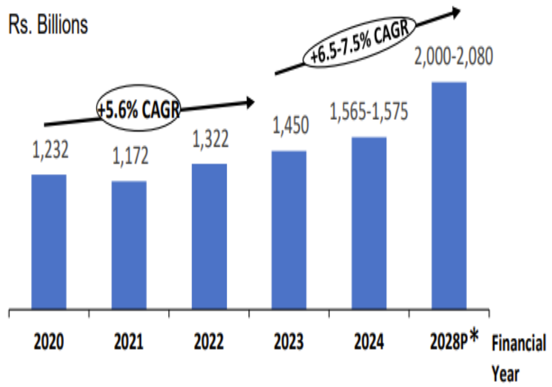
As per the CRISIL Report, the Indian IT services exports industry was estimated at USD 111 billion in Fiscal 2023 and is expected to grow at a CAGR of 6% to 7% between Fiscal 2023 to Fiscal 2028 to reach USD 150 to USD 155 billion by Fiscal 2028, led by cloud services, robotic process automation and AI along with offer differentiation, which is expected to provide an opportunity for Indian IT players to collaborate with product-based companies. Additionally, global capability centers have found increased traction in India, with players setting up digital innovation hubs to experiment with newer technologies. This will further boost IT exports from India.

Also, as per the CRISIL Report, the India's IT services industry was estimated at ₹ 1,450 billion in Fiscal 2023 and is expected to grow at a CAGR of 6.5% to 7.5% to reach ₹ 2000 billion to ₹ 2,080 billion by Fiscal 2028 because of technology and platform upgrades and also the e-governance initiatives of the government. As per NASSCOM estimates, government spending has increased on digitalisation, IT infrastructure improvement and implementation of technology in industries, such as healthcare, manufacturing and agriculture as a part of the Digital India Initiative. Over the Fiscals 2020 to 2024 (budgetary estimates), capital allocation under the Digital India programme has increased by 10.5%.

Indian Export IT Services Industry



Indian IT Services Industry



As the IT industry continues to evolve, we believe we are well-positioned to capitalize on the growing demand for digital solutions with our wide range of IT services, partnerships with global technology companies and a team of experienced professionals.

Expand our global services business by focusing on high margin opportunities in India as well as expansion in the United Kingdom.

We intend to leverage on our expertise and experience in the global services business through a two-pronged approach by growing the scale of our business in our core India market, and at the same time focus on expanding the business in the United Kingdom. We aim to take advantage of the favorable industry dynamics in India and continue to focus on the public and private sectors. We intend to leverage on our strength in executing large scale projects and our previous experience in the BharatNet initiative in Maharashtra, to continue to tap onto robust public spending under the BharatNet initiative and focus on obtaining contracts in the public sector.

As per the CRISIL Report, the Indian optical fibre EPC industry was estimated to be approximately ₹ 73 billion as of Fiscal 2023 and is expected to grow to ₹ 135-140 billion by Fiscal 2028, at a CAGR of 13-14% over the period fiscal 2023-2028. Further, according to the CRISIL Report, below are the demand drivers in India:

- the fibre rollout has picked up pace to support the 5G targets of telecom companies. The telecom operators are also expected to deploy approximately 300,000 kms across the nation and spend ₹ 1,250 billion by Fiscal 2024 and 2025.
- in 2023, the government approved ₹ 1.39 trillion for BharatNet, a project aimed at providing last-mile connectivity across 6,40,000 villages in the country. In February 2024, BSNL brough forth a ₹ 650 billion tender for the BharatNet phase-III.
- capital allocation to Universal Service Obligation Fund ("**USOF**") and Department of Telecommunications ("**DoT**") is expected to drive growth. For Fiscal 2024, ₹ 975.8 billion was allocated to the telecommunication ministry, which is approximately 2% of the overall budget and up 19% year-on-year.

We intend to leverage on our deep presence and experience in India to tap onto the digital network build-outs in the private sector, by increasing the wallet share of our telecommunications company customers as they increase their capital expenditures to roll out more digital network infrastructure. We also intend to continue to develop our long standing relationships with our Tier-1 telecommunications customers and leverage on our experience and expertise to roll out large-scale inter and intra city fibre networks for them. We also seek to continue to engage with large enterprises to establish a strong key account relationship and support their network and security needs.

Through our organic expansion, we entered the United Kingdom systems integration market in 2021 where we were involved in the deployment of FTTx for gigabit-broadband connection for certain cities in the United Kingdom. To complement our organic growth, we acquired Clearcomm Group Ltd in 2021 to enhance our network deployment capabilities and provide us with increased on-the-ground presence and access to new customer relationships. We intend to focus on securing new projects and cash generation in the United Kingdom to generate customer order books and accelerate the execution of such projects particularly in the fibre deployment and managed services.

Our Journey

Year	Particulars
-	Established a facility in Aurangabad to manufacture copper cable
1994	Established a facility at Silvassa to manufacture optical fibre cable
1995	Established a facility at Waluj, Aurangabad to manufacture optical fibre
2001	Established a facility at Rakholi, Silvassa to manufacture optical fibre cables
2010	Formed a joint venture with Jiangsu Tongguang Communications Co., Limited to manufacture optical fibre
2011	Established a facility at Shendra, Aurangabad to manufacture optical fibre
2013	Set up Sterlite Conduspar Industrial Ltda in Brazil through a joint venture with Conduspar Condutores Eletricos Limitada to manufacture optical fibre cables
2015	Established a center of excellence at Aurangabad
2015	Acquired a telecom software product company
2018	Acquired Metallurgica Bresciana S.p.A., a European specialized optical cable manufacturer based in Italy
2018	Established a facility at Shendra, Aurangabad to manufacture optical fibre glass preform
2020	Acquired Optotec S.p.A, a company based in Italy which manufactures optical connectivity products.
2021	Acquisition of Clearcomm Group Ltd to enhance our network deployment capabilities
2021	Established a facility at Waluj, Aurangabad to manufacture optical fibre cable
2023	Established a facility in South Carolina, United States to manufacture optical fibre cable

Our Operational Overview

Our services and products portfolio comprise (i) optical networking products, (ii) global services, and (ii) digital and technology solutions.

Optical Networking Business

Our integrated optical networking business segment offers comprehensive end-to-end optical connectivity solutions across the value chain to our customers with end-to-end capability ranging from optical fibre products, optical connectivity products and post-sales support, enabling our customers to roll out networks in a fast, effective and cost efficient manner. We aim to become a one-stop shop for our customers and our offerings in our optical networking business, which are manufactured in-house by us, cater to a wide range of applications including tower and small cells fiberization, FTTH, data center interconnectivity and long distance networks. For instance, we have a diverse range of optical fibre cables in our catalogue, including ribbon cables, aerial cables, underground cables, FTTx cables, last mile drop cables and specialty cables such as our 'Celesta' cables for data centers, defence, railways and power, which cater to different deployment scenarios, use cases and geographies. In relation to our optical connectivity products, we also offer our customers an end-to-end portfolio including racks, closures, cabinets, patch cords and pigtails, attenuators, connectors and splice protectors which cater to the central office, inside and outside the manufacturing plants as well as the customer premises of telecom operators and cloud companies. Through our solutions-based approach, we have strategically curated the products in our portfolio, which are manufactured in-house by us, to address each stage of our customers' network applications. As of December 31, 2023, we have 1,392 employees in our optical networking business team. The following table sets forth certain financial information with respect to our optical networking business for the years/ periods:

Particulars	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023
Segment Revenue from Optical Networking Business (₹ crores)	3,713	5,439	3,053
Segment Results (EBITDA) (₹ crores)	541	1,045	561
Segment EBITDA Margin (%)(1)	14.57%	19.21%	18.38%

(1)Segment EBITDA Margin is calculated as segment results (EBITDA) divided by segment revenue from optical networking business.

Our Key Products

We possess integration capabilities, which enable us to produce glass preform from pure silicon, optical fibres from glass preform and optical fibre cables from optical fibres. Our three key product offerings in the Optical Networking Business segment include (i) optical fibre, (ii) optical fibre cable and specialty cables and (iii) optical connectivity.

Optical fibre: Optical fibre is a highly pure and transparent strand of glass finer than human hair. We offer suite of ITU-T fibre products from lower bend loss optical fibres, which are suitable for network enabling high network performance and significantly lower installation costs, to bend insensitive fibres such as 250um and 200um bend insensitive single mode fibre and non-zero dispersion shifted single mode fibre (NZDSF), which are suitable for 5G and FTTx solutions. Optical fibres are made of glass preform produced in-house from pure silicon. For further details, see "- *Raw Materials*".

Our core optical fibre products include:

(i) *Multiverse* – it is an optical fibre developed by leveraging space division multiplexing technology to achieve 4X transmission capacity per fibre. It offers high capacity for 5G cell sites, quad-core fibre connectivity in data centers, feasibility for quantum communication, and reduces carbon footprint;
(ii) *160 Micron Fibre* - it offers greater capacity within limited duct space, with a reduced diameter cable, resulting in improved deployment and increased bandwidth capacity;
(iii) *Stellar™ Series* – it is used in sections of data communication network (core, metro and access sections). It helps with minimum splice loss and increased network life;
(iv) *BOW-LITE™ Series* – it is a bend insensitive single mode fibre suitable for FTTx applications and high fibre density cable designs;
(v) *OH-LITE™ Series* – it is offered to accommodate enhanced attenuation, geometry, dispersion and macro-bend loss properties, enabling superior performance in wide application areas like long haul, metro-city, access and CATV networks; and
(vi) *DOF-LITE™ Series* – it is suitable for long haul and metropolitan networks.

Optical fibre Cable: Optical fibre cable is a technology that can bundle a few hundreds or thousands of optical fibres tightly in a plastic casing to be further used for digital communications. We offer customized cable solutions cater to high-bandwidth applications of data centers, global internet companies, internet service providers, telecommunications companies, and citizen network services. We offer an extensive range of cables for different applications and requirements, which include:

(i) *Ribbon Cable* – cable designed for demanding high-growth, high bandwidth communications applications like data centers, equipment connections within cabinets and outside plant applications;
(ii) *Aerial Cable* – cable designed for use in all outside climates and temperatures ranging from -40 to +70°C. It also supports extra loading under ice and wind condition for respective geography;
(iii) *Underground Cable* – cable designed to meet the most demanding environmental requirements for underground installations. We offer products in a wide range of fibre counts, fibre types, and mechanical constructions depending on the specific application. These types of cables consists of cables designed for direct buried or duct occupancy;
(iv) *Micro Duct Blown Cable* – cable designed for air-blowing installation ideal for high-density access networks, FTTx and 5G infrastructure;
(v) *Last Mile Connectivity Cable* – small fibre count cable that designed to serve a neighborhood or small office directly with optical service;
(vi) *IO and Indoor Cable* – cable with jacket extruded from low smoke zero halogen or fire-resistant low smoke suitable for applications such as riser, drop, indoor/outdoor and facades; and
(vii) *Special Application Optical Cable* – fibre cables used for special applications such as our "Celesta" cables for data centers, data transmission in defense, railways and oil an gas that cater to different deployment scenarios, use cases and geographies.

Optical Connectivity Products: As we aim to become a one-stop shop for our customers in our optical networking business, we also offer customized and specialized end-to-end solutions to our customers along with our fibre cables, which cater to the central office, inside and outside plants as well as the customer premises of telecom operators and cloud companies.

Our optical connectivity products are targeted towards specific needs of networks and service providers, to address every stage of our customers' network applications, making it easier to scale up fibre deployment. Our product offerings under optical connectivity include (a) central office, through racks and sub-racks, (b) connectivity through patch cords and pigtails, splitters, breakout cables and attenuators, (c) consumables, such as connectors and splice protectors, and (d) outside plant such as closures, cabinets and accessories. We have a comprehensive portfolio from central office to customer premise systems. Most of these products are suitable for European market today and a program has been initiated to build US compatible portfolio. The main products families are ODF systems, Closures, cabinets, pedestals, boxes, preconnectrised out door terminals and drops, customer premises units.

<u>*Our Manufacturing Facilities*</u>

We conduct our integrated manufacturing operations through 10 manufacturing facilities around the world to produce (a) optical fibres (b) optical fibre cables and specialty cables and (c) optical connectivity products. The graph below shows the locations of our manufacturing facilities:

As of December 31, 2023, our manufacturing facilities have a combined installed capacity of 51.66 million fkm per year for optical fibre production and 43.09 million fkm per year for optical fibre cables production, as certified by an independent chartered engineer, namely Rajesh Patel, pursuant to a certificated dated April 8, 2024. The following table provides certain information regarding our manufacturing facilities as at the date of this Placement Document:

Location	Year of commencement of operations/ Year of acquisition of the manufacturing facility	Main products	Whether the land is owned/ leased
Waluj, Aurangabad, India	1987	Optical Fibre	Leased
Shendra, Aurangabad, India	2010	Optical Fibre	Leased
Rakholi, Silvassa, India	2001	Optical Fibre Cables	Owned
Waluj, Aurangabad, India	2021	Optical Fibre Cable	Leased
Dadra and Nagar Haveli	1999	Copper Cabel and Optical Connectivity Products	Owned
Haimen, Jiangsu, China	2012	Optical Fibre	Leased
Brescia, Italy	2018	Optical Fibre Cables	Leased
São José dos Pinhais Paraná, Brazil	2013	Optical Fibre Cables	Leased
Lugoff, South Carolina, United States	2021	Optical Fibre Cables	Leased
Milano, Italy	2020	Optical Connectivity Products	Leased

Manufacturing Process

We manufacture optical fibre from silicon and are forward integrated for hyper-scale network designs and software-defined networks. We manufacture and offer a wide range of optical fibre products to meet the varied needs of our customers. As we have control over the entire manufacturing cycle through our fully backward integrated capabilities, we are able to adopt a design-to-cost approach to achieve cost efficiencies. We monitor our cost efficiencies by running operational and cost assessments on the entire manufacturing process periodically through certain key performance indicators including FTR, OEE rates and utilization rates of assets. Further, we have endeavoured to embrace Industry 4.0 standards by implementation of fully automated machinery with robotic operations to enhance our manufacturing processes.

Our Optical fibre Manufacturing Process

The optical fibre manufacturing comprises of five main processes, (i) core preform preparation, (ii) core preform drawing into core rod, (iii) clad preform preparation, (iv) clad preform drawing into fibre and (v) fibre quality control, grading and dispatch.

Core Preform Preparation: This process consists of raw material preparation, core soot preform and core soot sintering. The raw materials such as Silica, Germanium Oxide, Chlorine, Hydrogen and Oxygen are of high grade purity. The core is the heart of the optical fibre that governs its performance. It is prepared through a soot deposition process on an alumina rod using silica and germanium. After the soot deposition process, a soot preform is produced which will then go through a sintering process that consolidates the soot into a solid mass of glass to produce a core preform.

Core Preform Drawing into Core Rod: The core preform is loaded on the top of a core preform draw tower which is usually two to three floor tall with drawing or pulling equipment. It consists of an induction furnace at the top. With controlled flow of heat and gases, gravity pulls put seven rods out of each preform in around three hours. A series of testing is then conducted on the core rods including physical checks for bubbles and airline, diameter checks and refractive index checks.

Clad Preform Preparation: The core rods will then undergo soot deposition and sintering processes through which a wholesome glass preform with two layers, the core and the clad, is produced. The glass preform will then go through an internal product quality section where they are checked for diameter variation, particle and bubble counts, bends, unsintered length, interface quality of the core and clad conning process, core clad concentricity and ovality. Finally, coning is done to prepare the preform for the drawing process.

Clad Preform Drawing into fibre: The clad preform is loaded on a high-speed draw tower. The preform is melted with the help of automatic feeding unit and induction furnace. The fibre coming out of the furnace is then colled and acrylic coating is applied on the fibre for strength and flexibility. Thereafter, fibre is passed through various non-contact gauges and UV lamps for controlling the diameter of the fibre and curing of the fibre respectively. Thereafter, the cured fibre is wrapped on the spool.

Fibre Quality Control and Grading: The drawn fibre is subjected to mechanical testing using proof testing, chemical testing by D2 soaking and Hydrogen aging. After deuterium soaking, the geometrical parameter (which includes core diameter, cladding diameter, concentricity error, cladding non circularity and curl) and the optical parameters (such as, mode field, attenuation at 1310 nm, 1383 nm, 1550 nm and 1625 nm, cut-off wavelength, zero dispersion wavelength, zero dispersion slope and PMD) are tested.

Dispatch: Both colored and non-colored fibres are wrapped in bobbins of 25Km and 50Km length. After quality checks, they are dispatched to customers in specific box sizes.

<u>Our Optical Fibre Cable Manufacturing Process</u>

The optical fibre cable manufacturing comprises of five main processes before dispatch to customers: (i) Coloring, (ii) Ribboning, (iii) Buffering, (iv) Stranding and (v) Sheathing. Before these processes are taken place, we also conduct incoming good inspection ("**IGI**") on fibre and raw materials.

Incoming Good Inspection: This process is performed to ensure that all incoming materials are inspected and tested, and only those which conform to the requirements as per raw material specification ("**RMS**") sheet are accepted for regular production of optical fibre cable. The first step is to verify the goods receipt notes ("**GRN**") for its contents, description and source of supply and test certificate. This is done by the IGI responsible person who collect the sample from store as per sampling plan, visually inspect its packing condition, and collect test certificate. The received GRN materials are then tested as per the quality plan or IGI test plan against the RMS of the respective materials and the tested parameter values are recorded in our SAP system. After IGI completion approved materials will be pasted with "Approve" stickers and the rejected materials will be pasted with "Rejected" stickers by store person. If any testing procedure requires long time to complete, or for materials which are under outside testing laboratory or decision of which is pending due to some uncertain issues, "Under test" stickers will be pasted to alter the user that it is still under IGI process and is not ready for use.

Coloring: At this stage, natural optical fibres are color coded for the identification of individual fibre in the cable during testing and installation. Acrylate based coloring inks are applied and are on-line cured with high intensity UV lamps under inert atmosphere like Nitrogen Gas is performed.

Ribboning: At this stage, individual colored optical fibres are placed in an array and coated with a thin tape or frim of acrylate. There are two types of ribbon, 8F and 12F, which are manufactured using the colored fibres.

Buffering: At this stage, colored optical fibres "floats" within a rugged, abrasion resistant oversized tube which filled with non-hygroscopic gel (wet) or water swellable yarns (dry). This design prevents the fibres from damaging under harsh environment like mechanical stresses and temperature variations. The minimum inner tube diameter is limited by the number and sizes of the buffered fibres. Different tube materials are used for jelly filled cable designs. Important tube material parameters are the mechanical and thermal strength, the (process) shrinkage behavior in order to meet excess fibre length (EFL) and the tube surface structure. Encapsulation of optical fibres in polymeric tubes having water blocking material is performed to protect fibre from external mechanical stresses, to identification of particular fibre during installation and connections.

Stranding: The loose tubes are stranded around the central strength element with key elements including central strength member (CSM) required for giving tensile, loose tubes, which is a bunch of tubes having fibre and count as per customer requirement, as well as binder which is required for binding the loose tubes around CSM. This process is to provide high tensile strength to the cable, achieve better flexibility, improved EFL and provide mid span access.

Sheathing: At this stage, the aim is to cover the optical fibre core to safeguard it for mechanical, thermal and chemical effects associated with storage, installation and operation. The cable core is usually covered by thermoplastic jacket like polyethylene to provide an electrical ground and moisture barrier. Sheathing also uses one corrugated steel tape either over the core itself or between inner and outer sheath to provide further mechanical, rodent and vermin protection. The sheath is usually printed at regular intervals in order to identify the customer, type of cable and year of manufacture.

Final Quality Testing: The cables are tested according to the standards based factory testing to ensure they meet all the optical physical parameters. In process testing are performed on each cable while being fabricated and also that rolls off the final manufacturing line. These tests are helpful for internal quality control and process feedback. Every fibre in every cable is measured for both optical loss and point discontinuities. The tabulated optical loss measurements are packaged and shipped with the finished cables. This data is useful for comparison with final acceptance measurements to ensure that no cable damage has occurred during shipping or installation processes. In addition, reliability tests are also performed to ensure that the cables will function properly under a range of adverse mechanical and environmental conditions and not just when the final system tests are performed. These tests are conducted in accordance with standard industry evaluation procedures or individual customer specifications, normally performed in any new design or cable type or at the beginning of any new contract. These tests include optical tests on cabled fibre attenuation, mechanical tests on optical fibre tensile, crush, impact, torsion, bending and flexing, and environmental test on temperature cycling and aging.

Pre-Dispatch Inspection (PDI) and Dispatch: In the pre-dispatch stage, the aim is to ensure the quality management process is done and reassure that the items have been manufactured as per the customer and contract requirements. After the cables passed the PDI process, the cables are painted, packed and shipped upon the receipt of material dispatch clearance certificate issued by the customer. PDI can also be performed at different stages of manufacture checking the total amount of goods and packing, controlling the quality or consistency of goods, checking of documentation and verifying compliance with the standards of the destination country. The inspecting officer issues the dispatch clearance after PDI and the dispatch report along with the dispatch documents are enclosed with the consignment.

Quality Control

As our products and the key materials used to manufacture optical fibre cables are manufactured in-house by us, we are able to maintain a stringent and consistent standard of quality control across our product offerings. We have implemented a comprehensive quality management program at each of our manufacturing facilities and adhere to a strict quality control system over our entire production process, from selection of raw materials, production, packaging, inspection of final products, inventory storage and distribution and sales. For further details on our quality control measures implemented in our optical fibre and optical fibre cable manufacturing, see "*– Our Optical Fibre Manufacturing Process*" and "*– Our Optical Fibre Cable Manufacturing Process*".

Our quality management system and measures enable us to meet the stringent quality standards of our products which are imported into different markets. Throughout the production process and just before the final products are dispatched, our products pass through various testing, including technical testing conducted at our lab and environmental testing, as well as quality control inspections. We also perform long time testing of the fibre to understand the effect of wear and tear post fibre dispatch to the customers, including dynamic fatigue test, torsion and bend test, thermal shock test and colour aging tests on the fibre samples. Also, any kinds of customer complaints is duly dealt with involving recalling and testing of the particular fibre sample. We use production control plans for each of our manufacturing facilities which are based on the ISO 9001 quality management system framework. Some of our manufacturing facilities have been awarded the ISO 9001:2015 (quality management systems) and/or TL 9000:2016 (telecommunications section-specific extension to ISO 9001:2015 (quality management systems)).

In addition, our optical fibre and optical fibre cable such as "Intelligently Bonded Ribbon Lite Optical Fibre Cable", "G.652.D/G.657.A1 OH-LITE NOVA 250 Micron Coated Optical Fibers with DSM coating", "Hardened Fiber Optic Connectors (OPTO-BOLT) and Hardened Fiber Optic Adapters", "864-Fiber Ribbon MLT Duct Lite Gel Free Optical Fiber Cable", "Stellar 250 Fiber ITU-T G.657.A2 250 Micron Coated Optical Fibers with DSM Coating" and "864-Fiber Ribbon MLT Duct Lite Gel Free Optical Fiber Cable", have awarded the Telcordia certification, which is a testament to our stringent quality standards.

Raw Materials

Our key raw materials include silicon, glass preform, industrial gases, copper, polymers, resins, silicon tetrachloride, germanium tetrachloride. In Fiscal 2021, 2022 and 2023 and the nine months ended December 31, 2022 and 2023, our cost of raw material and components consumed was ₹ 2,534 crores, ₹ 3,089 crores, ₹ 3,164 crores, ₹ 2,350 crores and ₹ 1,932 crores respectively, constituting 52.52%, 56.81%, 45.69%, 46.50% and 44.54% of our revenue from operations, respectively.

Global Services Business

Our global services business comprises three main service offerings, namely (a) fibre deployment, (b) system integration, and (c) managed services. As of December 31, 2023, we have 591 employees under our global service business. We have received the CMMI Level 5 accreditation for process quality standards for operations in India.

- *Fibre Deployment:* Our deployment services include large-scale fibre design, rollout and delpolyment for FTTx, intercity, intracity, DC, long-haul core networks and hyperscale networks.

- *System integration:* As part of our system integration services, we offer the following:

  - *Network services:* We provide end-to-end hyper converged network integration solution. Our network services include building, monitoring, management, and security for the entire network.

  - *Data centre services:* We provide fully tailored colocation solutions for transforming white spaces into functional and optimal data centre. We offer a range of services including data center design and buildout, data centre connectivity, ICT and power infrastructure, and hosting and virtualized infrastructure.

  - *Cloud services:* Our cloud services cover cloud consulting, cloud implementation and engineering services, cloud infrastructure as a service (IaaS) and platform as a service (PaaS), as well as cloud operation and support services.

  - *Security services:* We provide services to secure critical infrastructure with perimeter security including Fiber Optic Sensing ("**FOS**"), Radar, Access Control Systems ("**ACS**") and Integrated Command and Control Center ("**ICCC**"). Our services cover cybersecurity consulting, architecture and engineering, audit and compliance, and operation and management.

- *Managed Services:* We offer a range of services including fibre managed services, managed network services, managed data centre and IT infrastructure services, cloud managed services, managed security services, and managed end user support services.

The following table sets forth certain financial information with respect to our global services business for the years/ periods indicated:

Particulars	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023
Segment Revenue from Global Services Business (₹ crores)	1,844	1,511	1,133
Segment Results (EBITDA) (₹ crores)	156	47	71
Segment EBITDA Margin (%)(1)	8.46%	3.11%	6.27%

(1)*Segment EBITDA Margin is calculated as segment results (EBITDA) divided by segment revenue from global services business.*

Digital and technology Solutions: Our offerings cover a wide range of solutions in cloud and cybersecurity, data analytics and artificial intelligence, enterprise SaaS services, and product engineering.

- *Cloud and cybersecurity services*: Our cloud offerings encompass a wide range of services, including consulting, infrastructure modernization, application transformation, API empowerment, cloud security, and cloud FinOps. These offerings aim to empower enterprises to unlock the full potential of their cloud journey, achieve optimal business results, build resilience, and drive transformation and innovation. Further, our cybersecurity services include a range of offerings such as managed security services, managed detection and response, advanced threat management, identity and access management, enterprise vulnerability management, data privacy and protection, and cloud security. These services are designed to provide to safeguard digital landscapes and ensure compliance and privacy.

- *Data analytics and artificial intelligence*: We offer comprehensive data analytics and AI services that include consulting, application services, operations, analytics CoE, competency support, and partner power. These services encompass strategy, architecture, design, integration, reporting, visualization, data science, support, optimization, training, and collaboration. With our solutions such as AInnov and other sustainability and AI based solutions, we intend to assist enterprises in leveraging data and analytics to drive digital transformation and achieve operational excellence.

- *Enterprise SaaS solution*s: Our offerings include (i) enterprise resource planning solutions for businesses to manage their core business processes such as finance, supply chain, and human resources; (ii) supply chain management solutions to enable businesses to optimize their supply chain operations including inventory management, demand planning, order fulfillment, and logistics management; (iii) customer relationship management solutions to help businesses manage their customer relationships effectively and streamline their sales, marketing, and customer service processes; and (iv) human capital management solutions to help businesses manage their human resources effectively and these solutions cover various aspects of HR management, including employee onboarding, payroll, performance management, and talent development; and (v) contract lifecycle management solutions to help businesses manage and streamline their contract processes and these solutions cover contract authoring, negotiation, and tracking, ensuring compliance and minimizing risks.

- *Product engineering*: We offer a range of product engineering services including product lifecycle management, digital experience design, product management, product development and software engineering, embedded cyber security, automation AI and ML, and consulting and advisory services.

The following table sets forth certain financial information with respect to our digital and technology solution business for the years/ periods indicated:

Particulars	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023
Segment Revenue from digital and technology solution business (₹ crores)	6	70	220
Segment Results (EBITDA) (₹ crores)	(6)	(124)	(66)

Marketing, Sales and Distribution

Our marketing force is structured into three functional areas: (i) brand and digital, driving overall brand and our digital presence across the internet and social media; (ii) communications, driving messaging and strategic communication across audience groups such as media, investors, customers, talent and employees; and (iii) portfolio marketing, driving marketing efforts for the three business units and regional markets.

In developing our marketing strategy, we focus on driving specific outcomes from two groups of audience, core and halo. Our core audience is direct audience including customers, investors, employees, talent and partners. Our halo audience is an indirect audience including media, analysts, policymakers and tech influencers. For the core audience group, marketing is driving bottom-of-the-funnel outcomes such as purchase or deal winnability and customer loyalty. For the halo audience group, marketing is driving top-of-the-funnel and middle-of-the-funnel outcomes such as awareness, familiarity liking, respect and consideration. As of December 31, 2023, our in-house marketing team consists of 17 employees located in India.

Further, we have developed an extensive worldwide distribution network across countries through our independent third party distribution centres across our main markets, including the United States, United Kingdom, France and UAE. These third-party distribution centres are warehouse spaces owned by individual third parties and we have entered into contractual agreements with them for stocking and delivery services to ensure quick turnaround of orders overseas. As of December 31, 2023, we have sales presence, either through our employees or offices, in countries including UAE, United Kingdom, Australia, Malaysia, Côte d'Ivoire, Germany, Sweden, Mexico, the United States, France, Canada, Columbia and Saudi Arabia.

Research and Development

Our dedication to research, development and innovation are essential factors which contribute to our growth and success. Our established track record and operating experience of over 25 years, particularly in the optical networking business, have enabled us to gain a deep understanding of market trends and customer preferences which allow us to continue to develop innovative products and solutions catering to existing markets, as well as differentiated solutions to attract new customers and capture new customer demand from our existing customer base. In Fiscal 2023, our research and development expenses was ₹ 41 crores. Further, as of December 31, 2023, we had three innovation centers, including (i) Aurangabad, (ii) Rakholi, Silvassa, and (iii) Dadra, Silvassa. The main activities of our R&D team include product development, re-engineering, and material exploration for cost and functionality enhancements.

As of December 31, 2023, our R&D team had more than 112 qualified engineers. Through our extensive R&D efforts, we have developed optical fibre and optical fibre cable products, including:

- 'Stellar' optical fibre in 2019, which is a bend-insensitive fibre with backward compatibility with legacy networks;
- 'Multiverse' optical fibre in 2022 by leveraging space division multiplexing technology to achieve 4X transmission capacity per fibre;
- 1F Drop Cable in 2023 which is a solution for aerial deployment;
- 160 micron fibre in 2024 which offers it offers 3X capacity enhancement in data capacity;
- 144 I/O optical fibre cable in 2024 which is "Euroclass B2ca - CPR certified" and "LUL" certified; and
- CBT round cable optical interconnect in 2024 to ensure there is no preferential bending during installation.

Our Customers

Our customers are located in key markets such as Europe, North America and India, and are primarily from four main segments, namely (i) telecommunications companies, (ii) large enterprises/defense, which include defense and private enterprises other than telecommunications companies, citizen networks and cloud companies, (iii) citizen networks and (iv) cloud companies.

We have also secured multi-million dollar engagement with our key customers across the globe. The table below sets forth details of our revenue from operations in terms of percentage from different geographies for the years/ periods indicated:

Geographies	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023
America	3.92%	13.00%	37.69%	23.74%
Europe Middle East and Africa	36.14%	40.90%	35.05%	39.01%
India	57.86%	42.25%	25.52%	35.47%
Rest of the World	2.08%	3.85%	1.74%	1.78%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Human Resources

As of December 31, 2023, we had 3,079 employees and 2,598 contract labourers. The following table sets a break-up of our employees by function:

Departments	Number of Employees
Administration	16
Automation (Global Service Business)	11
CEO’s Office	1
CFO	10
Commercial	47
Contract Management	3
Corporate Affairs	4
Corporate Strategy	6
CTO and Service Lines	26
Design and Planning	4
Digital Product Services	13
Digital Products	9
Environment Health and Safety	13
ESG	7
Finance	123
General Management	23
Government Affairs	2
Human Resource	83
Information Systems and Technologies	4
IT Services	828
Marketing	7
Marketing & Communication	17
Neox Sales	6
Network Deployment	3
Operations	946
Programme Management Office	45
Project Execution	5
Projects	290
Quality	138
Research and Development	112
Sales	97
Security	5
Strategy and Operations	9
Supply Chain Management	132
Technology Solutions	24
Transformation	10
Total	**3,079**

Competition

We face competition in global cable production. Our key competitors include YOFC, FiberHome, Prysmain Group, Hengtong, Futong, Corning, Furukawa, ZTT and Tongding Group. (*Source: CRU*) We compete primarily on the basis of reliability of service provision, pricing, quality of customer experience, our ability to attract, engage and retain our customer base, product quality and selection, and brand recognition and reputation. We believe that we are well-positioned to effectively compete on the basis of the factors listed above in our target markets. However, our competitors may have access to different regions, stronger infrastructure, greater financial, technical or marketing resources than we do.

Properties

Our registered office, located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411 001, India, is leased by us. Further, a majority of our manufacturing facilities are on parcels of lands that are held by us on a leasehold basis. We manufacture our products in the optical networking business primarily through 10 manufacturing facilities which are located in India, Italy, Brazil, the United States and China. For more information regarding manufacturing facilities, see "*Our Operational Overview – Optical Networking Business – Our Manufacturing facilities*" on page 186. In addition, we have two software development centres in India. Premises on which our other offices are located are either owned by us, or held either on a leasehold or leave and license basis.

Also, see "*Risk Factors - We do not own all the land on which we operate our manufacturing facilities and registered and corporate office, and other offices. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial conditions and operations.*" on page 55.

Intellectual Property

We own multiple patents and patent applications that cover aspects of the technology in fibre optic technology that we currently manufacture and market. We continue to file for and receive new patent rights on a regular basis. We assess appropriate opportunities for patent protection of those aspects of our technology, designs, methodologies and processes that we believe provide significant competitive advantages to us, and for licensing opportunities of new technologies relevant to our business. As of December 31, 2023, we held 217 patents and we have also submitted 464 patent applications which are currently pending.

Also, see "*Risk Factors - Our business may be adversely affected if we are unsuccessful in obtaining new patents for our products to differentiate us from our competitors.*" on page 57.

Insurance

We maintain insurance policies that we believe mitigate key risks for companies operating in our industry. As of the date of this Placement Document, our key insurance coverage include, among others, directors' and officers' liability insurance, industry all risk, commercial general liability, marine policy, money insurance and cyber insurance. Our insurance policies may not be sufficient to cover our economic loss.

For details, see "*Risk Factors – Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.*" on page 59.

Awards

Our products and services have received several leading awards over the past years. The table below contains a selection of the awards which we have received, based on different types of awards and the period indicated.

S. No.	Award
1.	SAP® APJ Award for Partner Excellence 2024 for Top New Cloud Partnership in 2024
2.	HSE Award at the Global Safety Summit in 2023
3.	Exceptional Employee Experience - Large Enterprises Award in 2023
4.	Winner – Risk Governance at the Digital Transformance Summit and Awards 2023
5.	"Outstanding Cross-Functional Collaboration" winner at the 8th Annual ISM – India Conference and CPO Awards 2023
6.	'Excellence in Use of Technology' winner at the 8th Annual ISM – India Conference and CPO Awards 2023
7.	'Excellence in Risk Mitigation' winner at the 8th Annual ISM – India Conference and CPO Awards 2023
8.	"Outstanding Procurement Future Leader" winner at the 8th Annual ISM – India Conference and CPO Awards 2023
9.	'Excellence in People Development' award at the 8th Annual ISM – India Conference and CPO Awards 2023
10.	Gold at the prestigious League of American Communications Professionals (LACP) Spotlight Award in 2023
11.	Economic Times Datacon Award in 2023
12.	MSI Partner of the Year FY22 at the Cisco India & SAARC Partner Confluence 2023
13.	"Effective Delivery Strategy" award at the Digital Transformance summit and award 2022 conducted by Transformance, Mumbai
14.	"Best Practice in Digital Transformation 2022" at the DX Awards 2022 by Confederation of Indian Industry
15.	Golden Peacock National Quality Award under the Telecom category in 2023
16.	Gold Winner at the Global Sustainability Award 2022 and Platinum Winner at the Global WasteMet Award 2022 by the Energy and Environment Foundation
17.	Employee Experience Award 2023
18.	Tata Innovista Award for our product "Stellar Fibre" in 2022, Cabling Innovators Award for our products "Optotec Compact Optical Ribbon Closure" and "Celesta Intelligently Bonded Ribbon Optical Fibre Cable" in 2022
19.	Gold Award 2022 at the 4th ICC Occupational Health and Safety Awards by Indian Chamber of Commerce in 2022
20.	"Excellence in the Corporate Social Responsibility" category at the CII – ITC Sustainability Awards 2020
21.	OSS/BSS Transformation Excellence award at the Global Telecoms (GLOTEL)

Environmental, Social and Governance ("ESG") and Corporate Social Responsibility ("CSR") Initiatives

Our mission is to be a "responsible leader in ensuring a connected and inclusive world." Therefore, we recognize the importance of ESG in our business and our responsibility extends across our entire value chain, incorporating how we source our raw materials, how we design our products using eco-friendly material, ensuring our partners adhere to ESG practices we abide by, waste management, minimizing 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.

Further, upholding strong business ethics and implementing the highest standards of corporate governance are integral parts of our philosophy, thus we strive to maintain strong corporate governance policies, practices and procedures across all value chain of our operations.

Our ESG processes are governed by a Quality, Environmental, Health and Safety policy, and each of the areas are also monitored through an ISO 14001 certified Environmental Management System. This helps us maintain high environment and safety standards across our facilities as well as identify gaps and proactively mitigate them through appropriate action.

Through our extensive ESG efforts, we were awarded more than 50 ESG awards from Fiscal 2021 to Fiscal 2023, including the "APAC Winner – Zero Waste to Landfill" award by the DuPont Safety & Sustainability Awards and also, in Fiscal 2020, we received the " Winner – Most Socially Responsible Company" award by Brand India Awards.

Our core ESG initiatives are set out as follows.

Aiming at 100% Sustainable Sourcing

In 2020, we have implemented a 10-year framework to achieve 100% sustainable sourcing by 2030, focusing on sustainable consumption and production, development and capability building as well as collaboration with suppliers and other partners across the value chain. From Fiscal 2021 to Fiscal 2023, we had more than 110,000 metric tonne of waste diverted from landfills. From Fiscal 2021 to Fiscal 2023, we also had more than 24,000 tonnes of Co2 emissions reduced through energy efficiency initiatives.

Over the last few years, we have been working to create a healthy mix of local and global suppliers in order to build a sustainable supply chain. Locally, we prioritize partnering with suppliers in and around our operations, which helps us reduce our environmental footprint while simultaneously upskilling local talent and minority community. In Fiscal 2023, we procured 43% of our raw materials in terms of value from MSMEs. Further, we collaborate with Hygenco Green Energies Private Limited for the supply of green hydrogen.

Designing and Delivering Eco-Friendly Products

We ensure our products and services to be eco-friendly by conducting lifecycle assessments for product families, which helps us identify areas where either energy optimization or material replacement is required to reduce the product's eco-footprint. Further, our eco-label methodology report was verified externally to be in compliance with the applicable ISO standards.

Aiming at Water Positivity Globally

Since water scarcity is a global issue, water management features as an extremely high priority area on our materiality matrix. We harvest rainwater during the monsoon which helps save water as well as prevent wastage due to run-off. During from Fiscal 2021 to Fiscal 2023, water recycled and reused was more than 460,000 m^3.

Committed to Zero Emissions

We endeavor to reduce our carbon footprint and achieve net- zero emissions by 2030.

Currently, all of our manufacturing facilities in India are certified as Zero Waste to Landfill by Intertek, a United States quality assurance provider, and we aim to have all of our manufacturing facilities globally certified by 2030. Further, all of our manufacturing facilities in India are zero liquid discharge certified by Deutsch Quality Systems.

From a social perspective, we seek to transform five million of lives by 2025 through various social initiatives. We also consider the UN Sustainable Development Goals ("**SDGs**") as interrelated. We have been able to integrate our operations and CSR programs with 16 out of 17 of the UN SGDs.

Our key CSR initiatives are set out as follows.

Women Empowerment

We have set up the Jeewan Jyoti Women Empowerment Program in 2014 in Ambavane, Velhe, Maharashtra to support women by providing guidance on personality development and carrier growth that helps them emerge more confident of their abilities and potential with a clear direction on the way forward. We have also set up production unit at Velhe in Fiscal 2020 to provide women with training on advanced handicrafts as well as quality, supply chain management, packaging and other processes.

Education

We have designed an agile program that not only focus on providing quality state-board-aligned online education in vernacular languages, but also ensure 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 program augments the New Education Policy through STEM labs, digital learning, content and two times learning improvements.

Through our education technology and women empowerment programs, we are able to benefit more than 200,000 women from Fiscal 2021 to Fiscal 2023.

Healthcare

We set up a mobile medical unit in Silvassa and initiated an AI-telehealth-onsite healthcare program at Aurangabad, Gadchiroli (Maharashtra) and Nandurbar. Through our healthcare programmes, we are able to benefit more than 24,00,000 lives from Fiscal 2021 to Fiscal 2023.

Governance

We focus around ensuring transparency through adherence to industry standards, disclosures and reporting. We also engaged two of the "big four" accounting firms as statutory and internal auditors. Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Sustainability and Corporate Social Responsibility Committee. For more details of our statutory committees, see "*Board of Directors and Senior Management - Committees of our Board of Directors*" on page 202.

We have 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.

ORGANIZATIONAL STRUCTURE

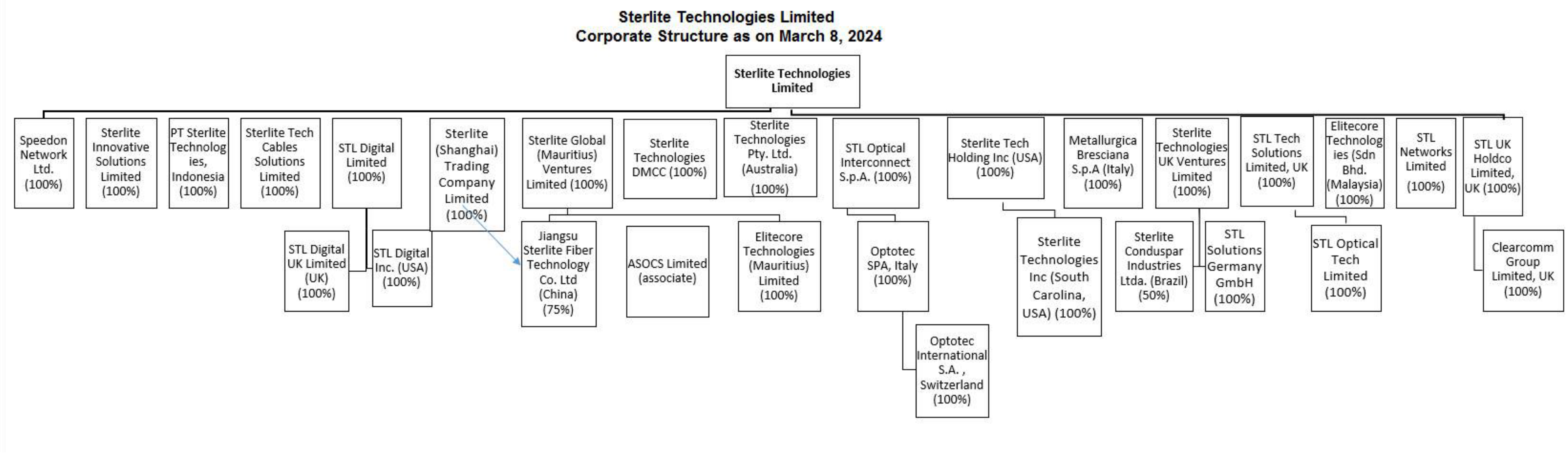
Corporate History

Our Company was incorporated as "*Sterlite Telecom Systems Limited*" under the Companies Act, 1956 at Mumbai, pursuant to a certificate of incorporation dated March 24, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai and a certificate of commencement of business dated March 31, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, the name of our Company was changed to "*Sterlite Optical Technologies Limited*" and consequently, a fresh certificate of incorporation dated August 21, 2000 was issued by the Registrar of Companies, Maharashtra at Mumbai. Further, the name of our Company was changed to "*Sterlite Technologies Limited*", and a fresh certificate of incorporation dated August 25, 2007 was issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, by way of certificate dated July 6, 2021 from the RoC, our Company now falls within the jurisdiction of the RoC, pursuant to the change in the registered office of our Company from Mumbai to Pune.

The CIN of our Company is L31300PN2000PLC202408. Our Registered Office is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune 411 001, Maharashtra, India and our Corporate Office is located at Equinox Business Park, Unit 1&2, Ground Floor, Tower 4, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India.

Organizational Structure

As of the date of this Placement Document, our Company has 27 Subsidiaries and one joint venture. For further details, see “***Definitions and Abbreviations***” and “***Financial Information***” on pages 16 and 259, respectively.



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and not more than 15 Directors. As on the date of this Placement Document present, our Company has eight Directors on its Board, comprising of three Whole-time Directors, one Non-Independent Non-Executive Director and four Independent Directors, inclusive of one woman Independent Director.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Name, DIN, Term, Period of Directorship, Address, Occupation and Nationality	Age (in years)	Designation
Anil Agarwal **DIN:** 00010883 **Term:** Liable to retire by rotation **Period of directorship:** Director since October 30, 2006 **Address:** Flat 2, 42, Hill Street, London W1J 5NU **Occupation:** Industrialist **Nationality**: Indian	71	Chairman and Non-Executive Non-Independent Director
Pravin Agarwal **DIN:** 00022096 **Term:** Five years with effect from October 30, 2020 **Period of directorship:** Director since October 30, 2006 **Address:** 117, North Main Road, Lane No. 4, Koregaon Park, Pune City, Pune 411 001, Maharashtra **Occupation:** Service **Nationality**: Indian	69	Vice Chairman and Whole-time Director
Sandip Das **DIN:** 00116303 **Term:** Two years with effect from October 16, 2022 **Period of directorship:** Director since October 16, 2017 **Address:** 909 A, the Magnolias, DLF Golf Links, DLF Phase 5, Galleria DLF-IV, Gurugram 122 009, Haryana **Occupation:** Professional **Nationality**: Indian	66	Independent Director
Kumud Srinivasan **DIN:** 06487248 **Term:** Two years with effect from May 22, 2023 **Period of directorship:** Director since May 22, 2018 **Address:** 785 E Windmere Drive, Phoenix, AZ 85048	64	Independent Director

Name, DIN, Term, Period of Directorship, Address, Occupation and Nationality	Age (in years)	Designation
Occupation: Professional **Nationality**: Foreign		
Subramanian Madhavan **DIN:** 06451889 **Term:** Five years with effect from January 20, 2021 **Period of directorship:** Director since January 20, 2021 **Address:** D-1063, First Floor, New Friends Colony, Delhi 110 025, New Delhi **Occupation:** Professional **Nationality**: Indian	67	Independent Director
Bangalore Jayaram Arun **DIN:** 02497125 **Term:** Five years with effect from January 20, 2021 **Period of directorship:** Director since January 20, 2021 **Address:** No 202, Purva Grande, 49, Lavelle Road, Bangalore North, Bangalore 560 001, Karnataka **Occupation:** Professional **Nationality**: American	61	Independent Director
Ankit Agarwal **DIN:** 03344202 **Term:** Five years with effect from October 8, 2021 **Period of directorship:** Director since January 20, 2021 **Address:** 117, North Main Road, Lane No 4, Koregaon Park, Pune 411 001, Maharashtra **Occupation:** Service **Nationality**: Indian	40	Managing Director
Venkatesh Murthy **DIN:** 08567907 **Term:** Five years with effect from August 11, 2023 **Period of directorship:** Director since August 11, 2023 **Address:** C-301, Gurdev Complex, Phase-3 Sayli Road, Silvassa 396 230, Dadra & Nagar Haveli, India **Occupation:** Service **Nationality:** Indian	51	Whole-time Director

Relationship with other Directors

Except for Anil Agarwal and Pravin Agarwal who are brothers, and Ankit Agarwal who is the son of Pravin Agarwal, none of our Directors are related to each other.

Borrowing powers of our Board

Our Board has resolved by way of resolution dated April 30, 2014 and our shareholders have approved by way of a special resolution dated November 26, 2021, that our Board is authorised to borrow up to ₹3,000 crores, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans and working capital facilities obtained from the Company's bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves.

Interest of the Directors

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and respective appointment letters. The Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered. Our Directors may also be interested to the extent of Equity Shares held by them or stock options granted to them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

The following table sets forth the shareholding of the Directors in our Company as on the date of this Placement Document:

Name	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Pravin Agarwal	50,000	0.01
Ankit Agarwal	8,38,676	0.21
Venkatesh Murthy	58,461	0.02
Subramanian Madhavan*	3,000	*Negligible*
Total	**9,50,137**	**0.23**

* *Includes Equity Shares held by way of a HUF.*

Terms of Appointment of Executive Director

S. No.	Name	Particulars
1.	**Pravin Agarwal**	(i) Period of appointment: Appointed as Whole-time Director with effect from October 30, 2020 for a period of five years, i.e., October 29, 2025. (ii) Salary and personal allowance: Basic salary and personal allowance payable shall be subject to a maximum limit of ₹ 15 crores per annum, as may be determined by the Board from time to time. (iii) Perquisites: In addition to salary and personal allowance, he will be entitled to perquisites including house rent allowance (or Company owned/leased accommodation in lieu thereof as per Company's rules), medical reimbursement, bonus, credit card and annual club membership fees, medical/accident insurance, servants, other benefits as per the rules of the Company and such perquisites as may be recommended by the Nomination and Remuneration Committee and approved by the Board from time to time. (iv) Reimbursement of expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trip(s), provision for car for use on the Company's business, telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites. (v) He is entitled to a performance-based incentive as may be recommended by the Nomination and Remuneration Committee and approved by the Board every financial year. (vi) Company's contribution to provident fund, superannuation or annuity fund, gratuity and encashment of leave as per the rules of the Company shall be in addition to the remuneration mentioned above.
2.	**Ankit Agarwal**	(i) Period of appointment: Appointed as Managing Director with effect from October 8, 2021 for a period of five years i.e., till October 7, 2026. (ii) Salary and personal allowance: basic salary and personal allowance payable to him shall be subject to a maximum limit of ₹ 10 crores per annum, as may be determined by the Board from time to time.

S. No.	Name	Particulars	
		(iii)	Perquisites: In addition to salary and personal allowance, he will be entitled to perquisites, including house rent allowance (or Company owned/leased accommodation in lieu thereof as per Company's rules), medical reimbursement, bonus, credit card and annual club membership fees, medical/accident insurance, servants, other benefits as per the rules of the Company and such perquisites as may be recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.
		(iv)	Reimbursement of expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trip(s), provision for car for use on the Company's business, telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.
		(v)	He is entitled to a performance-based incentive as may be recommended by the Nomination and Remuneration Committee and approved by the Board every financial year.
		(vi)	Company's contribution to provident fund, superannuation or annuity fund, gratuity and encashment of leave as per the rules of the Company shall be in addition to the remuneration mentioned above.
3.	**Venkatesh Murthy**	(i)	Period of appointment: Appointed as a Whole-time Director with effect from August 11, 2023 for a period of five years i.e., till August 10, 2028.
		(ii)	Salary and personal allowance: basic salary and personal allowance payable to him shall be subject to a maximum limit of ₹ 3 crores per annum, as may be determined by the Board from time to time.
		(iii)	Perquisites: In addition to salary and personal allowance, he will be entitled to perquisites, including house rent allowance (or Company owned/leased accommodation in lieu thereof as per Company's rules), medical reimbursement, bonus, credit card and medical/accident insurance as per the rules of the Company and such perquisites as may be recommended by the Nomination and Remuneration Committee and approved by our Board from time to time.
		(iv)	Reimbursement of expenses incurred for travelling, boarding and lodging during business trip(s) shall be reimbursed and not considered as perquisites.
		(v)	He is entitled to a performance-based incentive as may be recommended by the Nomination and Remuneration Committee and approved by our Board every financial year.
		(vi)	Company's contribution to provident fund, superannuation or annuity fund, gratuity and encashment of leave as per the rules of the Company shall be in addition to the remuneration mentioned above.

Compensation of the Executive Director(s)

The following table sets forth the details of remuneration paid by our Company to the executive directors of our Company during the relevant period for the Fiscals 2024, 2023 and 2022:

(in ₹ crores)

S. No.	Name of Director	Remuneration for the Fiscal 2024	Remuneration for the Fiscal 2023	Remuneration for the Fiscal 2022
1.	Pravin Agarwal	8.37	8.17	10.17
2.	Ankit Agarwal	4.18	3.94	3.72
3.	Venkatesh Murthy[#]	1.58	NA	NA

[#] *Appointed as Whole-time Director with effect from August 11, 2023.*

Compensation of the Non-executive Directors

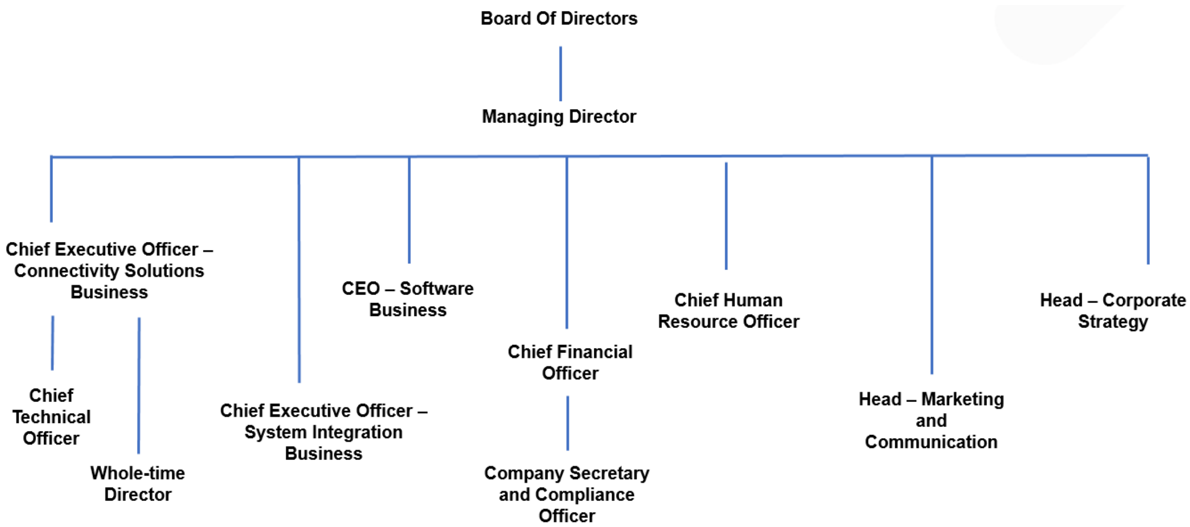
Each Independent Director is entitled to receive sitting fees of ₹ 75,000 per meeting for attending each meeting of our Board and ₹ 40,000 per meeting for attending other committee meetings of our Board.

The following table sets forth the compensation paid by our Company to the Non-Executive Directors of our Company during the relevant period for Fiscals 2024, 2023 and 2022:

(in ₹ crores)

S. No.	Name of Director	Remuneration (including sitting fees)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Sandip Das	0.44	0.46	0.45
2.	Kumud Srinivasan	0.45	0.47	0.41
3.	Bangalore Jayaram Arun	0.43	0.43	0.16
4.	Subramanian Madhavan	0.42	0.46	0.18

Organisation Chart of our Company



Key Managerial Personnel and Senior Management

The Key Managerial Personnel and members of Senior Management are permanent employees of our Company. The details of our other Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

S. No.	Name	Designation
1.	Pravin Agarwal	Vice Chairman and Whole-time Director
2.	Ankit Agarwal	Managing Director and Whole-time Director
3.	Venkatesh Murthy	Whole-time Director
4.	Tushar Dhansukh Shroff	Chief Financial Officer
5.	Amit Deshpande	Company Secretary and Compliance Officer
6.	Paul Atkinson	Chief Executive Officer – Connectivity Solutions Business
7.	Pravin Cherian	Chief Executive Officer – System Integration Business
8.	Raman Venkatraman	CEO – Software Business
9.	Dr. Badri Gomatam	Chief Technical Officer
10.	Anjali Byce	Chief Human Resource Officer
11.	Vijay Agashe	Head – Corporate Strategy and Chief of Staff
12.	Khushboo Chawala	Head – Marketing and Communications

Shareholding of Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Key Managerial Personnel or member of the Senior Management hold Equity Shares in our Company as on the date of this Placement Document.

Sr. No.	Name of the Key Managerial Personnel	Number of Equity Shares	Percentage (%) shareholding
1.	Pravin Agarwal	50,000	0.01
2.	Ankit Agarwal	8,38,676	0.21
3.	Amit Deshpande	54,488	0.01
4.	Pravin Cherian	21,512	0.01
5.	Anjali Byce	44,725	0.01
6.	Vijay Agashe	22,892	0.01

Relationship

Except as provided in "*Relationship with other Directors*", none of our Key Managerial Personnel and member of the Senior Management are related to each other.

Interest of Key Managerial Personnel and members of the Senior Management

The Key Managerial Personnel, other than the Directors of our Company, and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel and members of the Senior Management may also be interested to the extent of Equity Shares held by them or stock options granted to them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All our Key Managerial Personnel and members of the Senior Management may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc., if any. For details of interests of Directors, see "- ***Interest of the Directors***" on page 199.

Except as provided in "***Related Party Transactions***" on page 43, and except as disclosed in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscal Years immediately preceding the date of this Placement Document in which any of the Key Managerial Personnel, other than the Directors or members of the Senior Management are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Corporate Governance

Our Board presently consists of eight Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of four Independent Directors (including one woman independent Director).

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Sustainability and Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit Committee	(1) Subramanian Madhavan (Chairperson) (2) Kumud Srinivasan (3) Sandip Das (4) Pravin Agarwal
2.	Nomination and Remuneration Committee	(1) Sandip Das (Chairperson) (2) Anil Agarwal (3) Subramanian Madhavan (4) Bangalore Jayaram Arun (5) Kumud Srinivasan
3.	Stakeholders Relationship Committee	(1) Kumud Srinivasan (Chairperson) (2) Subramanian Madhavan (3) Bangalore Jayaram Arun (4) Ankit Agarwal
4.	Risk Management Committee	(1) Kumud Srinivasan (Chairperson) (2) Sandip Das (3) Ankit Agarwal (4) Tushar Dhansukh Shroff
5.	Sustainability and Corporate Social Responsibility Committee	(1) Bangalore Jayaram Arun (Chairperson) (2) Sandip Das (3) Pravin Agarwal (4) Ankit Agarwal

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

Other Confirmations

None of the Directors, Promoter, Key Managerial Personnel or members of the Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoter have ever been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Company, nor any of our Directors or Promoter have ever been declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016, and SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any order or direction made by SEBI. Further, none of the Promoter and Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoter, Key Managerial Personnel or members of the Senior Management of our Company intends to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations apply to our Company and its employees and require our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information ("**Code**") in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the last three Financial Years, immediately preceding the year of circulation of this Placement Document, see "***Related Party Transactions***" on page 43.

Employee stock option schemes

For details with respect the employee stock option scheme of our Company, see "***Capital Structure – Employee stock option schemes***" on page 84.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on December 31, 2023, is set forth below.

Summary statement showing the shareholding pattern of the Company

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (V)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (VII)		Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (VIII)	Number of Locked in shares (IX)		Number of equity shares held in dematerialized form (X)	Sub-categorization of shares (XI) Shareholding (No. of shares) under		
						No of Voting Rights	Total as a % of (A+B+C)		No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoters & Promoter Group*	10	21,54,43,766	21,54,43,766	53.99	21,54,43,766	53.99	-	-	-	21,54,43,766			-
(B)	Public	2,30,453	18,36,07,297	18,36,07,297	46.01	18,36,07,297	46.01	-	-	-	18,16,48,394	0	0	0
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-			-
(C1)	**Shares underlying DRs**	-	-	-		-	-		-	-	-			
(C2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-			
	Total	2,30,463	39,90,51,063	39,90,51,063	100.00	39,90,51,063	100.00	-	-	-	39,70,92,160	**0**	**0**	**0**

* *This does not include the ESOPs granted and vested but not exercised.*

Statement showing shareholding pattern of our Promoters and Promoter Group

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
A1) Indian					0.00		0.00	
Individuals/Hindu undivided Family		7	12,76,621	12,76,621	0.32	12,76,621	0.32	12,76,621
Jyoti Agarwal	Promoter Group	1	11,500	11,500	0.00	11,500	0.00	11,500
Navin Kumar Agarwal	Promoter Group	1	2,86,945	2,86,945	0.07	2,86,945	0.07	2,86,945
Pravin Agarwal	Promoter Group	1	50,000	50,000	0.01	50,000	0.01	50,000
Pratik Pravin Agarwal	Promoter Group	1	52,500	52,500	0.01	52,500	0.01	52,500
Ankit Agarwal	Promoter Group	1	8,38,676	8,38,676	0.21	8,38,676	0.21	8,38,676
Ruchira Agarwal	Promoter Group	1	16,000	16,000	0.00	16,000	0.00	16,000
Sonakshi Agarwal	Promoter Group	1	21,000	21,000	0.01	21,000	0.01	21,000
Anil Kumar Agarwal	Promoter				0.00		0.00	
Any Other (specify)		2	47,64,395	47,64,395	1.19	47,64,395	1.19	47,64,395
Vedanta Limited	Promoter Group	1	47,64,295	47,64,295	1.19	47,64,295	1.19	47,64,295
Pravin Agarwal Family Trust	Promoter Group	1	100	100	0.00	100	0.00	100

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
Sub Total A1		9	60,41,016	60,41,016	1.51	60,41,016	1.51	60,41,016
A2) Foreign					0.00		0.00	
Any Other (specify)		1	20,94,02,750	20,94,02,750	52.48	20,94,02,750	52.48	20,94,02,750
Twin Star Overseas Limited	Promoter	1	20,94,02,750	20,94,02,750	52.48	20,94,02,750	52.48	20,94,02,750
Sub Total A2		1	20,94,02,750	20,94,02,750	52.48	20,94,02,750	52.48	20,94,02,750
A=A1+A2		10	21,54,43,766	21,54,43,766	53.99	21,54,43,766	53.99	21,54,43,766

Statement showing shareholding pattern of public Shareholders

Category and Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV)		
								Shareholding (No. of shares) under		
								Subcategory (i)	Subcategory (ii)	Subcategory (iii)
B1) Institutions	0	0		0.00		0.00		-	-	-
B2) Institutions (Domestic)	0	0		0.00		0.00		-	-	-
Mutual Funds/	9	3,49,179	3,49,179	0.09	3,49,179	0.09	3,49,179			
Alternate Investment Funds	5	16,57,016	16,57,016	0.42	16,57,016	0.42	16,57,016			
Banks	7	61,315	61,315	0.02	61,315	0.02	60,225			
Insurance Companies	1	57,21,851	57,21,851	1.43	57,21,851	1.43	57,21,851			
Life Insurance Corporation of India	1	57,21,851	57,21,851	1.43	57,21,851	1.43	57,21,851			
NBFCs Registered With RBI	5	73,250	73,250	0.02	73,250	0.02	73,250			
Sub Total B1	27	78,62,611	78,62,611	1.97	78,62,611	1.97	78,61,521			
B3) Institutions (Foreign)	0	0		0.00		0.00		-	-	-
Foreign Portfolio Investors Category I	78	1,79,89,959	1,79,89,959	4.51	1,79,89,959	4.51	1,79,89,959			
Foreign Portfolio Investors Category II	7	9,46,524	9,46,524	0.24	9,46,524	0.24	9,46,524			
Any Other (Institutions (Foreign))	8	10,673	10,673	0.00	10,673	0.00	9,873			
Banks	7	7,673	7,673	0.00	7,673	0.00	6,873			
Foreign Institutional Investors	1	3,000	3,000	0.00	3,000	0.00	3,000			
Sub Total B2	93	1,89,47,156	1,89,47,156	4.75	1,89,47,156	4.75	1,89,46,356			
B4) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		-	-	-
Shareholding by Companies or Bodies Corporate where Central / State Government is a Promoter	2	675	675	0.00	675	0.00	675			
Sub Total B3	2	675	675	0.00	675	0.00	675			
B5) Non-Institutions	0	0		0.00		0.00		-	-	-
Key Managerial Personnel	1	544,88	54,488	0.01	54,488	0.01	54,488			
Investor Education and Protection Fund (IEPF)	1	46,14,810	46,14,810	1.16	46,14,810	1.16	46,14,810			
Investor Education and Protection Fund Authority	1	46,14,810	46,14,810	1.16	46,14,810	1.16	46,14,810			
Resident Individuals Holding Nominal Share Capital up to ₹ 2 Lakhs	2,21,469	9,74,41,193	9,74,41,193	24.42	9,74,41,193	24.42	9,56,29,170			
Resident Individuals Holding Nominal Share Capital in excess of ₹ 2 Lakhs	44	2,59,11,969	2,59,11,969	6.49	2,59,11,969	6.49	2,59,11,969			
Payal Bhanshali	1	47,67,401	47,67,401	1.19	47,67,401	1.19	47,67,401			
Akash Bhanshali	1	40,14,755	40,14,755	1.01	40,14,755	1.01	40,14,755			
Non Resident Indians (NRIs)	3,402	40,30,045	40,30,045	1.01	40,30,045	1.01	38,92,045			
Foreign Nationals	7	3,76,627	3,76,627	0.09	3,76,627	0.09	3,76,627			
Bodies Corporate	1,048	198,32,243	1,98,32,243	4.97	1,98,32,243	4.97	1,98,25,753			
Any Other (specify)	4,359	45,35,480	45,35,480	1.14	45,35,480	1.14	45,34,980			
Trusts	9	16,005	16,005	0.00	16,005	0.00	15,505			
HUF	4,341	45,15,048	45,15,048	1.13	45,15,048	1.13	45,15,048			
Clearing Members	9	4427	4,427	0.00	4,427	0.00	4,427			
Sub Total B4	2,30,331	15,67,96,855	15,67,96,855	39.29	15,67,96,855	39.29	15,48,39,842			
B=B1+B2+B3+B4	2,30,453	18,36,07,297	18,36,07,297	46.01	18,36,07,297	46.01	18,16,48,394			

Statement showing shareholding pattern of non-Promoter - non-public Shareholders

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of equity shares held in dematerialized form (XIV) (Not Applicable)
C1) Custodian/DR Holder	0	0	-	0.00	-
C2) Employee Benefit Trust	0	0	-	0.00	-

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bid, payment of Application Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders are required to confirm and are deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, employees, counsels, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages* 221 *and* 227*, respectively.*

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue has been made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of offer, the contribution made by the Promoters or Directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution except for Equity Shares allotted during the preceding one year from the date of this Placement Document. For details, see *"**Capital Structure**"* on page 81;
- invitation to apply in the Issue must be made through a private placement offer cum application (i.e., the Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company earlier or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Directors and Promoter, Anil Agarwal, are not Fugitive Economic Offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application (i.e., the Preliminary Placement Document and the Application Form), our Company must be required to prepare and record a list of Eligible QIBs to whom the offer will be made. The Issue was required to be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges the offerings of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited; and

- our Directors are not declared as 'Fraudulent Borrower' by the lending Banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the Authorization and Allotment Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the special resolution of the Shareholders passed on August 11, 2023, our Company may a discount of 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being August 11, 2023 and within 60 days from the date of receipt of Application Amount from the Successful Bidders, failing which our Company shall refund the Application Amount in accordance with applicable laws. For details of refund of Application Amount, see "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" on pages 216 and 217, respectively.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information required under applicable laws including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crore; and
- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***—Bid Process—Application Form***" on page 214.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

Our Company has filed the Preliminary Placement Document with each of the Stock Exchanges and has received the in-principle approvals of the Stock Exchanges, each dated April 8, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges. We will file a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance upon Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 221 and 227, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the Book Running Lead Managers had circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the serially numbered copies of the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document and Application Form are delivered has been determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Application Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Application Amount transferred to the escrow account specified in the Application Form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable laws in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable laws. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders were required to indicate the following in the Application Form:

   - Full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id and bank account details;

- number of Equity Shares Bid for;

- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

- details of the depository account to which the Equity Shares should be credited; and

  a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and it has agreed to certain other representations set forth in the "***Representations by Investors***" on page 3 and "***Transfer Restrictions***" on page 227 and certain other representations made in the Application Form.

- Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form.

5. Eligible QIBs were required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company is required to keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***– Refunds***" on page 218.

6. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision in the Issue Price before the Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund was not treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price and number of the Equity Shares to be issued pursuant to the Issue and Allocation to the Successful Bidders. Upon such determination, the Book Running Lead Managers, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of this Placement Document and Application Form. **Please note that the Allocation will be at the**

absolute discretion of our Company and will be in consultation with the Book Running Lead Managers.

9. The Bidder acknowledged that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, will, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares allotted pursuant to this Issue, into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to the Successful Bidders. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

17. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted (as set out in the Application Form).

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs could have participated in the Issue as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- Mutual Funds;
- pension funds with minimum corpus of ₹ 25 crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 25 crores;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;

- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- venture capital funds registered with SEBI.

Eligible FPIs were permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in this issue.

In terms of the SEBI FPI Regulations and the FEMA Rules, the issue of Equity Shares to a single FPI including its investor group (which means the multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control, shall be treated as part of the same investor group) must be below 10% of our post-Issue Equity Share capital and the total holding of all FPIs, collectively, shall be below 24% of the paid-up equity share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI (including its investor group) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. Other than those Eligible FPIs, as prescribed in Regulation 22(4) of the SEBI FPI Regulations, in the event that such divestment of excess holding is not undertaken within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and receipt of necessary regulatory approvals as required and in accordance with applicable laws, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations and FEMA Rules.

As per the FPI Operational Guidelines, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the Issue and sale of the Equity Shares in certain jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 221 and 227, respectively.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they were eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulation or as specified in the Preliminary Placement Document and this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs, were permitted to participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, a Bidder has been deemed to have made the representations, warranties, acknowledgements and undertakings given or made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 3, 221, and 227, respectively, including as follows:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoters and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules and the restrictions stated under this section, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB or as specified in this Placement Document;

8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company has disclosed names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB confirms that it is outside the United States and it is purchasing the Equity Shares in an offshore transaction as defined in and in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

13. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations read with the FEMA Rules, along with the restrictions specified above in this section.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER (AS THE CASE MAYBE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT WAS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY OR STOCK EXCHANGES IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES

IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as the case maybe). The Application Amount was required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form was required to be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name of the Book Running Lead Manager	Address	Contact Person	Email	Contact number
Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)	801 - 804, Wing A, Building No 3, Inspire BKC, G Block Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India	Lokesh Shah	STL@nuvama.com	+91 22 4009 4400
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower, Rahimtullah, Sayani Road, Opposite Parel ST Depot, Prabhadevi Mumbai – 400025, Maharashtra, India	Kunal Thakkar/Ritu Sharma	Stl.qip@motilaloswal.com	+ 91 22 7193 4380

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue, were required to pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "Sterlite Technologies Limited - QIP 24 – Escrow Account" with Axis Bank Limited, our Escrow Agent, in terms of the arrangement among our Company, the Book Running Lead Managers and Axis Bank Limited as the Escrow Agent. Bidders was required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws. Bidders were required to make payment of the Application Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer.

Note: Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the–amount deposited in "Sterlite Technologies Limited - QIP 24 – Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***- Refunds***" on page 218.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price could not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchange(s) during the two weeks preceding the Relevant Date. However, a discount of 5% of the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations, as approved by our Shareholders pursuant to resolution dated August 11, 2023, was offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Authorization and Allotment Committee of our Board decides to open the Issue. After finalization of the Issue Price, our Company updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Build-up of the book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids were not allowed to be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Method of Allocation

Our Company has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them the, Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board, or a duly authorised committee thereof, will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "***Representations by Investors***" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the successful Bidders' beneficiary accounts, our Company will apply for the final trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees, belonging in the same group or under common control in the Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% p.a. from the expiry of the 60^{th} day.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see "***Bid Process***" – "***Refunds***" on page 218.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated April 8, 2024 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the BRLMs, and it is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares post the Issue.

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or any state securities laws of the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 221 and 227, respectively.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers (or their affiliates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 8.

From time to time, the Book Running Lead Managers, and their affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, Subsidiaries, Joint Venture, group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which compensation has been paid or will be paid to the Book Running Lead Managers and their affiliates.

Lock-up

Subject to the exceptions set out below, our Company will not: (a) issue, offer, lend, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 60 days after the Closing Date without the prior written consent of the Book Running Lead Managers, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Issue Shares pursuant to the Issue; (ii) issuance of Equity Shares pursuant to conversion of ESOPs; (iii) issuance of Equity Shares to the Promoters such that the aggregate shareholding of the Promoters does not exceed 51% of the total paid up share capital of the Company; and (iv) any transaction required by law or an order of a court of law or a statutory authority. Further, our corporate Promoter, i.e., Twin Star Overseas Limited has undertaken that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the BRLMs, directly or indirectly: (a) issue, offer, sell, lend, contract to sell or issue, purchase or sell any option or contract to purchase, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Further, preferential issuance of Equity Shares or any other securities to our corporate Promoter, i.e., Twin Star Overseas Limited shall be subject to lock-up requirements under the Applicable Law.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document and this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document and this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act, 2013.

General

The distribution of the Preliminary Placement Document and this Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue) except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "***Transfer Restrictions***", "***Notice to Investors***" and "***Representations by Investors***" on page 227, 1 and 3 respectively.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that shall be offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity

Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Managers of such fact in writing and has received the consent of the Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This Placement Document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Managers are, by distributing this Placement Document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this Placement Document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective investors of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this Placement Document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Placement Document nor does any such entity accept any liability for the contents of this Placement Document.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Company or any Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). The Placement Document is directed only at relevant persons. Other persons should not act on the Placement Document or any of its contents. The Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "***Transfer Restrictions***" on page 227.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the floor of the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any offer, resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Selling Restrictions***" on page 221.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of the Preliminary Placement Document and this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, the investor will be deemed to have represented, agreed and acknowledged to our Company and the Book Running Lead Managers as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to the Preliminary Placement Document and will be provided access to this Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership of stock exchanges and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules, regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investor, credit rating agencies and other capital market participants have been notified by SEBI.

BSE

Established in 1875, it is the oldest stock exchange in India and was the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY on April 22, 1996, and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA and the SCRR empower the governing body of a recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions of admission to dealings or for any other reason, to be recorded in writing, which in the opinion of the stock exchange justifies such action, subject to the issuer receiving prior written notice with the reasons from the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended, govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the abovementioned requirements. Further, in the budget for Financial Year 2020, SEBI was asked to consider increasing the minimum public shareholding requirement to 35%. However, the same has not been implemented as on the date hereof.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. The code of practices and procedures are required to be formulated by the board of directors and published on the website of the company, along with a code of conduct for its employees for compliance with the SEBI Insider Trading Regulations. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, employees and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, *inter alia*, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended with effect from February 2000 and derivatives were included within the definition of the term "securities", as defined in the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 1,50,00,00,000 comprising of 75,00,00,000 Equity Shares (of face value of ₹2 each). As on the date of this Placement Document, the issued, subscribed and paid-up capital of the Company is ₹79,82,32,350 comprising of 39,91,16,175 Equity Shares (of face value of ₹2 each). The Equity Shares are listed on BSE and NSE.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends of such amount on such class of shares and at such time as it may think fit. Under the Companies Act dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant AGM, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend. Further, listed companies are also required to follow the SEBI ICDR Regulations for issuance of bonus shares.

Pre-Emptive Rights and Issue of Additional Shares

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, in the event a special resolution to that effect is passed by our Shareholders in a general meeting. In addition, our Company will also be required to comply with the SEBI ICDR Regulations.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. As per the provisions of the Companies Act and the Articles of Association, all general meetings other than Annual General Meetings shall be called EGM. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Five Shareholders or such other number of Shareholders as required under the Companies Act or applicable laws personally present shall constitute quorum for a general meeting. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer of shares

Equity Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest the whole or any part of the assets of the Company in trustees upon such trust for the benefit of the contributories if considered necessary.

INDIAN TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES

Date: April 12, 2024

To,

The Board of Directors
Sterlite Technologies Limited
4th Floor, Godrej Millennium,
Koregaon Road 9,
STS 12/1 Pune – 411 001
Maharashtra, India
("**Company**")

Ladies and Gentlemen,

Sub: Qualified Institutions Placement ("QIP") of equity shares of face value ₹2 each ("Equity Shares") by Sterlite Technologies Limited (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013 (the "Placement" or "Issue").

We, AKGSR & Co., Chartered Accountants, are independent chartered accountants ("**ICA**") in relation to the Company, its subsidiaries, joint ventures, associates and other group companies. Our independence, as aforesaid, is determined in accordance with the applicable Auditing Standards and Code of Ethics issued by the Institute of Chartered Accountants of India ("**ICAI**") and the relevant provisions of SEBI ICDR Regulations and Companies Act, 2013.

This report is issued in accordance with the terms of our engagement letter dated February 20, 2024. In relation to the Issue, we, AKGSR & Co., Chartered Accountants, ("**Independent Chartered Accountant" or "ICA"**) have received a request from the Company to certify certain information as set out in the accompanying **Annexure A** (the "**Statement**") about the possible tax benefits available to the Company and its Shareholders and its material subsidiaries, namely, Metallurgica Bresciana S.p.A (Italy), Sterlite Technologies Inc (USA), Sterlite Tech Cables Solutions Limited (India) and Sterlite Global Ventures (Mauritius) Limited ("**Material Subsidiaries**") under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2023 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India as on the signing date and the applicable tax laws in the United States of America and Italy (together with the Act, "**Tax Laws**") applicable for the financial year ended March 31, 2024 relevant to the assessment year 2024-25 ("the **Relevant Period**").

This Statement is prepared by the management of the Company, which we have initialed for identification purposes only.

Several of these benefits are dependent on the Company and/ or its Shareholders and/or its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/ or its Shareholders and/or its Material Subsidiaries to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company and its Material Subsidiaries faces in the future, the Company/ or its Shareholders/ or its Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the Statement are not exhaustive. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing taxation laws, each investor is advised to consult with his or her own taxation consultant with respect to the specific tax implications arising out of their participation in the Issue.

Accordingly, we do not express any opinion or provide any assurance as to whether:

(i) the Company, and/or shareholders and/or its Material Subsidiaries will continue to obtain these tax benefits in future;

(ii) the conditions prescribed for availing the tax benefits, where applicable have been/would be met; or

(iii) the revenue authorities/courts will concur with the views expressed herein.

Management's Responsibility

- The management is responsible for providing timely and correct information and other documents in relation to the Statement.

- Management is also responsible for making available to us, upon request, access to relevant accounting records and related information as required for the certificate.

ICA's Responsibility

- Pursuant to the above requirements, it is our responsibility to obtain reasonable assurance and conclude that the Statement presents, in all material respects, the possible tax benefits available as of the date of this certificate to the Company, the shareholders of the Company and the Material Subsidiaries of the Company, in accordance with the Tax Laws.

- We have conducted our examination in accordance with the applicable guidance notes issued by ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI. We have also complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements. Accordingly, we have performed the following procedures in relation to our conclusion:

- Obtained the list of possible tax benefits available to the Company and/ or its Shareholders and/or its Material Subsidiaries under the Tax Laws, applicable for the financial year ended March 31, 2024 relevant to the assessment year 2024-25 along with conditions attached to it;

- Performed a general assessment of whether the Company and/ or Shareholders and/or its Material Subsidiaries, in any way, is not eligible to avail such benefits;

- With respect to the foreign material subsidiaries, we have relied on the external confirmations and the representations provided by the Management of respective subsidiaries;

- Obtained management's representations in relation to the specified matters, to the extent applicable;

We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Opinion

Based on the aforesaid procedures performed by us, we certify that the information as given in the Statement is true, correct and there is no material omission or material misstatement which would render the contents of this certificate misleading in its form and context and that the Statement presents, in all material respects, the possible tax benefits available as of the date of this certificate to the Company and the shareholders of the Company and material subsidiaries of the Company, in accordance with the Tax Laws.

Restriction on use/Limitations:

- We hereby consent to the extracts of this certificate being used only in connection with the the placement document (together with the preliminary placement document, the "**Issue Documents**") and any other document to be issued by the Company in connection with the Issue.

- In connection with the Issue, we undertake to inquire the management of any changes or updates and report to you, of any changes in the above-mentioned position until the Equity Shares issued by the Company pursuant to the Issue commence trading on BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"). In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

- This certificate has been issued at the request of the Company solely for use in connection with the Issue and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required and shared with and relied on by the Placement Agents, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

- We are independent chartered accountants with respect to the Company and we have not performed any audit procedures on the Company's annual consolidated financial statements of the Relevant Period.

- Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Issue Documents prepared in connection with the Issue.

Yours faithfully,
AKGSR & Co.
Chartered Accountants
Firm Registration Number: **027579N**
Peer Review Number: 014049

Authorised signatory
Angad Kumar Partner

Membership Number: 527228
Place: New Delhi
Date: April 12, 2024
UDIN: 24527228BKCFXO8150

Enclosed: As above

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO STERLITE TECHNOLOGIES LIMITED ("THE COMPANY"), ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS

Outlined below are the possible general tax benefits available to the Company, its material subsidiaries, and its shareholders under the Act, as amended by the Finance Act, 2023, applicable for Financial Year 2023-24 relevant to Assessment year 2024-25, presently in force in India, USA and Italy. These tax benefits are dependent on the Company, its material subsidiaries, and its shareholders fulfilling the conditions prescribed under the applicable tax laws. Hence, the ability of the Company its material subsidiaries, and its shareholders to derive the said benefits is dependent upon fulfilling such conditions, which are based on facts of each case and business imperatives it faces in the future.

(A) Direct Taxation

Benefits available to the Company, its material subsidiaries and the shareholders of the Company under the Income-tax Act, 1961 ('Act') and Income tax Rules, 1962 ('Rules') including amendments made by Finance Act 2023 (hereinafter referred to as 'Income Tax Laws') are as under.

1. General Direct tax benefits available to the Company and its material Indian subsidiary.

The following benefits are available to the Company and its material Indian subsidiary after fulfilling conditions as per the applicable provisions of the Act:

(a) Benefit of lower rate of tax under section 115BAA and 115BAB of the Act and non-applicability of Minimum Alternate Tax ('MAT') provisions under section 115JB of the Act

Section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. FY 2019-20, which grants an option to all domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%). The said benefit is available subject to compliance with the various conditions mentioned therein including specifically restrictions on claiming deductions/ incentives etc specified in sub-section (2) of section 115BAA of the Act.

In case a company opts for section 115BAA of the Act, provisions of MAT under section 115JB of the Act would not be applicable. The option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has opted for section 115BAA of the Act during FY 2019-20 and hence, is eligible for concessional tax rate of 25.168%.

Similarly, manufacturing companies can claim lower tax @ 15% under Section 115BAB, which grants an option to all domestic companies to compute corporate tax at a reduced rate of 17.16% (15% plus surcharge of 10% and cess of 4%). The said benefit is available subject to compliance with the various conditions mentioned therein including specifically restrictions on claiming deductions/ incentives etc.

In case a company opts for section 115BAA of the Act, provisions of MAT under section 115JB of the Act would not be applicable. The option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

(b) Deduction of expenditure incurred on Scientific Research

In accordance with and subject to the requirements of section 35(1)(iv) of the Act, the Company engaged in R&D activities can claim deduction of 100% of capital expenditure incurred on scientific research related to their business (except expenditure incurred for acquisition of land).

Further, the aforesaid deduction under section 35(1)(iv) of the Act remains available even if the Company has opted for lower tax rate regime under section 115BAA as discussed at para 1(a) above.

General benefits while computing total taxable income.

(a) Section 32 of the Act – Depreciation Allowance

As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

However, the Company is not entitled for the additional depreciation under section 32(1)(iia) since it has opted for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 1(a) above.

(b) Section 80JJAA of the Act - Deduction of additional employee cost

The Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of conditions prescribed in the Act.

The company has been availing the deduction under section 80JJAA and is expected to derive this benefit in successive years subject to fulfilment of prescribed conditions attached thereto even though it has opted for the benefit of lower tax of rate under section 115BAA of the Act as discussed in para 1(a) above.

(c) Deduction in relation to dividend income

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the domestic company is not required to pay dividend distribution tax.

Deduction of interest expense wholly and exclusively incurred for earning of such dividend income can be claimed under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received. No other expenditure is allowable as deduction against such dividend income as per proviso to section 57 of the Act.

Further, vide the Finance Act, 2020, Section 80M was inserted to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it one month prior to the date of filing the return of income under section 139(1) of the Act. The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 1(a) above.

(d) Section 10(34A) of the Act - Income from buy back of shares

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of the Shareholder/ the Company.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by the shareholder, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income tax Rules, 1962 (‘the Rules').

(e) Taxability of income from capital gains

As per section 2(42A) read with section 2(29AA) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond is more than 12 months, it will be considered a long term capital asset. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital asset.

Long-term capital gains (exceeding Rs 1,00,000) from equity shares, equity oriented mutual fund units and units of a business trust shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) under section 112A of the Act, if Securities Transaction Tax (‘STT’) has been paid on both acquisition and transfer in case of equity shares and STT has been paid on transfer in case of units of equity-oriented mutual funds or units of business trust. In such case, the Company shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

As per the provisions of section 111A of the Act, any income arising from transfer of a short term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of an eligible business trust, transacted through a recognized stock exchange and subject to STT, shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess, if any).

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. In respect of long-term capital assets, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit is not available on bonds and debentures.

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero Coupon Bonds shall be the lower of the following:
i. 20% (plus applicable surcharge and cess) with indexation benefit; or
ii. 10% (plus applicable surcharge and cess) without indexation benefit

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

2. General tax benefits available to the Shareholders

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

2A. For resident shareholders

(a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as "income from other sources" at tax rate applicable to such shareholders The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received as per the proviso to section 57 of the Act. No other expenditure is allowable as deduction against such dividend income as per proviso to section 57 of the Act.

Further, in case of a shareholder being a domestic company, deduction in respect of dividends received from the company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before the specified due date.

(b) Section 10(34A) of the Act - Income from buy back of shares

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of the Shareholders.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by the shareholder, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income tax Rules, 1962 ('the Rules').

(c) Taxability of gain/ loss arising from sale of shares of the Company

The characterization of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

i. Taxability under the head 'capital gains'

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:
a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

ii. Taxability under the head 'income from business and profession'

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains from Business or Profession"and such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

2B. For non-resident shareholders being Foreign Portfolio Investors ('FPIs') / Foreign Institutional Investors ('FIIs'):

(a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as 'income from other sources' at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received. No other expenditure is allowable as deduction against such dividend income as per proviso to section 57 of the Act.

(b) Section 10(34A) of the Act - Income from buy back of shares

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of the Shareholders.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by the shareholder, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income tax Rules, 1962 ('the Rules').

(c) Taxability of gain/ loss arising from sale of shares of the Company

As per section 2(14) of the Act, transfer of any shares/ securities (other than those held as stock in trade) being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 115AD read with section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 115AD of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be 10% (plus applicable surcharge and cess) without indexation benefit.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of shares of the Company shall be chargeable at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains.
Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

Other aspects:

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the FII/ FPI or the provisions of the Act, to the extent they are more beneficial to the FII/ FPI.

Pursuant to Central Board of Direct Tax press release dated 24 September 2015, the Government has clarified non-applicability of Minimum Alternate Tax provisions to FIIs/FPIs.

2C. For non-resident shareholders, other than FPIs/ FIIs

(a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as 'income from other sources' at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received. No other expenditure is allowable as deduction against such dividend income as per proviso to section 57 of the Act.

(b) Section 10(34A) of the Act - Income from buy back of shares

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of the Shareholders.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by the shareholder, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income tax Rules, 1962 ('the Rules').

(c) Taxability of gain/ loss arising from sale of shares of the Company

(i) *Taxability under the head 'capital gains'*

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:
a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) *Taxability under the head 'income from business and profession'*

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains from Business or Profession" and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

Other aspects:

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the DTAA between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per Explanation 4 to section 115JB(2), the provisions of Minimum Alternate Tax shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

2D. For shareholders who are Mutual Funds:

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

2E. For Venture Capital Companies/ Funds:

VCF/ VCC registered after 21 May 2012 are classified as Category I or a Category II Alternate Investment Fund and are regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations 2012, made under Securities and Exchange Board of India Act, 1992 or under the International Finance Services Centre Authorities Act, 2019.

With effect from 1 April 2015, for any income of such VCF/ VCC, benefit under section 10(23FB) and section 115U shall not be applicable. However, such benefits shall be governed by section 115UB read with section 10(23FBA) and 10(23FBB) which states that business income earned by such fund shall be taxable in the hands of the Fund and exempt in the hands of the unit holders, and other income earned viz. capital gains, income from other sources shall be exempt in the hands of the fund and taxable in the hands of unit holder.

TAX DEDUCTION AT SOURCE

Section 194 – Dividend distribution by the Company to resident shareholders:

As per section 194 of the Act, dividend income distributed/ paid by the Company shall be subject to withholding tax at the rate of 10%. However, such withholding tax requirement is not applicable in case of distribution/ payment of dividend to Life Insurance Corporation of India, General Insurance Corporation of India and any other insurer.

Section 195 – Dividend distribution by the Company to non-resident shareholders:

As per the provisions of Section 195 of the Act, any income by way of dividend payable to non-residents may be subject to withholding of tax at the rate of 20% under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

Section 196 – Dividend distribution by the Company to Mutual Funds:

As per section 196 of the Act, no tax is to be deducted from dividend income distributed/ paid by the Company to a Mutual Fund specified under section 10(23D) of the Act.

Withholding tax provisions for capital gains:

No income tax is required to be withheld at source from income by way of capital gains arising to a resident shareholder under the provisions of the Act.

As per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

Other aspects:

For claiming the beneficial provisions under the DTAA, the non-resident investor will have to furnish a certificate of him being a tax resident in a country outside India and a suitable declaration on facts (No Permanent Establishment, Beneficial Owner, etc) to the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act.

Further, pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number (PAN) in case of certain specified income is deleted by providing specified documents as mentioned in the said Rule.

Notes:

1. The income-tax rates specified in this note are as applicable for the financial year 2022-23, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

   Surcharge:

   Domestic companies (not opting for Section 115BAA/ 115BAB):
   If the net income does not exceed INR 10 million – Nil
   If the net income exceeds INR 10 million but does not exceed INR 100 million - 7 per cent
   If the net income exceeds INR 100 million - 12 per cent

   Domestic companies (opting for Section 115BAA/ 115BAB): 10%

   Foreign companies:
   If the net income does not exceed INR 10 million - Nil
   If the net income exceeds INR 10 million but does not exceed INR 100 million - 2 per cent
   If the net income exceeds INR 100 million - 5 per cent

   Individuals, HUF, AOP and BOI:
   If the net income does not exceed INR 5 million - Nil
   If the net income exceeds INR 5 million but does not exceed IN– 10 millions – 10 per cent
   If the net income exceeds INR 10 million but does not exceed INR 20 million – 15 per cent
   If the net income exceeds INR 20 million but does not exceed INR 50 million – 25 per cent
   If the net income exceeds INR 50 million – 37 per cent

   The enhanced surcharge of 25% & 37%, is not levied on income chargeable to tax under sections 111A, 112, 112A and 115AD as well as on dividend income. The maximum rate of surcharge on tax payable on such incomes shall be 15 per cent.

   For other assessees surcharge at the rate of 12% shall be applicable if the total income exceeds INR 10 million.

   Health and Education cess:

   In all cases, health and education cess will be levied at the rate of 4 per cent of income-tax and surcharge.

2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares, units and other securities.

3. The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.

4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment and as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement, except the Company.

7. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2022. The above statement of possible Direct-tax Benefits sets out the possible tax benefits available to the company and its shareholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the taxpayers parties to the transaction fulfilling the conditions prescribed under the relevant tax laws.

8. The information provided above sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, units and other securities, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation impacting the benefits, which an investor can avail.

3. Taxation benefits available to the foreign material subsidiaries

Benefits available to material subsidiaries of the Company - viz. (i) Metallurgica Bresciana S.p.A (Italy), (ii) Sterlite Technologies Inc (USA), and (iii) Sterlite Global Ventures (Mauritius) Limited under the laws of their respective country are:

No special corporate tax benefits are available to **Metallurgica Bresciana S.p.A (Italy)** under the relevant tax provisions and legislations of Italy except for available benefits available under Industry

No special corporate tax benefits are available to **Sterlite Technologies Inc (USA)** under the relevant tax provisions and legislations of the United States of America. With respect to US subsidiaries, incentives based on fulfilment of certain conditions prescribed by the US Govt, which is to be checked annually or as per the frequency specified are received. These are also dependent upon the MOU entered into with the US Govt.

Apart from federal tax returns, benefits of availed includes:

- Fee in Lieu of Tax and Special Source Revenue Credit Agreement (FILOT),
- Job Development Credits (JDCs), State Economic Development Grant (Grant),
- Job Tax Credits (JTCs),
- Investment Tax Credit,
- Research and Development Tax Credit,
- readySC,
- Port Volume Tax Credit ,
- Sales Tax Exemption,
- Sales Tax Cap and
- Property Tax Abatement.

With respect to **Sterlite Global Ventures (Mauritius) Limited ('SGVML')**, No special corporate tax benefits (except below) are available to **SGVML** under the relevant tax provisions and legislations of the Mauritius:

Partial Exemption

Please note that the Company may opt to claim Partial Exemption on the Interest Income.

For the purpose of partial exemption on interest income, Regulation 23D(2) of the ITR 1996 provides that the PER is available to a company provided that the company:

- Carries its core income generating activities in Mauritius.
- Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- Incurs a minimum expenditure proportionate to its level of activities.

(B) Indirect Taxation

Benefits available to Company its Indian material subsidiary and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017, respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy are as under.

1. Indirect Tax Benefits available to the Company and its Indian material subsidiary

Duty Drawback

Drawback is refund of duties or tax paid on any imported / excisable materials and input services used in the manufacture of export goods. The Drawback scheme neutralizes the impact of Customs basic customs duty.

Duty Drawback" in relation to the export of indigenously manufactured goods, means refund of duties paid on: Raw materials, Component parts, and Packing materials.

The prior repatriation of export proceeds is not a pre-requisite for grant of Duty Drawback. However, the law prescribes that if sale proceeds are not received within the period stipulated by the RBI, the Duty Drawback will be recovered as per procedure laid down in the Drawback Rules, 1995.

RoDTEP

Reimbursement of Duty & Taxes on Export Products schemes available for export of STL product.

RoDTEP stands for the Remission of Duties or Taxes on Export Products Scheme. This scheme has been introduced by the Government of India by making amendments in the Foreign Trade Policy 2015-20.

Various taxes are applicable in the process of production of export goods. Some taxes are allowed as credit while others form part of the cost of production. Such taxes are known as 'Embedded taxes' Some of the embedded taxes are Mandi Tax, Electricity Duty, Road Tax, VAT on petroleum, Property Tax etc. to give credit of such taxes / duties, RoDTEP scheme was introduced w.e.f. 1st January 2021.

Manufacturer exporters and merchant exporters (traders) are both eligible for the benefits of this scheme. There is no particular turnover threshold to claim the RoDTEP. Re-exported products are not eligible under this scheme.

End- Use exemption –

Major raw material required for manufacturing OF, OFC & Preform can be imported with NIL/reduced rate of basic customs duty under Notification No. 50/2017 Sr. 168, 341 & 341A for specific raw materials of Optical Fiber / Cable (OF/C) . The said exemption is valid till 31st March 2025.

EPCG Licenses

EPGC scheme allows import of capital goods / Spares.

EPPCG is allowed Capital Goods required for pre-production, production and post-production (including CKD/SKD thereof, as well as computer software systems) at zero Customs duty subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme.

To be fulfilled in 6 years reckoned from Authorization issue-date. Capital goods include machineries and equipment's, spares, tools, jigs, fixtures, dies and moulds. Second hand capital goods shall not be permitted to be imported under EPCG scheme. Restricted items can be imported on getting approval from the Exim Facilitation Committee at Headquarters.

An EPCG Authorisation can also be issued for import of capital goods under Project Imports notified by the Central Board of Excise and Customs. EPCG authorization is issued for importing the capital goods and spares for pre-production, production and post-production at zero Customs duty. There should nexus between CG and export product manufactured should be installed in manufacturing unit and installation certificate within prescribed time period. Second hand capital goods shall not be permitted. Export obligation to be fulfilled with 6 years, average EO to be maintained over and above the EO and actual User condition till the EODC is obtained and Bond is cancelled.

Following is eligible to opt for EPCG Scheme:
▪ Manufacturer exporters with or without supporting manufacturer(s),
▪ Merchant exporters tied to supporting manufacturer(s)

Advance Authorisation

Advance Authorisation entitles exporter to import/local procurement of required inputs for export production without payment of duty subject to export obligation. This scheme reduces burden of customs duties on the inputs and thereby facilitates cost-competitiveness. Advance Authorisations are issued for inputs and export items given under SION. These can also be issued on the basis of Ad-hoc norms or self-declared norms as per para 4.07 of HBP v1. Minimum 15% to maintain in case of Advance Authorisation.

Advance Authorisation and/or materials imported under Advance Authorisation are subjected to actual user condition and therefore non-transferable.

Advance Authorization is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage).

It is issued for inputs in relation to resultant product, as Norms, No Norms or based on self-declaration.

A minimum value addition of 15% production and consumption documents/data is to be maintained under advance authorization.

Non-fulfilment of Export Obligation (EO) will lead to payment of duty with Interest on the duty exemption obtained through advance authorization.

IGCR (Import of Goods at Concessional Rate of Duty) for Manufacture of Excisable Goods.

The Customs IGCR Rules 2017, which, when expanded, is the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017, have been enforced in India from the 1st of July 2017.

These rules are meant for importers desirous of availing the benefit of an exemption notification issued under sub-section (1) of section 25 of the Customs Act, 1962. The benefit of such exemption hinges on the utilization of imported goods covered in the notification for manufacturing any commodity or providing output service.

IGCRS Rules, 2022 notified is superseding the existing Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. These rules have come into effect from 10th September 2022. Customs has done automation of IGCR and making the entire process contactless.

European Union (EU) Countries- Rex- System (Registered Exporter System)

The REX system provides for certification of origin on imports into the European Union (EU) from certain countries under the Generalised System of Preference (GSP) and. preferential origin exports from the EU under preferential agreements, for example, with the UK, Canada, Japan and Vietnam. In 2017, the REX-system was implemented in Canada, Turkey, Norway and Switzerland and later it became also mandatory in Mexico, Japan and Singapore.

Rex System in India- the REX system is a system of certification of origin of goods based on a principle of self-certification. The origin of goods is declared by economic operators themselves by means of so-called statements on origin.

Currently exports to EU countries from India are duty free as STL is having Rex Registration. If the Rex Registration process is withdrawn by EU Govt. then it may have an impact on the duty levy for goods exported from India to STL Italy.

2. **Indirect Tax Benefits available to the Shareholders of the Company.**

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules.

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are involved in certain legal proceedings from time to time, which are primarily in the nature of civil suits, criminal complaints, tax disputes and proceedings before various authorities. These legal proceedings may have been initiated by us or by other parties against us and are pending at different levels of adjudication before various courts, tribunals, and appellate tribunals in various jurisdictions.

*As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determination of Materiality of Any Event / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board pursuant to its resolution dated October 26, 2015 (which was last revised pursuant to resolution passed by our Board on July 27, 2023) ("**Materiality Policy**"). However, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section:(i) any outstanding criminal litigation filed against our Company, Directors and Subsidiaries; (ii) any outstanding actions (including show-cause notices) initiated by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges and TRAI or such similar authorities) which are outstanding and involves our Company, Directors and Subsidiaries; (iii) outstanding civil litigation (including tax matters, which shall not include show-cause notices received from taxation authorities) involving our Company and Subsidiaries where the impact involved exceeds approximately ₹7.00 crores, being 5% of the average of absolute value of profit or loss after tax as per the last three audited consolidated financial statements of the Company, in accordance with the Materiality Policy ("**Materiality Threshold**"); (iv) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years involving our Company and Subsidiaries and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years for our Company and Subsidiaries; (v) any material fraud committed against our Company in the last three years, and if so, the action taken by our Company; (vi) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vii) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon; or (e) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (viii) any litigation or legal actions (including regulatory actions), pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any; and (ix) any other litigation involving our Company, its Directors, Promoters or Subsidiaries which may be considered material by our Company for the purposes of disclosure in the Placement Document.*

It is clarified that for the purposes of the above, pre-litigation notices (except for criminal cases and regulatory action) received by our Company, Directors and Subsidiaries from third parties shall not, unless otherwise decided by the Board of Directors, be considered as material litigation until such time that our Company, Directors or Subsidiaries, as the case may be, are impleaded as a defendant in litigation proceedings before any judicial forum.

Except as disclosed in the section "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 87, there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

A. Litigation involving our Company

Litigation against our Company

Criminal litigation

a. Station House Officer/Incharge, Police Station, Domana, Jammu **(**the "**PS Domana**") filed a first information report dated January 20, 2017 (the "**FIR**") registered under Sections 337 and 304A of the erstwhile Jammu and Kashmir State Ranbir Penal Code, 1932 against our Company and our employees in connection with a car accident, resulting in the death of five people and injury to two people. Our Company filed a petition under Section 561-A of the Code of Criminal Procedure, 1973 before the High Court of Jammu and Kashmir (the "**High Court**") (the "**Petition**") against the State of Jammu and Kashmir (the "**Respondent No. 1**") and PS Domana seeking *inter alia*, quashing of the FIR. Our Company also filed a miscellaneous application before the High Court seeking a stay on the FIR and the investigation being conducted against our Company until the final outcome of the Petition. The matter is currently pending.

b. Our Company filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai ("**CESTAT**") against a common order of the Commissioner of Customs and Central Excise passed in respect of two show cause notices issued to our Company, each under the Customs Act, 1962 and the Central Excise Act, 1944, *inter alia* challenging the imposition of customs redemption fine amounting to ₹15 crores for the financial year 2002-2003. CESTAT, through its order dated June 17, 2005 ("**Tribunal Order**") denied our Company's claims, and our Company has subsequently challenged the Tribunal Order. For details, see *"- Litigation by our Company – Material tax litigation"* on page 252. During the pendency of this matter, the Deputy Commissioner, Central Excise and Customs, Aurangabad – II Division ("**Commissioner**") filed a criminal complaint against our Company, certain former employees of our Company and others (collectively, the "**Accused**") before the Chief Judicial Magistrate at Aurangabad (the "**CJM**") (the "**Complaint**"). In terms of the Complaint, the Commissioner alleged *inter alia* that our Company had been importing capital goods and raw materials free of customs duty for the manufacturing of optical fibres at our facility in Aurangabad under the 100% export-oriented scheme ("**EOU Scheme**"), and that our Company had sold such optical fibre in the local market in contravention of the EOU Scheme without obtaining necessary permissions and without payment of appropriate excise duty. The Commissioner submitted that the duty, penalty and redemption fine payable by the Accused amounted to ₹183.67 crore and prayed for process to be initiated against the Accused.

Consequently, our Company then filed a special leave petition against the High Court Order and a civil appeal against the Tribunal Order, before the Supreme Court, citing *inter alia* gross violation of principles of natural justice. Our Company filed an application before the Supreme Court seeking settlement under the Sabka Vishvas (Legacy Dispute Resolution) Scheme 2019, for full and final settlement of the excise duty component levied on our Company, amounting to ₹84.33 crores. Subsequently, the dispute pertaining to the excise duty component of the Complaint was disposed off and our Company settled its dues by way of payment of ₹39.17 crores. The appeal filed by our Company in relation to the remaining amount payable to the extent of ₹15 crores remains pending. For details, see *"- Litigation by our Company – Material tax litigation"* on page 252. The Complaint is currently pending.

Actions initiated by statutory or regulatory authorities

a. Our Company has filed an appeal before the Presiding Officer, Central Government Industrial Tribunal, Nagpur (the "**Tribunal**") under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "**Act**") against the order dated December 20, 2018 (the "**Order**") passed by the Regional Provident Fund Commissioner, Aurangabad (the "**Respondent**"), pursuant to which our Company was directed to pay damages amounting to ₹0.20 crores with interest under the Act for alleged delay/ default in remitting EPF payments for the period of October 1, 2010 to March 31, 2018 to the Respondent. Our Company has alleged, *inter alia*, that the Respondent had passed the Order without following the due process of law as contemplated under the Act and that the Order is inconsistent with the settled position of law. Our Company has sought, *inter alia*, quashing and setting aside of the Order and a stay on the operation of the Order during the pendency of the appeal. The matter is currently pending.

b. Our Company was issued an IP-I Registration by the Department of Telecommunications of India ("**DoT**"). Our Company received a letter within which was enclosed a show cause notice dated July 30, 2018 (the "**SCN**") alleging, *inter alia*, violation of the terms and conditions of the IP-I Registration by our Company which had resulted in revenue loss for the DoT. The DoT, in a subsequent demand notice dated August 24, 2020 (the "**Demand Notice**") raised a demand amounting to ₹ 8.56 crores towards total government estimated revenue loss due to delayed payment charges. Consequently, our Company filed an application with the High Court of Delhi (the "**High Court**") seeking interim measures, including restraining DoT from acting in furtherance of the Demand Notice. The High Court in its order dated November 25, 2020 allowed our Company's petition.

Subsequently, our Company issued a notice for arbitration dated January 7, 2021 to the DoT, invoking the arbitration clause in the IP-I Registration. Further, our Company filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of a sole arbitrator to settle the dispute. A sole arbitrator was appointed pursuant to the High Court's order dated April 23, 2021. In its statement of claim made before the Arbitral Tribunal, our Company prayed for, *inter alia*, the Demand Notice to be set aside and for an injunction restraining the DoT from pursuing any further proceedings against our Company in furtherance of the Demand Notice. The DoT, in its statement of defense and counter claim, *inter alia*, denied the claims made by our Company, reiterated its stance from the Demand Notice and prayed for our Company's petition to be set aside. An arbitral award dated May 17, 2023 was passed in favour of our Company and all claims of the DoT were denied by the sole arbitrator, deeming them illegal and arbitrary. DoT filed a petition challenging the arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996. The matter is currently pending.

Material civil litigation

a. BNP Paribas (the "**Applicant**") had filed an application in 2004 before the Debts Recovery Tribunal, Mumbai (the "**DRT**") against our Company and five Indian banks (collectively, the "**Defendants**") owing to disputes that arose on account of discrepancies in the documents in relation to the line of credit availed by our Company from the Applicant. The Applicant had sought, *inter alia*, a money decree amounting to ₹25.60 crores together with interest *pendente lite* on the amount, recovery certificate and enforcement of securities. Our Company filed its written statement denying the claims made by the Applicant in its entirety and seeking a dismissal of the application. Pursuant to order dated October 28, 2010 (the "**Impugned Order**") the DRT held that the Applicant was entitled to a recovery certificate against our Company for a sum of: (i) JPY 219,993,455 with interest at the rate of 6% per annum till realization: (ii) ₹ 0.21 crores with interest for payment of insurance charges; (iii) ₹ 0.65 crores with interest in respect of payment of warehousing and clearing charges; and (iv) ₹ 2.34 crores with interest in respect of legal charges.

Our Company had filed an appeal before the Debts Recovery Appellate Tribunal, Mumbai (the "**DRAT**") challenging the Impugned Order and seeking a stay on the operation of the Impugned Order until dismissal of the appeal. Pursuant to order of the DRAT dated January 28, 2015 (the "**Order**") the appeal filed by our Company was allowed and the appeal filed by the Applicant was dismissed. The Applicant filed a writ petition before the High Court of Bombay (the "**Bombay High Court**") contending that the Order is liable to be quashed and set aside. Further, the Applicant also sought a writ of *certiorari* and *mandamus* calling for records, papers and proceedings pertaining to the case and a sum of ₹ 25.60 crores in respect of two shipments under a line of credit from our Company. Our Company, has in its written response, *inter alia* challenged the maintainability of the petition and sought a dismissal of the petition with costs. The matter is currently pending.

Material tax litigation

a. The Additional Commissioner of Income Tax, Range 3(3), Mumbai ("**Commissioner**") issued an assessment order dated March 17, 2004 ("**Assessment Order**") against our Company under Section 143(3) of the Income Tax Act, 1961 for assessment year 2001-2002. In terms of the Assessment Order, the Commissioner assessed an income of ₹95.59 crores against a declared income of ₹52.95 crores, and *inter alia* disallowed certain business development expenses, payments made for delay in depositing of provident fund dues and employee stock option expenses of our Company. Our Company submitted *inter alia* that SEBI guidelines required the cost of employee stock option schemes to be debited to the profit and loss account and so they were deductible expenses. Our Company filed an appeal challenging the Assessment Order before the Commissioner of Income Tax (Appeal) (the "**CIT(A)**"), which was partially allowed pursuant to order dated July 19, 2004. Subsequently, the Company and the Commissioner both filed appeals against the order of the CIT(A) before the Income Tax Appellate Tribunal, Mumbai (the "**ITAT**"), which pursuant to its order dated January 8, 2008 also allowed the appeals filed by our Company and the Commissioner in parts. The Commissioner has filed an appeal before the High Court of Bombay challenging the order of the ITAT and submitting *inter alia* that the order is contrary to the provisions of the Income Tax Act, 1961 and should be quashed and set aside. The matter is currently pending.

b. The Commissioner of Central Excise and Customs, Aurangabad-II Division ("**Commissioner**") issued a show cause notice against our Company ("**SCN**"), alleging *inter alia* that there had been a procedural lapse as the transfer of raw material was not done as per its intended purpose, resulting in customs duty charges amounting to ₹31.09 crores becoming applicable on our Company. Subsequently, an order-in-original dated December 31, 2006 (the "**CESTAT Order**") was issued by the West Zonal Bench of the Customs, Excise and Service Tax Appellate Tribunal (the "**CESTAT**"), pursuant to which a demand for differential customs duty amounting to ₹30.94 crores and a penalty amounting to ₹30.94 crores, along with applicable interest was imposed on our Company. Our Company filed an appeal against the CESTAT Order before the CESTAT, Mumbai, under which it was submitted *inter alia* that at that time, a similar matter had been filed as an appeal and was *sub judice* before the Supreme Court of India (the "**Supreme Court**"). Pursuant to its order dated September 23, 2016, the CESTAT granted liberty to our Company to raise the matter before the CESTAT after the final verdict from the Supreme Court. Subsequently, our Company withdrew the appeal filed before the Supreme Court to the extent of the dispute on excise duty, which was noted by the Supreme Court in its order dated September 9, 2020. Our Company submitted a letter to the CESTAT, seeking *inter alia* relisting of the appeal filed against the CESTAT Order. The matter is currently pending.

c. The Additional Commissioner, CGST and Central Excise, Aurangabad ("**Commissioner**") issued an order-in-original dated April 4, 2024 to our Company ("**Order**") pursuant to a show cause notice previously issued to our Company. In terms of the Order, the Commissioner alleged *inter alia* that basis the investigation carried out by the Directorate General of Intelligence, our Company had not discharged its liability to pay goods and services tax ("**GST**") on the amount to be cross-charged in respect of the various expenditures incurred on certain support services provided by persons at our corporate office. Pursuant to the Order, the Commissioner raised a demand for payment of integrated goods and service tax amounting to ₹21.51 crores, against which an amount of ₹21.51 crores previously paid by our Company was appropriated, and has demanded payment of interest and a penalty amounting to ₹21.51 crores. Our Company will either file an appeal against the Order or will challenge the Order by way of a writ petition before the High Court of Bombay.

Other litigation considered material by our Company

a. Our Company has received a letter before action dated October 23, 2023 on behalf of Fujikura Ltd and Fujikura Europe Ltd (collectively, "**Fujikura**") alleging *inter alia* that the Celeste fiber optic cables of our Company infringe the European patent EP (UK) 3 796 060 of Fujikura. Subsequently, Fujikara initiated claim proceedings against our Company before the High Court of Justice, Business and Property Courts of England & Wales, Intellectual Property List (Chancery Division), Patents Court, seeking *inter alia* a declaration that the patent held by Fujikura is valid and had been infringed by our Company, and for an injunction to restrain our Company from infringing the patent. Fujikara also sought for an inquiry as to damages and costs payable by our Company and for an order for the payment of all sums found due upon taking such inquiry into account. The matter is currently pending.

Litigation by our Company

Material civil litigation

a. Our Company had initiated arbitration proceedings against Shin-etsu Chemical Co., Ltd (the "**Respondent**") by filing a statement of claim before the tribunal consisting of a sole arbitrator, Mr. Chan Leng Sun, in accordance with the sale and purchase agreement dated November 9, 2017 (the "**Agreement**") between our Company and the Respondent. Certain disputes arose between the Parties in respect of the Respondent's refusal to accept the invocation of the force majeure clause under the Agreement on account of the COVID-19 pandemic. Further, our Company also challenged the invocation of the clause under the Agreement which gave a unilateral right to the Respondent to supply the additional volumes of standard low water peak fiber preform (the "**S-LWPEP**") as being illegal and unenforceable. The Respondent had filed a statement of defence and a counterclaim, *inter alia*, rejecting our Company's invocation of the force majeure clause and claiming that such invocation did not relieve our Company of its payment obligations under the Agreement. Further, the Respondent made a counterclaim for the right to declare an additional volume of supply of the S-LWPEP under the Agreement.

   Pursuant to award dated January 17, 2022 read with the addendum dated March 21, 2022 (the "**Arbitral Award**"), the arbitral tribunal declared that our Company had rightfully invoked the force majeure clause only in respect of the months of April 2020 and May 2020 (the "**Force Majeure Period**") and held that our Company was not liable for any delay or failure to take or pay for any shipments of the products under the Agreement for the Force Majeure Period. It was also held that the Respondent was entitled to extend the terms of the Agreement for a period sufficient to make up for the shortfall in our Company's purchases during the Force Majeure Period at a price determined by the arbitral tribunal. The Arbitral Award further stated that the Respondent did not validly invoke the additional volume supply as it had failed to prove that it had fulfilled the requisite pre-conditions. In terms of the Arbitral Award, our Company was directed to pay the Respondent damages amounting to USD 3,148.098 with interest on account of its alleged breach of its obligations under the Agreement in relation to the shipment of S-LWPEP for the period excluding the Force Majeure Period. The arbitral tribunal also directed our Company to pay to the Respondent legal costs of JPY 30,900,600.60 and arbitration costs of USD 49,500, with interest. Our Company filed an application before the General Division of the High Court of the Republic of Singapore to set aside the Arbitral Award, however, the same was dismissed pursuant to its judgement dated December 28, 2021.The Arbitral Award is currently pending enforcement.

b. Our Company has initiated arbitration proceedings against Bharat Sanchar Nigam Limited (the "**BSNL**"). BSNL, as an implementing agency, had issued a tender dated June 21, 2013 (the "**Tender**") for construction and management of highly resistant optical fiber cable network for army sites in various parts of India as part of Central Government's project called "*Network for Spectrum.*" The scope of work under the Tender was divided into seven packages and our Company had submitted a financial and technical bid for one of the packages, which comprised of the NTP region of Jammu & Kashmir. The disputes that arose between the parties were in relation to short payment on account of imposition of depth penalty by BSNL. Our Company, in its statement of claim, has sought, *inter alia*, a principal amount of ₹145.02 crores towards wrongful imposition of the depth penalty along with *pendente lite* interest and future interest at the rate of 18% per annum on the awarded amount till its realization. BSNL, in its statement of defence, has alleged that the present dispute between the parties is not arbitrable in terms of the Tender and sought, *inter alia*, dismissal of the claim filed by our Company in its entirety along with cost of arbitration and litigation in its favour. The matter is currently pending.

c. Our Company has initiated a notice of arbitration dated August 1, 2023 ("**Notice**") against Bharat Sanchar Nigam Limited ("**BSNL**") in relation to a dispute arising from its project of procurement, supply, installation and commissioning of IP MPLS network for the Indian Navy on a turnkey basis ("**Project**"). In terms of the Notice, our Company alleged *inter alia* that it had undertaken additional work in relation to the civil infrastructure for the Project and that BSNL had not released an unpaid amount of ₹115.57 crores payable for such additional work. Our Company filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi ("**High Court**"), seeking appointment of a sole arbitrator to settle the dispute. A sole arbitrator was appointed pursuant to the High Court's order dated January 23, 2024. The matter is currently pending.

d. Our Company has initiated a notice of arbitration dated December 27, 2023 ("**Notice**") against Bharat Sanchar Nigam Limited ("**BSNL**") in relation to a dispute arising from its project of procurement, supply, installation and commissioning of IP MPLS network for the Indian Navy on a turnkey basis ("**Project**"). In terms of the Notice, our Company alleged *inter alia* that due to delays on part of BSNL and the Indian Navy, there was a delay in commissioning of the Project and consequently, our Company had incurred additional costs, including for additional warranty to BSNL. Our Company made a claim aggregating to ₹377.57 crores for such additional warranty costs as well as project prolongation costs for the extended period. Our Company filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi ("**High Court**"), seeking appointment of a sole arbitrator to settle the dispute. A sole arbitrator was appointed pursuant to the High Court's order dated February 28, 2024. The matter is currently pending.

e. Our Company has initiated arbitration proceedings against Bharat Sanchar Nigam Limited (the "**BSNL**"). BSNL, as an implementing agency, had issued a tender dated June 21, 2013 (the "**Tender**") for construction and management of highly resistant optical fiber cable network for army sites in various parts of India as part of Central Government's project called "*Network for Spectrum.*" The scope of work under the Tender was divided into seven packages and our Company had submitted a financial and technical bid for one of the packages, which comprised of the NTP region of Jammu & Kashmir. The disputes that arose between the parties were in relation to short payment made by BSNL for multiple ducts laid in common trenches. Our Company in its statement of claim has alleged that BSNL has unlawfully and without authorisation withheld amounts payable to our Company on account of multiple ducting in common trenches on the route provided by BSNL and claimed, *inter alia*, an aggregate amount of ₹55.34 crores (including interest). BSNL, in its statement of defence, has categorically denied all claims of our Company and has alleged that our Company's claim is contrary to the terms of the Tender and the Purchase Order and sought, *inter alia*, dismissal of the claim filed by our Company with cost of arbitration and litigation in its favour. The arbitral tribunal, *vide* its arbitral award dated May 9, 2023 (the "**Arbitral Award**") disallowed our Company's claim for short payment in respect of multiple ducts laid in common trenches. Our Company has filed a petition before the Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996 challenging the Arbitral Award. The matter is currently pending.

f. Our Company initiated arbitration proceedings against Mahanagar Telephone Nigam Limited ("**MTNL**"), seeking adjudication of our Company's claims pursuant to the terms and conditions of the purchase order dated April 30, 2007 (the "**PO**") and the tender notice dated March 24, 2006 (the "**Tender**") in relation to the supply of broadband access network equipment and installation, testing, commissioning and maintenance of the broadband project of MTNL. Our Company alleged *inter alia* that MTNL had withheld amounts and outstanding payments due to our Company and had failed to release performance bank guarantees on completion of our Company's warranty obligations. Our Company has sought, *inter alia*, payment of unpaid dues amounting to ₹23.32 crores and interest amounting to ₹34.51 crores, along with release of the abovementioned bank guarantees and payment of ₹0.51 crores towards unpaid invoices, ₹0.13 crores as costs of extension of bank guarantees and payment of litigation costs. MTNL filed a statement of defense and counterclaim alleging *inter alia* that the equipment supplied by our Company was malfunctioning and the defects in the same were not rectified by our Company to MTNL's satisfaction and prayed that all the claims made by our Company be rejected. In its counterclaim, MTNL also sought to impose a total operational penalty amounting to ₹26.31 crores on our Company alleging failure in fulfillment of obligations and non-compliance with the terms of the Tender, as well as sought to recover an amount of ₹41.99 crores as the proportionate cost for the unused life of equipment procured from our Company and interest at the rate of 18% per annum till the date of filing of the counter claim, amounting to ₹76.39 crores. The total amount sought through the counter-claim aggregates to ₹144.68 crores, along with *pendente lite* interest. The matter is currently pending.

g. Our Company initiated arbitration proceedings against Bharat Sanchar Nigam Limited (the "**BSNL**") seeking adjudication of our Company's claims pursuant to the terms and conditions of the annual maintenance agreement (the "**AMC Agreement**") dated June 16, 2009. Pursuant to a purchase order dated June 16, 2009 (the "**PO**"), our Company was required to supply, install, commission and annually maintain GPON equipment in BSNL network locations in North India. Our Company alleged *inter alia* that BSNL is in breach of its obligations under the AMC Agreement and made a claim amounting to ₹11 crore, along with interest at 18% per annum from the date the amount was due against BSNL. BSNL filed a statement of defence denying all claims made by our Company and alleging, *inter alia*, that payment under the AMC Agreement was barred by limitation and sought partial encashment of bank guarantees in the counterclaim. The matter is currently pending.

h. Our Company initiated arbitration proceedings against Bharat Broadband Network Limited ("**BBNL"**) alleging, *inter alia*, that BBNL had wrongfully lowered the rate of excise duty payable in relation to the supplies made by our Company to BBNL and imposed liquidated damages on our Company for delay in supply. Our Company has sought a claim amount of ₹7.46 crores, along with interest at the rate of 12% per annum on such amount till the date of payment. BBNL, in its statement of defense denied all the claims made by our Company. The sole arbitrator *vide* his award dated July 24, 2023 ("**Arbitral Award**") *inter alia* awarded our Company an amount of ₹8.27 crores, along with interest at the rate of 9% per annum till realization. Our Company filed an execution petition before the Delhi High Court, seeking enforcement of the Arbitral Award. BBNL has filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996, before the Delhi High Court, challenging the Arbitral Award on the grounds that it is patently illegal for misjudging the liabilities of BBNL towards our Company. The matter is currently pending.

i. Our Company initiated arbitration proceedings against Aksentt Tech Services Limited (the "**Respondent**") alleging, *inter alia*, non-payment of longstanding dues pertaining to the optical fiber deployment services supplied by our Company in gram panchayats in Maharashtra under a master supply agreement dated June 29, 2020 between our Company and the Respondent ("**MSA**"). Our Company has sought a claim amount of ₹304.84 crores as and by way of damages as a result of the Respondent committing a breach of its obligations under the MSA. The matter is currently pending.

j. Our Company has filed a commercial civil suit dated February 1, 2019 against International Research Corporation Public

Company Limited ("**IRCPCL**) before the Commercial City Civil Court, Ahmedabad ("**Court**") seeking payment of outstanding amount of ₹9.60 crores, together with *pendente lite* and future interest at 24% per annum till payment, citing breach of agreed terms between our Company and IRCPCL. IRCPCL had approached our Company for procuring Intelligent Network, Online Charging System, Voucher Management System (together, the "**Systems**") for their customer (the "**Third Party**"). Pursuant to several discussions and inputs from IRCPCL, our Company supplied to IRCPCL various software, hardware and professional services as required under the respective purchase orders issued by IRCPCL. IRCPCL also approached our Company for various additional services. In relation to these services provided, our Company issued invoices to IRCPCL, towards which IRCPCL failed to make payments. The matter is currently pending.

k. Our Company has filed a writ petition dated December 8, 2022 against Kakinada Smart City Corporation Limited (the "**KSCCL**") before the High Court of Andhra Pradesh ("**High Court**") alleging *inter alia* non-payment on part of KSCCL for the "*System Integration Project*" installed by our Company as well as KSCCL's action of invoking our Company's bank guarantees, claiming an amount of ₹9.04 crores. The matter is currently pending.

Material tax litigation

a. Our Company filed an appeal before the CESTAT, Mumbai, against the common order (the "**Order**") of the Commissioner of Customs and Central Excise ("**Commissioner**") passed in respect of two show causes notices (together, "**SCNs**"), each under the Customs Act, 1962 and the Central Excise Act, 1944, *inter alia* challenging the imposition of customs redemption fine amounting to ₹15 crores for the financial year 2002-2003. Pursuant to the Order, the Commissioner *inter alia*, confiscated optical fibres from the domestic manufacturing unit, which could be redeemed on payment of fine and duty applicable on export oriented unit. Our Company appealed against the Order alleging, *inter alia*, that optical fibres were not liable to be confiscated under the Customs Act, 1962, since they were temporarily stored in the domestic unit for lack of space in the export oriented unit, and that fine and duty applicable to export oriented units would not be applicable to the confiscated optical fibres since the export oriented unit was converted under the Export Promotion Capital Goods Scheme, subjecting it to domestic duty and fine. CESTAT, through its order ("**Tribunal Order**") dated February 8, 2007, denied our Company's claims and held that the optical fibres were liable for confiscation and that the export-oriented unit was not converted under the Export Promotion Capital Goods Scheme.

Our Company filed an appeal against the Tribunal Order before the Bombay High Court (the "**High Court**") which was dismissed by the High Court vide its order ("**High Court Order**") dated May 3, 2007. Our Company then filed a special leave petition against the High Court Order and a civil appeal against the Tribunal Order, before the Supreme Court of India, citing *inter alia* gross violation of principles of natural justice. Pursuant to the order of the Supreme Court dated November 30, 2022, the matter was transferred back to the High Court. The matter is currently pending.

b. Our Company has filed a writ petition ("**Writ Petition**") before the High Court of Aurangabad ("**High Court**") against the Union of India, the Commissioner of CGST and Central Excise, Aurangabad ("**Commissioner**") and others, challenging the order dated October 31, 2023 issued by the Commissioner ("**Order**"), pursuant to a show cause notice previously issued to our Company in relation to *inter alia* differences between the service turnover reported in the service tax returns filed by our Company in Fiscal 2017 vis-à-vis service turnover reported in Form 26AS. In terms of the Order, a demand amounting to ₹50.72 crores for payment of service tax liability was imposed on our Company, along with interest and penalty equal to ₹50.72 crores. Pursuant to the Writ Petition, our Company has prayed for *inter alia* quashing of the Order. The matter is currently pending.

Other litigation considered material by our Company

a. Our Company has filed a criminal complaint (the "**Complaint**") under Sections 138 and 141 of the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate 28th Court, Esplanade, Mumbai ("**Metropolitan Magistrate**") against Aksentt Tech Services Limited and others (the "**Accused**"), in relation to dishonoured cheques issued by the Accused towards payment for certain purchase orders completed by our Company. Our Company has claimed payment of the amount of the dishonoured cheques issued by the Accused, amounting to ₹17.16 crores, along with interest at the rate of 9% per annum. Further, our Company has also prayed for the Metropolitan Magistrate to impose a fine of ₹34.32 crores, being double the amount in relation to the dishonoured cheques. Through its order dated November 18, 2021, the Metropolitan Magistrate took cognisance of the offence and issued process against the Accused. Subsequently, the Accused filed a criminal revision application challenging the order of the Metropolitan Magistrate before the Sessions Court, Mumbai, which was dismissed *vide* order dated January 15, 2024. Thereafter, the Accused has filed a criminal writ petition before the High Court of Bombay. The matter is currently pending.

b. Our Company has filed a criminal complaint (the "**Complaint**") under Section 138 of the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate 28th Court, Mumbai against M/s IndoMax Multi Trades and others (the "**Accused**"), in relation to the recovery of an outstanding amount of approximately ₹10.04 crores against the delivery of a total of 20,000 units of our products. The Accused had made a partial payment to the extent of ₹0.73 crores by a cheque to our Company, which was subsequently dishonoured. As a result, our Company has filed a complaint for the recovery of the entire outstanding balance of ₹10.04 crores (including the claim of ₹ 0.73 crores towards the dishonoured cheque), along with interest at the rate of 18% per annum and additional claims of damages. The matter is currently pending.

c. Our Company has filed a criminal complaint (the "**Complaint**") under Sections 138 and 142 of the Negotiable Instruments Act, 1881 before the Additional Chief Metropolitan Magistrate, South District, New Delhi against ORG Informatics Limited and others (the "**Accused**"), in relation to dishonoured cheques issued by the Accused towards payment for certain purchase orders completed by our Company pursuant to an agreement dated September 16, 2008 entered into between the Accused and our Company. Our Company has claimed payment of an outstanding amount of ₹7.91 crores. The Complaint has thereafter been transferred to the Metropolitan Magistrate, Esplanade, Mumbai. The matter is currently pending.

B. Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal litigation

Nil

Actions initiated by statutory or regulatory authorities

a. Our Subsidiary, Speedon Network Limited ("**SNL**") has filed a petition under Section 14A(1) of the Telecom Regulatory Authority of India Act, 1997 before the Telecom Disputes Settlement and Appellate Tribunal, New Delhi (the "**TDSAT**"), against the Union of India (the "**UOI**"), seeking the setting aside of five demand cum show cause notices each dated February 21, 2022 ("**Impugned Notices**") issued by the Department of Telecommunications, India (the "**DOT**"). SNL had surrendered its internet service provider, Category-A license on January 23, 2015, in terms of the license agreement for unified license dated August 14, 2014 granted by UOI to SNL for a period of 20 years. SNL had duly complied with the terms of the license and paid the license fee up to the effective date of surrender. However, the DOT issued the Impugned Notices and demanded payment of ₹9.73 crores towards license fees for the financial years 2014-19, along with interest and penalty. SNL has sought for these Impugned Notices to be set aside alleging, *inter alia*, the same to be misconceived, arbitrary, and devoid of any merits. Further, SNL has also prayed for the release of the two performance bank guarantees issued in favour of UOI for an amount of ₹2.10 crores as a condition to the license being granted to them and for the UOI to be restrained from initiating any proceedings against our Company and invoking the performance of the bank guarantees. The TDSAT has granted interim relief to SNL by directing the UOI to not initiate any coercive steps against SNL till the pendency of the petition The matter is currently pending.

Material civil litigation

Nil

Material tax litigation

Nil

Other litigation considered material by our Company

a. Prysmian Cables & Systems USA, LLC, a subsidiary of Prysmian S.p.A ("**Prysmian**"), filed a lawsuit in the United States District Court for the District of South Carolina, Columbia Division, against (i) our Subsidiary, Sterlite Technologies Inc. ("**STI**"), and (ii) a current employee of STI who previously was employed by Prysmian ("**Employee**"). In its lawsuit, Prysmian sought injunctive relief and certain unspecified monetary damages in its pleadings, to be determined by a jury at a trial of the matter. Prysmian's claims arise out of alleged breaches of certain restrictive covenants contained within an agreement the Employee had with Prysmian ("**Prysmian Agreement**"). Among other claims, Prysmian contends that, in violation of federal and South Carolina statutes, each of the Employee and STI misappropriated trade secrets held by Prysmian and interfered with Prysmian's contractual relations. STI and the Employee have denied Prysmian's claims, in full, and have raised multiple affirmative defenses in opposition to those claims. The matter is currently pending.

b. Daniel Scott, an individual resident of the State of South Carolina ("**Plaintiff**"), filed a lawsuit in the United States District Court for the District of South Carolina, Columbia Division, against our Subsidiary, Sterlite Technologies Inc. ("**STI**") alleging violations of federal and South Carolina law and seeking redress. The Plaintiff was a temporary worker employed by a staffing agency when he was assigned to work at STI's manufacturing facility before being dismissed. As pled, the Plaintiff asserts that he was impermissibly dismissed due to an existing disability. The Plaintiff seeks recovery of actual, compensatory, and punitive damages; injunctive relief; and attorneys' fees and costs. The matter is currently pending.

c. AFL Telecommunications LLC ("**AFL**") filed a patent infringement lawsuit in the United States District Court for the District of Delaware against our Subsidiary, Sterlite Tech Holding, Inc. ("**STHI**"), relative to a U.S. Patent held by AFL. In AFL's lawsuit, STHI is specifically named and is alleged to be ultimately responsible for the outcome of the lawsuit.

STHI has denied AFL's claims for relief, in full, and has raised multiple affirmative defenses in opposition. The matter is currently pending.

Litigation by our Subsidiaries

Material civil litigation

Nil

Material tax litigation

Nil

Other litigation considered material by our Company

Nil

C. Litigation involving our Directors

Litigation against our Directors

Criminal litigation

a. SEBI has initiated criminal proceedings against Sterlite Industries (India) Limited (now Vedanta Limited) ("**SIIL**"), our Chairman and Non-Executive Non-Independent Director Anil Agarwal and others before the Metropolitan Magistrate, Mumbai, alleging *inter alia* that SIIL had violated regulations prohibiting fraudulent and unfair trading practices and price manipulation. SEBI had also passed an order prohibiting SIIL from accessing the capital markets for a period of two years. SEBI's order was subsequently overruled by the Securities Appellate Tribunal ("**SAT**") pursuant to its order dated October 22, 2001, on the basis that *inter alia* there was insufficient material evidence to establish that SIIL had, directly or indirectly, engaged in market manipulation and that SEBI had incorrectly exercised its jurisdiction in prohibiting SIIL from accessing the capital markets. SEBI has filed an appeal against the order of the SAT before the High Court of Bombay ("**High Court**"), *inter alia* defending the criminal proceedings initiated by it on the grounds that the SAT had overruled SEBI's order on price manipulation. The High Court by way of its order dated December 2, 2005 has granted an interim stay on the criminal proceedings. The matter is currently pending.

b. Ajay Padia ("**Complainant**") has initiated criminal proceedings against our Chairman and Non-Executive Non-Independent Director, Anil Agarwal and certain former employees and directors (collectively, the "**Accused**") before the Judicial Magistrate, First Class, Pune, alleging *inter alia* that the assurance given by the Accused that all payments owed to the Complainant in relation to the damaged material supplied by Bharat Aluminium Company Limited had not been honoured by the Accused. The Accused filed an application before the High Court of Bombay ("**High Court**"), seeking quashing of the criminal proceedings and praying for disposal of the matter. The High Court granted a stay on the criminal proceedings and the application filed by the Accused was listed for disposal. The matter is currently pending.

Actions initiated by statutory or regulatory authorities

Nil

Material civil and tax litigation

Nil

Other litigation considered material by our Company

Nil

Litigation by our Directors

Material civil and tax litigation

Nil

Other litigation considered material by our Company

Nil

D. Inquiries, inspections, or investigations under the Companies Act

No inquiries, inspections or investigations have been initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company and out Subsidiaries, and there have been no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company and our Subsidiaries.

E. Details of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

No material frauds have been committed against our Company in the last three years preceding the date of this Placement Document.

F. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations

As on the date of this Placement Document, there have been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

G. Details of default, if any, including the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon, loan from any bank or financial institution and interest thereon and default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder

As on the date of this Placement Document, there have been no defaults in the payment of statutory dues or the repayment of debentures and interest thereon, repayment of deposit and interest thereon, repayment of loan from any bank or financial institution and interest thereon and default in the annual filings of our Company under the Companies Act, 2013 or the rules made thereunder, by our Company.

H. Details of any litigation or legal actions (including regulatory actions), pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Placement Document and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action

Nil

INDEPENDENT STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and have been re-appointed as the statutory auditors of our Company for a period of five years, pursuant to the approval of the shareholders of our Company at the AGM held on August 26, 2022.

Our Statutory Auditors have audited the Audited Financial Statements, included in this Placement Document. The peer review certificate of our Statutory Auditors is valid as on the date of this Placement Document.

GENERAL INFORMATION

- Our Company was incorporated as "*Sterlite Telecom Systems Limited*" under the Companies Act, 1956 at Mumbai, pursuant to a certificate of incorporation dated March 24, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai and a certificate of commencement of business dated March 31, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, the name of our Company was changed to "*Sterlite Optical Technologies Limited*" and consequently, a fresh certificate of incorporation dated August 21, 2000 was issued by the Registrar of Companies, Maharashtra at Mumbai. Further, the name of our Company was changed to "*Sterlite Technologies Limited*", and a fresh certificate of incorporation dated August 25, 2007 was issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, by way of certificate dated July 6, 2021 issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**"), our Company now falls within the jurisdiction of the RoC pursuant to the change in the registered office of our Company from Mumbai to Pune.

- Our Registered Office is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune 411 001, Maharashtra, India and our Corporate Office is located at Equinox Business Park, Unit 1&2, Ground Floor, Tower 4, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India.

- The CIN of the Company is L31300PN2000PLC202408.

- The LEI of the Company is 2549009PLGZR1CDA6F81.

- The website of our Company is https://www.stl.tech/.

- The Equity Shares are listed on BSE and NSE.

- The Issue was authorised and approved by our Board pursuant to a resolution dated May 17, 2023 and by the shareholders of our Company pursuant to a special resolution passed on August 11, 2023.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, on April 8, 2024.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office.

- Our Company has obtained all consents, approvals and authorisations required in connection with the Issue.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- There has been no material change in the financial or trading position of our Company since December 31, 2023, the date of the Financial Information prepared in accordance with applicable accounting standards included in this Placement Document, except as disclosed herein.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the SEBI Listing Regulations, SCRA and SCRR.

- Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 247.

- The Floor Price is ₹119.00 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations as certified by AKGSR & Co., Chartered Accountants. Our Company has offered a discount of 5% on the Floor Price in accordance with the approval of our Board resolution dated May 17, 2023 and the Shareholders through special resolution dated August 11, 2023 and Regulation 176(1) of the SEBI ICDR Regulations.

- Amit Deshpande is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  Amit Deshpande
  Address: 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001 Maharashtra, India
  Tel: +91 20 30514000
  E-mail: secretarial@stl.tech

- Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including the websites of our Company and our Subsidiaries, would be doing it at his or her own risk.

FINANCIAL INFORMATION

Price Waterhouse Chartered Accountants LLP

To
The Board of Directors
Sterlite Technologies Limited
4th Floor, Godrej Millennium,
Koregaon Road 9, STS 12/1,
Pune, Maharashtra - 411001

1. We have reviewed the consolidated unaudited financial results of Sterlite Technologies Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its jointly controlled entity and associate companies (refer para 4 of the Report) for the quarter ended December 31, 2023 and the year to date results for the period April 01, 2023 to December 31, 2023 which are included in the accompanying the Consolidated Financial Results for the quarter and nine months ended December 31, 2023 (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC - 5001
FRN 012754N/N500016
Pune

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing 1, Business Bay, Airport Road, Yerwada
Pune – 411 006
T: +91 (20) 41004444, F: +91 (20) 41006161

4. The Statement includes the results of the following entities:

Sr. No	Name of the Entity	Relationship
1	Sterlite Tech Cables Solutions Limited	Subsidiary
2	Speedon Networks Limited	Subsidiary
3	Sterlite Innovative Solutions Limited	Subsidiary
4	STL Digital Limited	Subsidiary
5	Sterlite (Shanghai) Trading Company Limited	Subsidiary
6	Elitecore Technologies SDN.BHD	Subsidiary
7	Sterlite Tech Holding Inc	Subsidiary
8	PT Sterlite Technologies Indonesia	Subsidiary
9	Sterlite Technologies DMCC	Subsidiary
10	Sterlite Global Venture (Mauritius) Limited	Subsidiary
11	Sterlite Technologies Inc.	Subsidiary
12	STL Networks Limited	Subsidiary
13	STL UK Holdco Limited	Subsidiary
14	STL Solutions Germany GMBH	Subsidiary
15	STL Network Service Inc.	Subsidiary
16	STL Tech Solutions Limited	Subsidiary
17	Metallurgica Bresciana S.P.A	Subsidiary
18	STL Optical Interconnect S.p.A	Subsidiary
19	Sterlite Technologies UK Ventures Limited	Subsidiary
20	STL Edge Networks Inc	Step Down Subsidiary
21	Clearcomm Group Ltd	Step Down Subsidiary
22	Sterlite Telesystems Limited (Strike off w.e.f September 20, 2023)	Step Down Subsidiary
23	Jiangsu Sterlite Fiber Technology Co. Ltd (China)	Step Down Subsidiary
24	Strelite Technologies Inc.	Step Down Subsidiary
25	Elitecore Technologies (Maurities) Limited	Step Down Subsidiary
26	Vulcan Data Center Solutions Limited	Step Down Subsidiary
27	Optotec S.p.A	Step Down Subsidiary
28	Optotec International S.A.	Step Down Subsidiary
29	STL Optical Tec Limited	Step Down Subsidiary
30	STL Digital Inc.	Step Down Subsidiary
31	STL Digital UK Limited	Step Down Subsidiary
32	Sterlite Conduspar Industrial Ltda	Jointly Controlled entity
33	MB (Maanshan) Special Cables Co. Ltd (sold w.e.f November 28, 2023)	Associate Company
34	Manshaan Metallurgica Bresciana Electrical Technology Limited (sold w.e.f November 28, 2023)	Step Down Associate Company
35	ASOCS Limited	Associate Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of three subsidiaries included in the consolidated unaudited financial results, whose interim financial statements reflect total revenues of Rs. 231 crores and Rs. 740 crores, total net profit after tax of Rs. 42 crores and Rs. 59 crores and total comprehensive income of Rs. 47 crores and Rs. 63 crores, for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, respectively, as considered in the consolidated unaudited financial results. The interim financial information of these subsidiaries have been reviewed by other auditors in accordance with SRE 2400, Engagements to Review Historical Financial Statements and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 23 crores and Rs. 120 crores, total net loss after tax of Rs. Nil crores and Rs. 12 crores and total comprehensive income / (loss) of Rs. 4 crores and Rs. (15) crores, for the quarter ended December 31, 2023, and for the period from April 01, 2023, to December 31, 2023, respectively, as considered in the consolidated unaudited financial results. The interim financial information has been audited by other auditor and their report, vide which they have issued an unmodified opinion, has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.

   The above referred subsidiary is located outside India whose interim financial information has been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their country. The Parent's management has converted the financial information of above subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion on the Statement is not modified in respect of this matter.

8. The consolidated unaudited financial results includes the interim financial information of twenty four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. 63 crores and Rs. 204 crores, total net loss after tax of Rs. 33 crores and Rs. 18 crores and total comprehensive loss of Rs. 42 crores and Rs. 27 crores for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 1 crores and Rs. 4 crores and total comprehensive income of Rs. 1 crores and Rs. 4 crores for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of two associates and one jointly controlled entity , based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration: Number:012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN : 24108391BKCYX08576
Place: Mauritius
Date: January 25, 2024

STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)
CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(₹ in crores except earnings per share)

Particulars	Quarter ended			Nine Months ended		Year ended
	Dec 23 (Unaudited)	Sep 23 (Unaudited)	Dec 22 (Unaudited)	Dec 23 (Unaudited)	Dec 22 (Unaudited)	Mar 23 (Audited)
Revenue from operations	1,322	1,494	1,883	4,338	5,054	6,925
Other income	19	3	9	42	16	41
Total income	**1,341**	1,497	1,892	4,380	5,070	6,966
Total expenditure	**1,232**	**1,281**	**1,641**	**3,821**	**4,418**	**6,035**
Cost of materials consumed	693	462	842	1,932	2,350	3,164
Purchase of stock-in-trade	0	0	0	1	2	1
(Increase) / decrease in finished goods, stock-in-trade and WIP	(48)	217	75	(6)	105	134
Employee benefits expense	253	243	254	748	650	912
Other expenses	334	359	470	1,146	1,311	1,824
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**109**	**216**	**251**	**559**	**652**	**931**
Finance costs	94	95	78	281	222	311
Depreciation and amortisation expense	84	85	78	250	231	309
Profit before tax and share of net profits of investments accounted using equity method	**(69)**	**36**	**95**	**28**	**199**	**311**
Share of profit of joint venture and associate companies	1	2	1	4	3	4
Profit/(Loss) before tax from continuing operations	**(68)**	**38**	**96**	**32**	**202**	**315**
Tax expense/(credit) :	**(17)**	**12**	**23**	**14**	**50**	**84**
Current tax	0	26	35	51	107	148
Deferred tax	(17)	(14)	(12)	(37)	(57)	(64)
Net profit/(loss) after tax and share in profit / (loss) of joint venture and associate company	**(51)**	**26**	**73**	**18**	**152**	**231**
Profit/(Loss) from discontinued operations (refer note 3)	**(8)**	**6**	**(26)**	**6**	**(89)**	**(104)**
Net profit for the period	**(59)**	**32**	**47**	**24**	**63**	**127**
Other comprehensive income/(loss)						
A. i) Items that will be reclassified to profit or loss	(2)	19	(11)	5	(52)	(23)
ii) Income tax relating to these items	3	(3)	7	(0)	13	6
B. i) Items that will not be reclassified to profit or loss	-	-	-	-	1	4
ii) Income tax relating to these items	-	-	-	-	(0)	(1)
Other comprehensive income / (loss)	**1**	**16**	**(4)**	**5**	**(38)**	**(14)**
Total comprehensive income / (loss) for the period	**(58)**	**48**	**43**	**29**	**25**	**113**
Net profit/(loss) attributable to						
a) Owners of the company	**(57)**	**34**	**51**	**30**	**74**	**141**
b) Non controlling interest	(2)	(2)	(4)	(6)	(11)	(14)
Other comprehensive income / (loss) attributable to						
a) Owners of the company	1	16	(3)	5	(32)	(10)
b) Non controlling interest	-	-	(1)	-	(6)	(4)
Total comprehensive income / (loss) attributable to						
a) Owners of the company	(56)	50	48	35	41	131
b) Non controlling interest	(2)	(2)	(5)	(6)	(16)	(18)
Paid-up equity capital (face value ₹ 2 per share)	80	80	80	80	80	80
Reserves (excluding revaluation reserves)						2,011
Earnings per equity share (EPS) to owners of the parent						
Basic EPS - from continuing operations (₹)	(1.24)	0.71	1.93	0.62	4.04	6.15
Diluted EPS - from continuing operations (₹)	(1.24)	0.71	1.92	0.61	4.01	6.12
Basic EPS - from discontinued operations (₹)	(0.20)	0.15	(0.66)	0.15	(2.22)	(2.62)
Diluted EPS - from discontinued operations (₹)	(0.20)	0.15	(0.66)	0.15	(2.22)	(2.62)
Basic EPS - from continuing and discontinued operations (₹)	(1.43)	0.86	1.28	0.77	1.82	3.53
Diluted EPS - from continuing and discontinued operations (₹)	(1.43)	0.86	1.27	0.77	1.80	3.50

Amount appearing as "0" is below rounding off norm followed by the Company.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Pune

STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)

STL

CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

The Group's operations primarily relate to telecom sector including manufacturing of telecom products, telecom services and providing digital and technology solutions. The segment information is provided to and reviewed by Chief Operating Decision Maker (CODM). The Group's segments consist of -

1. Optical networking business - Design and Manufacturing of optical fibre, cables and optical interconnect products
2. Global service business - Fibre roll out, end to end system integration and network deployment
3. Digital and technology solutions - Enabling digital transformation of telcos and enterprises

(₹ in crores)

Particulars	Quarter ended			Nine Months ended		Year ended
	Dec 23 (Unaudited)	Sep 23 (Unaudited)	Dec 22 (Unaudited)	Dec 23 (Unaudited)	Dec 22 (Unaudited)	Mar 23 (Audited)
1. Segment revenue						
Optical networking business	857	1,084	1,486	3,053	3,936	5,439
Global service business	405	375	381	1,133	1,161	1,511
Digital and technology solutions	80	78	26	220	35	70
Inter segment elimination	(20)	(43)	(10)	(68)	(78)	(95)
Revenue from operations	**1,322**	**1,494**	**1,883**	**4,338**	**5,054**	**6,925**
2. Segment Results (EBITDA)						
Optical networking business	104	211	302	561	724	1,045
Global service business	22	21	5	71	32	47
Digital and technology solutions	(12)	(17)	(34)	(66)	(90)	(124)
Total segment results	**114**	**215**	**273**	**566**	**666**	**968**
Net unallocated income	(5)	1	(22)	(7)	(16)	(37)
Total EBITDA	**109**	**216**	**251**	**559**	**652**	**931**
Finance cost	94	95	78	281	222	311
Depreciation and amortisation expense	84	85	78	250	231	309
Profit/(Loss) before tax and share of net profits of investments accounted using equity method	**(69)**	**36**	**95**	**28**	**199**	**311**
Share of profit of joint venture and associate companies	1	2	1	4	3	4
Profit/(Loss) before tax from continuing operations	**(68)**	**38**	**96**	**32**	**202**	**315**
3. Segment assets*						
Optical networking business	4,929	4,801	5,054	4,929	5,054	4,933
Global service business	2,854	2,696	2,955	2,854	2,955	2,930
Digital and technology solutions	160	185	98	160	98	153
Total segment assets	**7,943**	**7,682**	**8,107**	**7,943**	**8,107**	**8,016**
Inter segment elimination	(87)	(79)	(24)	(87)	(24)	(24)
Unallocated assets (including assets related to discontinued operations disclosed in note 3)	781	851	1,074	781	1,074	873
Total assets	**8,637**	**8,454**	**9,157**	**8,637**	**9,157**	**8,865**
4. Segment Liabilities						
Optical networking business	1,324	1,013	1,543	1,324	1,543	1,319
Global service business	1,471	1,394	1,313	1,471	1,313	1,374
Digital and technology solutions	119	132	37	119	37	105
Total segment liabilities	**2,914**	**2,539**	**2,893**	**2,914**	**2,893**	**2,798**
Inter segment elimination	(87)	(79)	(24)	(87)	(24)	(24)
Unallocated liabilities (including liabilities related to discontinued operations disclosed in note 3)	3,730	3,858	4,283	3,730	4,283	3,996
Total liabilities	**6,557**	**6,318**	**7,152**	**6,557**	**7,152**	**6,770**

*includes investment in associate companies accounted using equity method and fair value through OCI.

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STERLITE TECHNOLOGIES LIMITED

Notes to consolidated financial results :

1. The above results have been reviewed by the Audit Committee. The Board of Directors at its meeting held on January 25, 2024 have approved the above results.

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

3. During the year ended March 31, 2023, the Group had recognised certain operations as discontinued operations in accordance with Ind AS 105. The comparative information for the quarter ended December 31, 2022 and nine month ended December 31, 2022 as presented in these results is restated compared to the results for the said period published earlier.

4. During the quarter ended December 31, 2023, the Group has, through its wholly owned subsidiary in Italy, Metallurgica Bresciana S.p.a has sold the entire 40% of its stake in MB Maanshan Special Cable Limited. Consequently, the Group has recognised a gain of ₹ 14.31 crores relating to this transaction as other income. In addition, the Group has accumulated gain of ₹ 2.29 crores of foreign currency translation in the form of a reserve. This has been reclassified under the heading 'Other Income'.

5. During the quarter ended December 31, 2023, the Company has initiated arbitration proceedings against Aksentt Tech Services Ltd. ('Aksentt') regarding an outstanding amount of Rs. 254 Crores as well as cost overrun and Interest for the value of goods and services provided to Aksentt towards Optical Fiber deployment services under the Mahanet Project in the State of Maharashtra.

6. The Board of Directors of the Company at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company" or "Company") and STL Networks Limited (the "Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Scheme, inter alia, provides for the following:
(a) Transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged Company to the Resulting Company and consequent issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company; and
(b) Various other matters consequential or otherwise integrally connected therewith including the reorganisation of the share capital of the Resulting Company.

The equity shares of the Resulting Company are to be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the Company will be issued shares in the Resulting Company in the same proportion as their holding in the Company. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

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STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial results :

STL

7. The disclosures required as per the provisions of Regulation 52(4) and 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are given below:

Ratios	Quarter ended (Unaudited)			Nine Months ended (Unaudited)		Year ended (Audited)
	Dec 23	Sep 23	Dec 22	Dec 23	Dec 22	Mar 23
Debt equity ratio [(Total borrowings (-) cash and cash equivalents and current investments) / total equity]	1.42	1.41	1.70	1.42	1.70	1.49
Debt service coverage ratio (not annualised) [Profit before interest, depreciation, amortisation and tax after exceptional items/ (finance cost + principal long term loan repayment)]	0.25	0.87	1.31	0.57	1.32	1.12
Interest service coverage ratio (not annualised) (Profit before interest, depreciation, amortisation and tax after exceptional items / finance cost)	1.15	2.27	3.22	1.99	2.93	2.99
Current ratio (current assets / current liabilities)	0.93	0.94	0.92	0.93	0.92	0.94
Long term debt to working capital (Long term debt / working capital)	14.45	4.60	7.68	14.45	7.68	4.09
Bad debt to accounts receivable ratio [(Bad debts + provision for doubtful debts) / trade receivables]	(0.01)	0.01	(0.00)	0.02	(0.00)	0.01
Current liability ratio (Current liabilities / total liabilities)	0.82	0.81	0.82	0.82	0.82	0.82
Total debt to total assets (Total debts / total assets)	0.39	0.42	0.42	0.39	0.42	0.41
Asset coverage ratio - NCD 7.30% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.15	1.15	1.14	1.15	1.14	1.10
Asset coverage ratio - NCD 8.25% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	2.16	1.39	1.32	2.16	1.32	1.38
Asset coverage ratio - NCD 9.1% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	2.32	2.35	-	2.32	-	2.03
Trade receivables turnover ratio (Annualised revenue from operations / closing current trade receivables)	2.92	3.76	4.59	3.19	4.10	3.80
Inventory turnover ratio (Annualised cost of goods sold / closing inventory)	2.83	3.12	4.12	2.81	3.68	3.96
Operating margin (%) (Profit before interest, tax and exceptional items / revenue from operations)	2%	9%	9%	7%	8%	9%
Net Profit Margin (%) (Net profit after tax and exceptional items / revenue from operations)	-4%	2%	2%	1%	1%	2%
Capital redemption reserve (₹ in crores)	2	2	2	2	2	2
Net worth (₹ in crores)	2,082	2,136	2,002	2,082	2,002	2,090

The Company has maintained minimum required assets cover ratio of 1.1 times as per debenture issue terms of non convertible debentures carrying interest @ 7.30% p.a. and assets cover ratio of 1.25 times of non convertible debentures carrying interest @ 8.25% p.a. and non convertible debentures carrying interest @ 9.10 % p.a. Debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of the Company.

8. Previous period/year figures have been regrouped / rearranged, wherever necessary to conform to current period's classification

Place: Mumbai
Date: January 25, 2024

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

Ankit Agarwal
Managing Director
DIN : 03344202

Registered office: Sterlite Technologies Limited, 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001
www.stl.tech Telephone : +91 20 30514000 Fax: +91 20 30514113

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Pune

Price Waterhouse Chartered Accountants LLP

To
The Board of Directors
Sterlite Technologies Limited
4th Floor Godrej Millenium
Koregaon Road 9, STS 12/1
Pune, Maharashtra 411001

1. We have reviewed the consolidated unaudited financial results of Sterlite Technologies Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its jointly controlled entity and associate companies (refer to paragraph 4 of the report) for the quarter ended December 31, 2022 and the year to date results for the period April 01, 2022 to December 31, 2022 which are included in the accompanying Consolidated Financial Results for the quarter and nine months ended December 31, 2022 (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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4. The Statement includes the results of the following entities:

Sr. No.	Name of the entity	Relationship
1.	Sterlite Tech Cables Solutions Limited	Subsidiary
2.	Speedon Networks Limited	Subsidiary
3.	Sterlite Innovative Solutions Limited	Subsidiary
4.	STL Digital Limited	Subsidiary
5.	Sterlite (Shanghai) Trading Company Limited	Subsidiary
6.	Elitecore Technologies SDN. BHD	Subsidiary
7.	Sterlite Tech Holding Inc.	Subsidiary
8.	PT Sterlite Technologies Indonesia	Subsidiary
9.	Sterlite Technologies DMCC	Subsidiary
10.	Sterlite Global Ventures (Mauritius) Limited	Subsidiary
11.	Sterlite Technologies Pty Ltd	Subsidiary
12.	STL Networks Limited	Subsidiary
13.	STL UK Holdco Limited	Subsidiary
14.	STL Solutions Germany GmBH	Subsidiary
15.	STL Tech Solutions Limited	Subsidiary
16.	Metallurgica Bresciana S.p.A	Subsidiary
17.	STL Optical Interconnect S.p.A.	Subsidiary
18.	Sterlite Technologies UK Ventures Limited	Subsidiary
19.	STL Network Services Inc.	Step down Subsidiary
20.	STL Edge Networks Inc.	Step down subsidiary
21.	Clearcomm Group Ltd.	Step down subsidiary
22.	Sterlite Telesystems Limited	Step down subsidiary
23.	Jiangsu Sterlite Fiber Technology Co., Ltd. (Formerly known as "Jiangsu Sterlite and Tongguang Fibre Co. Ltd")	Step down subsidiary
24.	Sterlite Technologies Inc.	Step down subsidiary
25.	Elitecore Technologies (Mauritius) Limited	Step down subsidiary
26.	Impact Data Solutions Limited (sold on September 30, 2022)	Step down subsidiary
27.	Impact Data Solutions B.V. (sold on September 30, 2022)	Step down subsidiary
28.	Vulcan Data Centre Solutions Limited	Step down subsidiary
29.	Optotec S.p.A.	Step down subsidiary
30.	Optotec International S.A	Step down subsidiary
31.	STL Optical Tech Limited	Step down subsidiary
32.	STL Digital Inc.	Step down subsidiary
33.	STL Tech GmBH (liquidated with effect from October 18, 2022)	Step down subsidiary
34.	STL Digital UK Limited (incorporated on August 3, 2022)	Step down subsidiary
35.	Sterlite Conduspar Industrial Ltda.	Jointly controlled entity
36.	MB (Maanshan) Special Cables Co. Ltd.	Associate company
37.	Manshaan Metallurgica Bresciana Electrical Technology Limited	Step down associate company
38.	ASOCS Limited	Associate Company

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraphs 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of four subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 19 crores and Rs. 161 crores, total net profit/(loss) after tax of Rs. 10 crores and Rs. 36 crores and total comprehensive income / (loss) of Rs. 5 crores and Rs. 47 crores, for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively, as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditors in accordance with SRE 2400, Engagements to Review Historical Financial Statements and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matter.

7. We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 10 crores and Rs. 10 crores, total net (loss) after tax of Rs. (16) crores and Rs. (55) crores and total comprehensive (loss) of Rs. (9) crores and Rs. (58) crores, for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively, as considered in the consolidated unaudited financial results. The interim financial information has been audited by other auditor and their report, vide which they have issued an unmodified opinion, has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

   The above referred subsidiary is located outside India whose financial information has been prepared in accordance with accounting principles generally accepted in their country and which has been audited by other auditor under generally accepted auditing standards applicable in their country. The Parent's management has converted the financial information of above subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the financial information of this subsidiary located outside India is based on the report of the other auditor and the conversion adjustments prepared by the management of the Parent and reviewed by us.
   Our conclusion on the Statement is not modified in respect of the above matter.

8. The consolidated unaudited financial results include the interim financial information of twenty six subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. 295 crores and Rs. 806 crores, total net profit/(loss) after tax of Rs. (1) crores and Rs. 3 crores and total comprehensive income / (loss) of Rs. (13) crores and Rs. 3 crores for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 1 crore and Rs. 3 crores and total comprehensive income of Rs. 1 crore and Rs. 3 crores for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively, as considered in the consolidated unaudited financial results, in respect of two associates and one joint venture, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 23108391BGTBTI6919
Place: Pune
Date: January 27, 2023

STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)
CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(₹ in crores except earnings per share)

Particulars	Quarter ended			Nine Months ended		Year ended
	Dec 22 (Unaudited)	Sept 22 (Unaudited)	Dec 21 (Unaudited)	Dec 22 (Unaudited)	Dec 21 (Unaudited)	Mar 22 (Audited)
Revenue from operations	1,882	1,683	1,287	5,050	3,936	5,432
Other income	9	3	20	16	28	59
Total income	**1,891**	**1,686**	**1,307**	**5,066**	**3,964**	**5,491**
Total expenditure	1,639	**1,452**	**1,299**	**4,415**	**3,407**	**4,770**
Cost of materials consumed	842	701	831	2,350	2,157	3,090
Purchase of stock-in-trade	0	2	(0)	2	2	2
(Increase) / decrease in finished goods, stock-in-trade and WIP	75	121	(132)	105	(192)	(323)
Employee benefits expense	253	226	181	648	484	659
Other expenses	469	402	419	1,310	956	1,342
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)	**252**	**234**	**8**	**651**	**557**	**721**
Finance costs	78	77	64	222	169	238
Depreciation and amortisation expense	78	76	86	231	221	308
Profit/(loss) before tax and share of net profits of investments accounted using equity method	96	**81**	**(142)**	**198**	**167**	**175**
Share of profit/(loss) of joint venture and associate companies	1	2	(0)	3	7	5
Profit/(loss) before exceptional items and tax	97	**82**	**(142)**	**201**	**174**	**180**
Exceptional items (refer note 3)	-	-	-	-	16	16
Profit/(loss) before tax from continuing operations	97	**82**	**(142)**	**201**	**190**	**196**
Tax expense/(credit) :	23	21	**(37)**	**50**	**51**	**51**
Current tax	35	41	9	107	102	138
Deferred tax	(12)	(20)	(46)	(57)	(51)	(87)
Net profit/(loss) after tax and share in profit / (loss) of joint venture and associate company	73	**62**	**(105)**	**151**	**139**	**145**
Profit/(Loss) from discontinued operations (refer note 4)	(27)	(22)	(37)	(88)	(68)	(100)
Net profit/(loss) for the period	46	**40**	**(142)**	**63**	**71**	**45**
Other comprehensive income/(loss)						
A. i) Items that will be reclassified to profit or loss	(11)	(33)	9	(52)	(4)	7
ii) Income tax relating to these items	7	5	(0)	13	3	(0)
B. i) Items that will not be reclassified to profit or loss	-	1	-	1	-	4
ii) Income tax relating to these items	-	(0)	-	(0)	-	(1)
Other comprehensive income/(loss)	**(4)**	**(27)**	**9**	**(38)**	**(1)**	**10**
Total comprehensive income/(loss) for the period	**42**	**13**	**(133)**	**25**	**70**	**55**
Net profit/(loss) attributable to						
a) Owners of the company	**50**	**44**	**(138)**	**74**	**83**	**60**
b) Non controlling interest	(4)	(4)	(3)	(11)	(12)	(15)
Other comprehensive income/(loss) attributable to						
a) Owners of the company	(3)	(24)	7	(33)	(5)	5
b) Non controlling interest	(1)	(3)	2	(5)	4	5
Total comprehensive income/(loss) attributable to						
a) Owners of the company	47	20	(132)	41	78	65
b) Non controlling interest	(6)	(7)	(1)	(16)	(8)	(10)
Paid-up equity capital (face value ₹ 2 per share)	80	80	79	80	79	80
Reserves (excluding revaluation reserves)						1,875
Earnings per equity share (EPS) to owners of the parent						
Basic EPS - from continuing operations (₹)	1.95	1.66	(2.56)	4.07	3.82	4.03
Diluted EPS - from continuing operations (₹)	1.94	1.65	(2.56)	4.06	3.80	4.02
Basic EPS - from discontinued operations (₹)	(0.68)	(0.56)	(0.92)	(2.21)	(1.72)	(2.52)
Diluted EPS - from discontinued operations (₹)	(0.68)	(0.56)	(0.92)	(2.21)	(1.72)	(2.52)
Basic EPS - from continuing and discontinued operations (₹)	1.27	1.11	(3.48)	1.86	2.10	1.51
Diluted EPS - from continuing and discontinued operations (₹)	1.26	1.10	(3.48)	1.85	2.08	1.50

STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)

STL

CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

The Group's operations primarily relates to telecom segment including manufacturing of telecom products, telecom services and providing digital and technology solutions. The segment information is provided to and reviewed by Chief Operating Decision Maker (CODM). The Group's segments consist of :

1. Optical networking business - Design and Manufacturing of optical fibre, cables and optical interconnect products
2. Global service business - Fibre roll out, end to end system integration and network deployment
3. Digital and technology solutions - Enabling digital transformation of telcos and enterprises

The composition of the segments has changed due to the operations discontinued during the current year (refer note 4). The segment information reviewed by the CODM does not include discontinued operations. The corresponding segment information for the previous periods have been restated accordingly.

(₹ in crores)

Particulars	Quarter ended			Nine Months ended		Year ended
	Dec 22 (Unaudited)	Sep 22 (Unaudited)	Dec 21 (Unaudited)	Dec 22 (Unaudited)	Dec 21 (Unaudited)	Mar 22 (Audited)
1. Segment revenue						
Optical networking business	1,486	1,313	837	3,935	2,639	3,713
Global service business	382	413	492	1,163	1,386	1,851
Digital and technology solutions	24	5	-	30	-	1
Inter segment elimination	(10)	(48)	(42)	(78)	(89)	(133)
Revenue from operations	1,882	1,683	1,287	5,050	3,936	5,432
2. Segment Results (EBITDA)						
Optical networking business	302	262	96	724	418	541
Global service business	4	4	(104)	31	117	153
Digital and technology solutions	(34)	(34)	-	(91)	-	(8)
Total segment results	272	232	(7)	665	535	686
Net unallocated income/(expense)	(20)	2	16	(14)	23	35
Total EBITDA	252	234	8	651	557	721
Finance costs	78	77	64	222	169	238
Depreciation and amortisation expense	78	76	86	231	221	308
Profit before tax and share of net profits of investments accounted using equity method	96	81	(142)	198	167	175
Exceptional items (refer note 3)	-	-	-	-	16	16
Share of profit/(loss) of joint venture and associate companies	1	2	(0)	3	7	5
Profit/(loss) before tax from continuing operations	97	82	(142)	201	190	196
3. Segment assets*						
Optical networking business	5,054	5,046	5,054	5,054	5,054	5,024
Global service business	3,014	2,846	2,347	3,014	2,347	2,518
Digital and technology solutions	94	92	60	94	60	60
Total segment assets	8,162	7,984	7,462	8,162	7,462	7,603
Inter segment elimination	(24)	(60)	(60)	(24)	(60)	(31)
Unallocated assets (including assets related to discontinued operations disclosed in note 4)	1,019	1,043	1,132	1,019	1,132	1,187
Total assets	9,158	8,967	8,534	9,158	8,534	8,759
4. Segment Liabilities						
Optical networking business	1,543	1,433	1,313	1,543	1,313	1,470
Global service business	1,317	1,388	1,398	1,317	1,398	1,513
Digital and technology solutions	37	30	0	37	0	3
Total segment liabilities	2,896	2,851	2,711	2,896	2,711	2,986
Inter segment elimination	(24)	(60)	(60)	(24)	(60)	(31)
Unallocated liabilities (including liabilities related to discontinued operations disclosed in note 4)	4,279	4,170	3,838	4,279	3,838	3,758
Total liabilities	7,151	6,961	6,489	7,151	6,489	6,712

*includes investment in associate companies accounted using equity method and fair value through OCI.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Pune

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial results :

STL

1. The above results have been reviewed by the Audit Committee. The Board of Directors at its meeting held on January 27, 2023 have approved the above results.

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

3. For the nine months ended December 31, 2021 and year ended March 31, 2022, the amount of ₹ 16 crores reported under exceptional items in the financial results includes profit of ₹ 67 crores recognised on account of transfer of land situated at Hyderabad, provision of ₹ 14 crores with respect to an order against the Company for claim filed by a vendor for non-fulfilment of certain contractually agreed off take obligations, a charge of ₹ 8 crores towards cancellation of a lease agreement by STL US (wholly owned subsidiary) and an impairment charge of ₹ 29 crores for the assets of JSTFCL (a subsidiary) basis the assessment of recoverable value of assets performed by management.

Also, during the quarter and nine months ended December 31, 2021, the Company recorded an additional provision of ₹ 64 crores based on final settlement with the customer for supplies made in the previous years by an adjustment to revenue from operations. The Company has also recorded additional provision of ₹ 116 crores relating to ongoing projects based on discussions and negotiations with the customer and vendors.

4. In accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", the Group has reported following businesses as discontinued operation. The comparative figures for the statement of profit and loss has been restated for the respective periods.

(i) During the quarter and year ended March 31, 2022, the Group sold its investment in Maharashtra Transmission Communication Infrastructure Limited (MTCIL) and recognised a gain of ₹ 26 crores.

(ii) During the quarter ended December 31, 2022, the Group has recognised an estimated gain of ₹ 18 crores in addition to a gain of ₹ 25 crores recorded in the previous quarter for sale of its stake in Impact Data Solutions Limited, UK and its wholly owned subsidiary Impact Data Solutions BV (IDS) in accordance with terms of Sale and Purchase Agreement.

(iii) During the quarter ended December 31, 2022, the Group has recognised Wireless Business as discontinued operation. The non-current assets amounting to ₹ 62 crores is classified as assets held for sale. As on date, the Group has recognised a provision of ₹ 6 crores (based on management's best estimate considering specific nature of certain assets) as the difference between the estimated fair value and carrying amount of the assets held for sale.

(iv) During the quarter ended December 31, 2022, the Group has recognised Telecom Software Business as discontinued operation and classified the related assets of ₹ 90 crores and liabilities of ₹ 37 crores as held for sale.

5.
(i) The Group 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 32 million as per share purchase agreement dated November 02, 2020 as amended on January 08, 2021. During the year ended March 31, 2022, the Group completed the allocation of purchase price to identified assets and liabilities as at acquisition date fair value as per Ind AS 103 – Business Combinations and identified intangible assets and recognised a goodwill of EUR 11 million in consolidated balance sheet. Consequential impact on profit for the previous quarters was recognised in the quarter and nine months ended December 31, 2021.

(ii) The Group, on July 27, 2021 (the "Acquisition date") entered into a share purchase agreement to acquire 100% stake in Clearcomm Group Limited, UK (Clearcomm). The Group acquired 80% of the shares of Clearcomm for a purchase consideration of GBP 11 million. The Group recognised a provisional goodwill of GBP 9 million during the year ended March 31, 2022 pending completion of purchase price allocation. During the quarter ended June 30, 2022, the Group has completed the allocation of purchase price to identified assets and liabilities as at acquisition date fair value as per Ind AS 103 – Business Combinations. Accordingly, amount of goodwill has been reduced to GBP 6 million on account of increase in the value of identified intangible assets in consolidated balance sheet. Accordingly, previous period numbers have been restated to reflect the measurement period adjustments.

Further, the Group has an obligation to acquire the balance 20% by FY 2022-23 for a consideration based on an earn out model (multiple of EBITDA). Accordingly, the Group has reassessed the payout for acquisition of balance 20% and reversed the redemption liability in the current quarter with credit to retained earnings.

(iii) The Group, on June 28, 2022, signed a definitive agreement to acquire balance 25% stake in Jiangsu Sterlite Tongguang Fiber Co. Ltd. (JSTFCL). During the quarter ended December 31, 2022, the Group has completed the acquisition of balance 25% stake in JSTFCL. Consequent to acquisition, the group is holding 100% equity shares of Jiangsu Sterlite Fiber Technology Co. Ltd (formerly known as JSTFCL). The difference of ₹ 26 crores between consideration paid and carrying value of non-controlling interest is recognised in other equity.

Due to these acquisitions, the performance of the current period is not comparable to the previous periods disclosed.

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STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial results :

STL

6. The disclosures required as per the provisions of Regulation 52(4) and 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are given below:

Ratios	Quarter ended (Unaudited)			Nine months ended (Unaudited)		Year ended (Audited)
	Dec 22	Sep 22	Dec 21	Dec 22	Dec 21	Mar 22
Debt equity ratio [(Total borrowings (-) cash and cash equivalents and current investments) / total equity]	1.70	1.62	1.40	1.70	1.40	1.36
Debt service coverage ratio [Profit before interest, depreciation, amortisation and tax after exceptional items from continuing operations/ (finance cost + principal long term loan repayment)]	1.31	1.45	0.07	1.32	1.38	1.35
Interest service coverage ratio (Profit before interest, depreciation, amortisation and tax after exceptional items from continuing operations / finance cost)	3.23	3.04	0.13	2.93	3.39	3.10
Current ratio (current assets / current liabilities)	0.92	0.96	1.10	0.92	1.10	1.05
Long term debt to working capital (Long term debt including current maturities / working capital excluding current maturities of long term debt)	7.72	5.88	2.22	7.72	2.22	3.06
Bad debt to accounts receivable ratio [(Bad debts + provision for doubtful debts) / trade receivables]	(0.00)	0.00	0.06	0.00	0.06	0.07
Current liability ratio (Current liabilities / total liabilities)	0.82	0.79	0.71	0.82	0.71	0.73
Total debt to total assets (Total debts / total assets)	0.42	0.42	0.39	0.42	0.39	0.38
Asset coverage ratio - NCD 7.30% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.14	1.14	1.11	1.14	1.11	1.11
Asset coverage ratio - NCD 8.25% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.32	1.32	1.72	1.32	1.72	1.28
Trade receivables turnover ratio (Annualised revenue from operations from continuing operations/ closing trade receivables)	4.59	4.33	3.27	4.10	3.33	3.42
Inventory turnover ratio (Annualised cost of goods sold from continuing operations/ closing inventory)	4.12	3.63	3.08	3.68	2.89	3.02
Operating margin (%) (Profit before interest, tax and exceptional items from continuing operations/ revenue from continuing operations)	9%	9%	-6%	8%	9%	8%
Net Profit Margin (%) (Net profit after tax and exceptional items from continuing operations/ revenue from continuing operations)	4%	4%	-8%	3%	4%	3%
Capital redemption reserve (₹ in crores)	2	2	2	2	2	2
Net worth (₹ in crores)	2,002	1,956	1,950	2,002	1,950	1,955

The Company has maintained minimum required assets cover ratio of 1.1 times as per debenture issue terms of non convertible debentures carrying interest @ 7.30% p.a. and assets cover ratio of 1.25 times of non convertible debentures carrying interest @ 8.25% which signifies adequate security. Debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of the Company.

7. Previous period/year figures have been regrouped / rearranged, wherever necessary to conform to current period's classification.

Place: Pune
Date: January 27, 2023

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

Ankit Agarwal
Managing Director
DIN - 03344202

Registered office: Sterlite Technologies Limited, 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001
www.stl.tech Telephone - +91 20 30514000 Fax: +91 20 30514113

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Price Waterhouse Chartered Accountants LLP

To
The Board of Directors
Sterlite Technologies Limited
4th Floor, Godrej Millennium,
Koregaon Road 9, STS 12/1,
Pune, Maharashtra -411001

1. We have reviewed the consolidated unaudited financial results of Sterlite Technologies Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its jointly controlled entity and associate companies (refer para 4 of the report) for the quarter ended September 30, 2023 and the year to date results for the period April 01, 2023 to September 30, 2023 which are included in the accompanying Consolidated Financial Results for the quarter and half year ended September 30, 2023, the Consolidated Balance Sheet as on that date and the Consolidated Statement of Cash Flows for the half-year ended on that date (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015") which has been initialed by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Sterlite Tech Cables Solutions Limited	Subsidiary
2	Speedon Network Limited	Subsidiary
3	Sterlite Innovative Solutions Limited	Subsidiary
4	STL Digital Limited	Subsidiary
5	Sterlite (Shanghai) Trading Company Limited	Subsidiary
6	Elitecore Technologies SDN. BHD	Subsidiary
7	Sterlite Tech Holding Inc	Subsidiary
8	PT Sterlite Technologies Indonesia	Subsidiary
9	Sterlite Technologies DMCC	Subsidiary
10	Sterlite Global Venture (Mauritius) Limited	Subsidiary
11	Sterlite Technologies Pvt Ltd	Subsidiary
12	STL Networks Limited	Subsidiary
13	STL UK Holdco Limited	Subsidiary
14	STL Tech Solutions Limited	Subsidiary
15	Metallurgica Bresciana S.P.A	Subsidiary
16	STL Optical Interconnect S.p.A	Subsidiary
17	Sterlite Technologies UK Ventures Limited	Subsidiary
18	STL Edge Networks Inc.	Step Down Subsidiary
19	Clearcomm Group Ltd	Step Down Subsidiary
20	Sterlite Telesystems Limited (struck-off effective September 20, 2023)	Step Down Subsidiary
21	Jiangsu Sterlite Fiber Technology Co. Ltd (China)	Step Down Subsidiary
22	STL Solutions Germany GMBH	Step Down Subsidiary
23	STL Network Service Inc.	Step Down Subsidiary
24	Sterlite Technologies Inc.	Step Down Subsidiary
25	Elitecore Technologies (Mauritius) Limited	Step Down Subsidiary
26	Vulcan Data Center Solutions Limited	Step Down Subsidiary
27	Optotec S.p.A	Step Down Subsidiary
28	Optotec International S.A.	Step Down Subsidiary
29	STL Optical Tech Limited	Step Down Subsidiary
30	STL Digital Inc.	Step Down Subsidiary
31	STL Digital UK Limited	Step Down Subsidiary
32	Sterlite Conduspar Industrial Ltda	Jointly Controlled entity
33	MB (Maanshan) Special Cables Co. Ltd	Associate Company
34	Maanshan Metallurgica Bresciana Electrical Technology Limited	Step Down Associate Company
35	ASOCS Limited	Associate Company

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraphs 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of three subsidiaries included in the consolidated unaudited financial results whose interim financial information reflect total assets of Rs. 769 crores and net assets of Rs. 42 crores as at September 30, 2023 and total revenues of Rs. 230 crores and Rs. 509 crores, total net profit after tax of Rs. 3 crores and Rs. 18 crores and total comprehensive income of Rs. 4 crores and Rs. 16 crores for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023 respectively, and cash flows (net) of Rs. 20 crores for the period from April 01, 2023 to September 30, 2023, as considered in the consolidated unaudited financial results. The interim financial information of these subsidiaries have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
Our conclusion on the Statement is not modified in respect of the above matter.

7. We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflects total assets of Rs 483 crores and net assets of Rs. 130 crores as at September 30, 2023 and total revenues of Rs. 37 crores and Rs. 97 crores, total net loss after tax of Rs. Nil and Rs. 12 crores and total comprehensive loss of Rs. Nil and Rs. 20 crores, for the quarter ended and for the period from April 01, 2023 to September 30, 2023, respectively, and cash flows (net) of Rs. (4) crores for the period from April 01, 2023 to September 30, 2023, as considered in the consolidated unaudited financial results. This interim financial information have been audited by other auditor and their report, vide which they have issued an unmodified opinion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.
The above referred subsidiary is located outside India whose interim financial information has been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Parent's management has converted the financial information of above subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management.
Our conclusion on the Statement is not modified in respect of the above matter.

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8. The consolidated unaudited financial results include the interim financial information of twenty four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflects total assets of Rs. 1,053 crores and net assets of Rs. 437 crores as at September 30, 2023 and total revenue of Rs. 65 crores and Rs. 140 crores, total net profit after tax of Rs. 27 crores and Rs. 15 crores and total comprehensive income of Rs. 31 crores and Rs. 15 crores for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, and cash flows (net) of Rs. (99) crores for the period from April 01, 2023 to September 30, 2023, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 2 crores and Rs. 3 crores and total comprehensive income of Rs. 2 crores and Rs. 3 crores for the quarter ended September 30, 2023 and for the period from April 01,2023 to September 30, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of two associates and one jointly controlled entity, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.
   Our conclusion on the Statement is not modified in respect of the above matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number:012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 23108391BGTBZI7981
Place: Mumbai
Date: October 26, 2023

STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)
CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

STL

(₹ in crores except earnings per share)

Particulars	Quarter ended			Half year ended		Year ended
	Sep 23 (Unaudited)	Jun 23 (Unaudited)	Sep 22 (Unaudited)	Sep 23 (Unaudited)	Sep 22 (Unaudited)	Mar 23 (Audited)
Revenue from operations	1,494	1,522	1,683	3,016	3,171	6,925
Other Income	3	21	3	24	7	41
Total income	1,497	1,543	1,686	3,040	3,178	6,966
Total expenditure	1,281	1,308	1,452	2,589	2,777	6,035
Cost of materials consumed	462	777	701	1,239	1,508	3,164
Purchase of stock-in-trade	0	-	2	0	2	1
(Increase) / decrease in finished goods, stock-in-trade and WIP	217	(175)	121	42	30	134
Employee benefits expense	243	253	226	496	396	912
Other expenses	359	453	402	812	841	1,824
Earnings before interest, tax, depreciation and amortisation (EBITDA)	216	235	234	451	401	931
Finance costs	95	92	77	187	144	311
Depreciation and amortisation expense	85	81	76	166	153	309
Profit before tax and share of net profits of investments accounted using equity method	36	62	81	98	104	311
Share of profit of joint venture and associate companies	2	1	2	3	3	4
Profit before tax from continuing operations	38	63	83	101	107	315
Tax expense :	12	19	21	31	26	84
Current tax	26	25	41	51	72	148
Deferred tax	(14)	(6)	(20)	(20)	(46)	(64)
Net profit after tax and share in profit / (loss) of joint venture and associate company	26	44	62	70	80	231
Profit from discontinued operations (refer note 3)	6	8	(22)	14	(62)	(104)
Net profit for the period	32	52	40	84	18	127
Other comprehensive income						
A. i) Items that will be reclassified to profit or loss	19	(13)	(33)	6	(42)	(23)
ii) Income tax relating to these items	(3)	0	5	(3)	6	6
B. i) Items that will not be reclassified to profit or loss	-	-	1	-	1	4
ii) Income tax relating to these items	-	-	(0)	-	(0)	(1)
Other comprehensive income / (loss)	16	(13)	(27)	3	(35)	(14)
Total comprehensive income / (loss) for the period	48	39	13	87	(17)	113
Net profit attributable to						
a) Owners of the company	34	54	44	88	25	140
b) Non controlling interest	(2)	(2)	(4)	(4)	(7)	(14)
Other comprehensive income / (loss) attributable to						
a) Owners of the company	16	(13)	(24)	3	(30)	(10)
b) Non controlling interest	-	-	(3)	-	(5)	(4)
Total comprehensive income / (loss) attributable to						
a) Owners of the company	50	41	20	91	(8)	131
b) Non controlling interest	(2)	(2)	(7)	(4)	(12)	(18)
Paid-up equity capital (face value ₹ 2 per share)	80	80	80	80	80	80
Reserves (excluding revaluation reserves)						2,011
Earnings per equity share (EPS) to owners of the parent						
Basic EPS - from continuing operations (₹)	0.71	1.15	1.66	1.85	2.18	6.15
Diluted EPS - from continuing operations (₹)	0.71	1.15	1.65	1.83	2.17	6.12
Basic EPS - from discontinued operations (₹)	0.15	0.20	(0.56)	0.35	(1.56)	(2.62)
Diluted EPS - from discontinued operations (₹)	0.15	0.20	(0.56)	0.35	(1.56)	(2.62)
Basic EPS - from continuing and discontinued operations (₹)	0.86	1.35	1.11	2.20	0.62	3.53
Diluted EPS - from continuing and discontinued operations (₹)	0.86	1.34	1.10	2.18	0.61	3.50

Amount appearing as "0" is below rounding off norm followed by the Company.

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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)
CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2023

STL

(₹ in crores)

Particulars	30 Sep 2023 (Unaudited)	31 Mar 2023 (Audited)
Assets		
I. Non-current assets		
(a) Property plant & equipment	2,775	2,854
(b) Capital work in progress	188	129
(c) Goodwill	223	225
(d) Other intangible assets	151	167
(e) Deferred tax assets	110	77
(f) Financial assets		
(i) Investments	99	96
(ii) Loans	3	3
(iii) Other non-current financial assets	6	11
(g) Other non-current assets	96	97
Total non-current assets	3,651	3,659
II. Current assets		
(a) Inventories	871	832
(b) Financial assets		
(i) Investments	100	40
(ii) Trade receivables	1,591	1,822
(iii) Cash and cash equivalents	276	450
(iv) Other bank balances	145	57
(v) Loans	-	0
(vi) Other current financial assets	105	118
(c) Contract assets	1,335	1,416
(d) Other current assets	380	461
	4,803	5,196
Assets classified as held for sale	-	10
Total current assets	4,803	5,206
Total assets	8,454	8,865
Equity and liabilities		
Equity		
Equity share capital	80	80
Other equity	2,056	2,011
Equity attributable to shareholders	2,136	2,090
Non-controlling interest	(0)	4
Total equity	2,136	2,095
Liabilities		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	954	1,002
(ii) Lease liabilities	122	126
(iii) Other financial liabilities	4	15
(b) Employee benefit obligations	48	44
(c) Provisions	-	0
(d) Deferred tax liabilities (net)	67	54
Total non-current liabilities	1,195	1,242
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,577	2,665
(ii) Trade payables		
(A) total outstanding dues of micro and small enterprises	389	326
(B) total outstanding dues of creditors other than micro and small enterprises	1,452	1,826
(iii) Lease liabilities	36	41
(iv) Other financial liabilities	264	254
(b) Contract liabilities	191	156
(c) Other current liabilities	96	131
(d) Employee benefit obligations	26	29
(e) Provisions	66	66
(f) Current tax liabilities (Net)	26	33
Total current liabilities	5,123	5,529
Total equity & liabilities	8,454	8,865
Amount appearing as "0" is below rounding off norm followed by the Company.		

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FRN 012754N/N500016
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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)

STL

CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

The Group's operations primarily relate to telecom sector including manufacturing of telecom products, telecom services and providing digital and technology solutions. The segment information is provided to and reviewed by Chief Operating Decision Maker (CODM). The Group's segments consist of :

1. Optical networking business - Design and Manufacturing of optical fibre, cables and optical interconnect products
2. Global service business - Fibre roll out, end to end system integration and network deployment
3. Digital and technology solutions - Enabling digital transformation of telcos and enterprises

(₹ in crores)

Particulars	Quarter ended			Half Year ended		Year ended
	Sep 23 (Unaudited)	Jun 23 (Unaudited)	Sep 22 (Unaudited)	Sep 23 (Unaudited)	Sep 22 (Unaudited)	Mar 23 (Audited)
1. Segment revenue						
Optical networking business	1,084	1,112	1,313	2,196	2,450	5,439
Global service business	375	353	413	728	781	1,511
Digital and technology solutions	78	62	6	140	9	70
Inter segment elimination	(43)	(5)	(49)	(48)	(69)	(95)
Revenue from operations	**1,494**	**1,522**	**1,683**	**3,016**	**3,171**	**6,925**
2. Segment Results (EBITDA)						
Optical networking business	211	246	262	457	423	1,045
Global service business	21	28	4	49	27	47
Digital and technology solutions	(17)	(37)	(34)	(54)	(56)	(124)
Total segment results	**215**	**237**	**232**	**452**	**394**	**968**
Net unallocated income	1	(2)	2	(1)	7	(37)
Total EBITDA	**216**	**235**	**234**	**451**	**401**	**931**
Finance cost	95	92	77	187	144	311
Depreciation and amortisation expense	85	81	76	166	153	309
Profit before tax and share of net profits of investments accounted using equity method	**36**	**62**	**81**	**98**	**104**	**311**
Share of profit/(loss) of joint venture and associate companies	2	1	2	3	3	4
Profit before tax from continuing operations	**38**	**63**	**83**	**101**	**107**	**315**
3. Segment assets*						
Optical networking business	4,801	4,874	5,046	4,801	5,046	4,933
Global service business	2,696	2,974	2,846	2,696	2,846	2,930
Digital and technology solutions	185	176	92	185	92	153
Total segment assets	**7,682**	**8,024**	**7,984**	**7,682**	**7,984**	**8,016**
Inter segment elimination	(79)	(33)	(60)	(79)	(60)	(24)
Unallocated assets (including assets related to discontinued operations disclosed in note 3)	851	793	1,043	851	1,043	873
Total assets	**8,454**	**8,784**	**8,967**	**8,454**	**8,967**	**8,865**
4. Segment Liabilities						
Optical networking business	1,013	1,262	1,433	1,013	1,433	1,319
Global service business	1,394	1,402	1,388	1,394	1,388	1,374
Digital and technology solutions	132	93	30	132	30	105
Total segment liabilities	**2,539**	**2,757**	**2,851**	**2,539**	**2,851**	**2,798**
Inter segment elimination	(79)	(33)	(60)	(79)	(60)	(24)
Unallocated liabilities (including liabilities related to discontinued operations disclosed in note 3)	3,858	3,920	4,170	3,858	4,170	3,996
Total liabilities	**6,318**	**6,644**	**6,961**	**6,318**	**6,961**	**6,770**

*includes investment in associate companies accounted using equity method and fair value through OCI.

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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED SEPTEMBER 30, 2023

STL

Particulars	Half year ended Sep 23 (Unaudited)	Half year ended Sep 22 (Unaudited)
A. Operating activities		
Profit/(Loss) before tax		
From continuing operations	101	106
From discontinued operation	17	(92)
	118	14
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	148	144
Amortization and impairment of intangible assets	18	20
Provision for doubtful debts and advances / written back	54	(0)
Bad debts / advances written off	-	1
(Profit) / loss on sale of property, plant and equipment, net including gain on termination of lease	(11)	(0)
Profit on sale of investments	-	(25)
Rental income	-	(0)
Share of profit from associates and joint venture	(3)	(3)
Employee stock option expenses	(5)	6
Finance costs (including interest pertaining to Ind AS 116)	187	146
Finance income (forming part of other income)	(5)	(4)
Unrealized exchange difference	(18)	(33)
	365	252
Operating profit before working capital changes	483	266
Working capital adjustments:		
Increase/(decrease) in trade payables	(302)	(185)
Increase/(decrease) in long-term provisions	(0)	(0)
Increase/(decrease) in short-term provisions	-	0
Increase/(decrease) in other current liabilities	(35)	27
Increase/(decrease) in contract liabilities	36	(31)
Increase/(decrease) in other current financial liabilities	(62)	17
Increase/(decrease) in other non-current financial liabilities	(7)	7
Increase/(decrease) in current employee benefit obligations	(3)	8
Increase/(decrease) in non-current employee benefit obligations	4	(5)
Decrease/(increase) in current trade receivable	193	109
Decrease/(increase) in inventories	(38)	26
Decrease/(increase) in loans given to related parties	0	(3)
Decrease/(increase) in short-term loans	0	(0)
Decrease/(increase) in other current financial assets	29	(45)
Decrease/(increase) in other non-current financial assets	5	8
Decrease/(increase) in other current assets	80	(42)
Decrease/(increase) in contract assets	81	(245)
Decrease/(increase) in other non-current assets	(4)	(15)
Changes in working capital	(25)	(368)
Cash generated from operations	458	(102)
Income tax paid (net of refunds)	(55)	(61)
Net cash flow from / (used in) operating activities	403	(163)

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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED SEPTEMBER 30, 2023

STL

Particulars	Half year ended Sep 23 (Unaudited)	Half year ended Sep 22 (Unaudited)
B. Investing activities*		
Purchase of property, plant and equipments	(119)	(243)
Purchase of intangible assets	(2)	(4)
Proceeds from sale of property, plant and equipments	32	0
Investment in subsidiaries, net of cash acquired	(0)	-
Proceeds from assets held for sale	10	10
Proceeds from sale of investments in subsidiaries	-	97
Purchase of current investments	(60)	-
Net movement in other bank balance	(87)	11
Rental income	-	0
Interest received (finance income)	2	2
Net cash flow used in investing activities	**(225)**	**(127)**
C. Financing activities*		
Proceeds from long term borrowings	313	75
Repayment of long term borrowings	(354)	(159)
Proceeds/(repayment) from/of short term borrowings (net)	(87)	578
Proceeds from issue of shares against employee stock options	0	0
Interest paid (including interest pertaining to Ind AS 116)	(165)	(130)
Advance payment to non-controlling interest for acquisition	-	(16)
Principal elements of leases payments	(18)	(17)
Dividend paid on equity shares	(40)	(20)
Dividend paid by subsidiary to non-controlling interest	-	(14)
Net cash flow from financing activities	**(351)**	**297**

* Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of ₹ 12.79 crores (30 September 2022: ₹ 15.75 crores).

Net increase/(decrease) in cash and cash equivalents	(173)	7
Foreign exchange relating to cash and cash equivalents of foreign operations	(0)	0
Cash and cash equivalents as at the beginning of year	450	411
Cash and cash equivalents as at the year end	276	418
Components of cash and cash equivalents:		
Balances with banks	276	418
Cash in hand	0	0
Total cash and cash equivalents	276	418
Cash & cash equivalents of discontinued operation	-	-
Total cash and cash equivalents	276	418

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STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial results :

1. The above results have been reviewed by the Audit Committee. The Board of Directors at its meeting held on October 26, 2023 have approved the above results.

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

3. During the year ended March 31, 2023, the Group had recognised certain operations as discontinued operations in accordance with Ind AS 105. The comparative information for the quarter ended September 30, 2022 and half year ended September 30, 2022 as presented in these results is restated compared to the results for the said period published earlier.

4. During the quarter ended September 30, 2022, the Group through its wholly owned subsidiary Sterlite Global Venture (Mauritius) Limited has sold the entire stake (amounting to 80% of the entire share capital) held in Impact Data Solutions Limited, UK and its wholly owned subsidiary Impact Data Solutions BV. Consequently, during the said quarter, the Group has recognised a gain of ₹ 25 crores on sale of subsidiaries as other income. The Group has also reclassified gain of ₹ 2 crores from foreign currency translation reserve to other income.

5. The Board of Directors of the Company at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company" or "Company") and STL Networks Limited (the "Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Scheme, inter alia, provides for the following:

(a) Transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged Company to the Resulting Company and consequent issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company; and
(b) Various other matters consequential or otherwise integrally connected therewith including the reorganisation of the share capital of the Resulting Company.

The equity shares of the Resulting Company are to be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the Company will be issued shares in the Resulting Company in the same proportion as their holding in the Company. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

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STERLITE TECHNOLOGIES LIMITED

Notes to consolidated financial results :

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6. The disclosures required as per the provisions of Regulation 52(4) and 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are given below:

Ratios	Quarter ended (Unaudited)			Half Year ended (Unaudited)		Year ended (Audited)
	Sep 23	Jun 23	Sep 22	Sep 23	Sep 22	Mar 23
Debt equity ratio [(Total borrowings (-) cash and cash equivalents and current investments) / total equity]	1.41	1.46	1.62	1.41	1.62	1.49
Debt service coverage ratio [Profit before interest, depreciation, amortisation and tax after exceptional items/ (finance cost + principal long term loan repayment)]	0.87	0.80	1.45	0.83	1.32	1.12
Interest service coverage ratio (Profit before interest, depreciation, amortisation and tax after exceptional items / finance cost)	2.27	2.55	3.04	2.41	2.77	2.99
Current ratio (current assets / current liabilities)	0.94	0.92	0.95	0.94	0.95	0.94
Long term debt to working capital (Long term debt / working capital)	4.60	5.25	8.21	4.60	8.21	4.09
Bad debt to accounts receivable ratio [(Bad debts + provision for doubtful debts) / trade receivables]	0.01	0.02	0.00	0.03	(0.00)	0.01
Current liability ratio (Current liabilities / total liabilities)	0.81	0.85	0.79	0.81	0.79	0.82
Total debt to total assets (Total debts / total assets)	0.42	0.41	0.42	0.42	0.42	0.41
Asset coverage ratio - NCD 7.30% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.15	1.10	1.14	1.15	1.14	1.10
Asset coverage ratio - NCD 8.25% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.39	1.37	1.32	1.39	1.32	1.38
Asset coverage ratio - NCD 9.1% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	2.35	1.98	-	2.35	-	2.03
Trade receivables turnover ratio (Annualised revenue from operations / closing current trade receivables)	3.76	3.63	4.17	3.79	3.93	3.80
Inventory turnover ratio (Annualised cost of goods sold / closing inventory)	3.12	2.14	3.63	2.94	3.39	3.96
Operating margin (%) (Profit before interest, tax and exceptional items / revenue from operations)	9%	10%	9%	9%	8%	9%
Net Profit Margin (%) (Net profit after tax and exceptional items / revenue from operations)	2%	3%	2%	3%	1%	2%
Capital redemption reserve (₹ in crores)	2	2	2	2	2	2
Net worth (₹ in crores)	2,136	2,136	1,956	2,136	1,956	2,090

The Company has maintained minimum required assets cover ratio of 1.1 times as per debenture issue terms of non convertible debentures carrying interest @ 7.30% p.a. and assets cover ratio of 1.25 times of non convertible debentures carrying interest @ 8.25% p.a. and non convertible debentures carrying interest @ 9.10 % p.a. Debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain immovable fixed assets of the Company.

6. Previous period/year figures have been regrouped / rearranged, wherever necessary to conform to current period's classification

Place: Mumbai
Date: October 26, 2023

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

Ankit Agarwal
Managing Director
DIN : 03344202

Registered office: Sterlite Technologies Limited, 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001
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To
The Board of Directors
Sterlite Technologies Limited
4th Floor Godrej Millennium,
Koregaon Road 9, STS 12/1,
Pune, Maharashtra - 411001

1. We have reviewed the consolidated unaudited financial results of Sterlite Technologies Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its jointly controlled entity and associate companies (refer to paragraph 4 of the report) for the quarter ended June 30, 2023 which are included in the accompanying Consolidated Financial Results for the quarter ended June 30, 2023, together with notes thereon (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialed by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity	Relationship
1.	Sterlite Tech Cables Solutions Limited	Subsidiary
2.	Speedon Network limited	Subsidiary
3.	Sterlite Innovative Solutions Limited	Subsidiary
4.	STL Digital Limited	Subsidiary
5.	Sterlite (Shanghai) Trading Company Limited	Subsidiary
6.	Elitecore Technologies SDN. BHD	Subsidiary
7.	Sterlite Tech Holding Inc	Subsidiary
8.	PT Sterlite Technologies Indonesia	Subsidiary
9.	Sterlite Technologies DMCC	Subsidiary
10.	Sterlite Global Ventures (Mauritius) Limited	Subsidiary
11.	Sterlite Technologies Pty. Ltd.	Subsidiary
12.	STL Networks Limited	Subsidiary
13.	STL UK Holdco Limited	Subsidiary
14.	STL Tech Solutions Limited	Subsidiary
15.	Metallurgica Bresciana S.p.A	Subsidiary
16.	STL Optical Interconnect S.p.A.	Subsidiary
17.	Sterlite Technologies UK Ventures Limited	Subsidiary
18.	Sterlite Technologies Inc. (South Carolina)	Step down Subsidiary
19.	STL Solutions Germany GmBH	Step down Subsidiary
20.	STL Networks Services Inc.	Step down Subsidiary
21.	STL Edge Networks Inc.	Step down Subsidiary
22.	Clearcomm Group Ltd.	Step down Subsidiary
23.	Sterlite Telesystems Limited	Step down Subsidiary
24.	Jiangsu Sterlite Fiber Technology Co., Limited	Step down Subsidiary
25.	Elitecore Techologies (Mauritius) Limited	Step down Subsidiary
26.	Vulcan Data Centre Solutions Limited	Step down Subsidiary
27.	Optotec S.p.A	Step down Subsidiary
28.	Optotec International S.A.	Step down Subsidiary
29.	STL Optical Tech Limited	Step down Subsidiary
30.	STL Digital Inc.	Step down Subsidiary
31.	STL Digital UK Limited	Step down Subsidiary
32.	Sterlite Conduspar Industrial Ltda.	Jointly controlled entity
33.	MB (Maanshan) Special Cables Co. Ltd.	Associate Company
34.	Maanshan Metallurgica Bresciana Electrical Technology Limited	Step down Associate Company
35.	ASOCS Limited	Associate Company

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of three subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 279 crores, total net profit after tax of Rs. 15 crores and total comprehensive income of Rs. 12 crores, for the quarter ended June 30, 2023, as considered in the consolidated unaudited financial results. The interim financial information of these subsidiaries have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
   Our conclusion on the Statement is not modified in respect of the above matter.

7. We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 60 crores, total net loss after tax of Rs. 12 crores and total comprehensive loss of Rs. 20 crores, for the quarter ended June 30, 2023, as considered in the consolidated unaudited financial results. This interim financial information have been audited by other auditor and their report, vide which they have issued an unmodified opinion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.
   The above referred subsidiary is located outside India whose interim financial information has been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Parent's management has converted the financial information of above subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the financial information of this subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and reviewed by us.
   Our conclusion on the Statement is not modified in respect of the above matter.

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8. The consolidated unaudited financial results include the interim financial information of twenty-four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. 75 crores, total net loss after tax of Rs. 12 crores and total comprehensive loss of Rs. 16 crores for the quarter ended June 30, 2023, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 1 crores and total comprehensive income of Rs. 1 crore for the quarter ended June 30, 2023, as considered in the consolidated unaudited financial results, in respect of three associates and one jointly controlled entity, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.
Our conclusion on the Statement is not modified in respect of the above matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number 108391

UDIN: 23108391BGTBXH4857
Place: Mumbai

Date: July 27, 2023

STERLITE TECHNOLOGIES LIMITED
[CIN : L31300PN2000PLC202408]
CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

STL

(₹ in crores except earnings per share)

Particulars	Quarter ended			Year ended
	Jun 23 (Unaudited)	Mar 23 (Unaudited)	Jun 22 (Unaudited)	Mar 23 (Audited)
Revenue from operations	1,522	1,872	1,487	6,925
Other income	21	24	4	41
Total income	**1,543**	**1,896**	**1,491**	**6,966**
Total expenditure	**1,308**	**1,616**	**1,326**	**6,035**
Cost of materials consumed	777	812	807	3,164
Purchase of stock-in-trade	-	1	(0)	1
(Increase) / decrease in finished goods, stock-in-trade and WIP	(175)	29	(90)	134
Employee benefits expense	253	262	169	912
Other expenses	453	512	440	1,824
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**235**	**280**	**165**	**931**
Finance costs	92	89	68	311
Depreciation and amortisation expense	81	78	76	309
Profit/(loss) before tax and share of net profits of investments accounted using equity method	**62**	**113**	**21**	**311**
Share of profit/(loss) of joint venture and associate companies	1	1	1	4
Profit/(loss) before tax from continuing operations	**63**	**114**	**22**	**315**
Tax expense/(credit) :	**19**	**34**	**6**	**84**
Current tax	25	41	31	148
Deferred tax	(6)	(7)	(25)	(64)
Net profit/(loss) after tax and share in profit / (loss) of joint venture and associate company	**44**	**80**	**16**	**231**
Profit/(Loss) from discontinued operations (refer note 3)	**8**	**(17)**	**(40)**	**(104)**
Net profit/(loss) for the period	**52**	**63**	**(24)**	**127**
Other comprehensive income/(loss)				
A i) Items that will be reclassified to profit or loss	(13)	29	(9)	(23)
ii) Income tax relating to these items	0	(7)	1	6
B i) Items that will not be reclassified to profit or loss	-	3	-	4
ii) Income tax relating to these items	-	(1)	-	(1)
Other comprehensive income/(loss)	**(13)**	**24**	**(8)**	**(14)**
Total comprehensive income/(loss) for the period	**39**	**87**	**(32)**	**113**
Net profit/(loss) attributable to				
a) Owners of the company	**54**	**65**	**(22)**	**141**
b) Non controlling interest	(2)	(2)	(2)	(14)
Other comprehensive income/(loss) attributable to				
a) Owners of the company	(13)	23	(6)	(10)
b) Non controlling interest	-	1	(2)	(4)
Total comprehensive income/(loss) attributable to				
a) Owners of the company	41	88	(28)	131
b) Non controlling interest	(2)	(1)	(4)	(18)
Paid-up equity capital (face value ₹ 2 per share)	80	80	80	80
Reserves (excluding revaluation reserves)				2,011
Earnings per equity share (EPS) to owners of the parent				
Basic EPS - from continuing operations (₹)	1.15	2.07	0.46	6.15
Diluted EPS - from continuing operations (₹)	1.15	2.06	0.46	6.12
Basic EPS - from discontinued operations (₹)	0.20	(0.44)	(0.98)	(2.62)
Diluted EPS - from discontinued operations (₹)	0.20	(0.44)	(0.98)	(2.62)
Basic EPS - from continuing and discontinued operations (₹)	1.35	1.63	(0.52)	3.53
Diluted EPS - from continuing and discontinued operations (₹)	1.34	1.62	(0.51)	3.50

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STERLITE TECHNOLOGIES LIMITED
(CIN : L31300PN2000PLC202408)

CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER ENDED JUNE 30, 2023

The Group's operations primarily relate to telecom sector including manufacturing of telecom products, telecom services and providing digital and technology solutions. The segment information is provided to and reviewed by Chief Operating Decision Maker (CODM). The Group's segments consist of :

1. Optical networking business - Design and Manufacturing of optical fibre, cables and optical interconnect products
2. Global service business - Fibre roll out, end to end system integration and network deployment
3. Digital and technology solutions - Enabling digital transformation of telcos and enterprises

(₹ in crores)

Particulars	Quarter ended			Year ended
	Jun 23 (Unaudited)	Mar 23 (Unaudited)	Jun 22 (Unaudited)	Mar 23 (Audited)
1. Segment revenue				
Optical networking business	1,112	1,505	1,137	5,439
Global service business	353	352	367	1,511
Digital and technology solutions	62	35	3	70
Inter segment elimination	(5)	(20)	(20)	(95)
Revenue from operations	**1,522**	**1,872**	**1,487**	**6,925**
2. Segment Results (EBITDA)				
Optical networking business	246	321	161	1,045
Global service business	28	14	23	47
Digital and technology solutions	(37)	(35)	(23)	(124)
Total segment results	**237**	**300**	**161**	**968**
Net unallocated income/(expense)	(2)	(20)	4	(37)
Total EBITDA	**235**	**280**	**165**	**931**
Finance cost	92	89	68	311
Depreciation and amortisation expense	81	78	76	309
Profit/(loss) before tax and share of net profits of investments accounted using equity method	**62**	**113**	**21**	**311**
Share of profit/(loss) of joint venture and associate companies	1	1	1	4
Profit/(loss) before tax from continuing operations	**63**	**114**	**22**	**315**
3. Segment assets*				
Optical networking business	4,874	4,933	5,166	4,933
Global service business	2,974	2,930	2,632	2,930
Digital and technology solutions	176	153	64	153
Total segment assets	**8,024**	**8,016**	**7,862**	**8,016**
Inter segment elimination	(33)	(24)	(19)	(24)
Unallocated assets	793	873	1,279	873
Total assets	**8,784**	**8,865**	**9,122**	**8,865**
4. Segment Liabilities				
Optical networking business	1,262	1,319	1,479	1,319
Global service business	1,402	1,374	1,466	1,374
Digital and technology solutions	93	105	8	105
Total segment liabilities	**2,757**	**2,798**	**2,953**	**2,798**
Inter segment elimination	(33)	(24)	(19)	(24)
Unallocated liabilities	3,920	3,996	4,171	3,996
Total liabilities	**6,644**	**6,770**	**7,105**	**6,770**

*includes investment in associate companies accounted using equity method and fair value through OCI

Sterlite Technologies Limited

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STERLITE TECHNOLOGIES LIMITED

Notes to consolidated financial results :

1. The above results have been reviewed by the Audit Committee. The Board of Directors at its meeting held on July 27, 2023 have approved the above results.

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

3. During the year ended March 31, 2023, the Group had recognised certain operations as discontinued operations in accordance with Ind AS 105. The comparative information for the quarter ended June 30, 2022 as presented in these results is restated compared to the results for the said period published earlier.

4. The Board of Directors of the Company at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company" or "Company") and STL Networks Limited (the "Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Scheme, inter alia, provides for the following:

(a) Transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged Company to the Resulting Company and consequent issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company; and
(b) Various other matters consequential or otherwise integrally connected therewith including the reorganisation of the share capital of the Resulting Company.

The equity shares of the Resulting Company are to be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the Company will be issued shares in the Resulting Company in the same proportion as their holding in the Company. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

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STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial results :

5. The disclosures required as per the provisions of Regulation 52(4) and 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are given below:

Ratios	Quarter ended (Unaudited)			Year ended (Audited)
	Jun'23	Mar'23	Jun'22	Mar'23
Debt equity ratio [(Total borrowings (-) cash and cash equivalents and current investments) / total equity]	1.46	1.49	1.60	1.49
Debt service coverage ratio [Profit before interest, depreciation, amortisation and tax from continuing operations/ (finance cost + principal long term loan repaid during the period)]	0.64	0.83	1.16	1.12
Interest service coverage ratio (Profit before interest, depreciation, amortisation and tax from continuing operations / finance cost)	2.55	3.15	2.43	2.99
Current ratio (current assets / current liabilities)	0.92	0.94	1.03	0.94
Long term debt to working capital (Long term debt including current maturities / working capital excluding current maturities of long term debt)	5.25	4.09	3.49	4.09
Bad debt to accounts receivable ratio [(Bad debts + provision for doubtful debts) / trade receivables]	0.02	0.00	(0.00)	0.01
Current liability ratio (Current liabilities / total liabilities)	0.85	0.82	0.75	0.82
Total debt to total assets (Total debts / total assets)	0.41	0.41	0.40	0.41
Asset coverage ratio - NCD 7.30% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.10	1.10	1.14	1.10
Asset coverage ratio - NCD 8.25% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.37	1.38	1.30	1.38
Asset coverage ratio - NCD 9.1% (Value of secured asset mortgaged,hypotecated / outstanding amount of borrowing)	1.98	2.03	-	2.03
Trade receivables turnover ratio (Annualised revenue from continuing operations/ closing trade receivables)	3.63	4.11	3.70	3.80
Inventory turnover ratio (Annualised cost of goods sold from continuing operations/ closing inventory)	2.14	4.04	2.70	3.96
Operating margin (%) (Profit before interest and tax from continuing operations/ revenue from continuing operations)	10%	11%	6%	9%
Net Profit Margin (%) (Net profit after tax from continuing operations/ revenue from continuing operations)	3%	4%	1%	2%
Capital redemption reserve (₹ in crores)	2	2	2	2
Net worth (₹ in crores)	2,136	2,090	1,929	2,090

The Company has maintained minimum required assets cover ratio of 1.1 times as per debenture issue terms of non convertible debentures carrying interest @ 7.30% p.a. and assets cover ratio of 1.25 times of non convertible debentures carrying interest @ 8.25% p.a. and non convertible debentures carrying interest @ 9.10 % p.a. Debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of certain Immovable fixed assets of the Company.

6. Previous period/year figures have been regrouped / rearranged, wherever necessary to conform to current period's classification.

Place: Mumbai
Date: 27 July 2023

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

Ankit Agarwal
Managing Director
DIN : 03344202

Registered office: Sterlite Technologies Limited, 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra - 411001
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INDEPENDENT AUDITORS' REPORT

To the Members of Sterlite Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and jointly controlled entity (refer note 36 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and jointly controlled entity as at March 31, 2023 and its consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 and 15 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
a. Recognition of revenue: (Refer note 2.3 (e), note 3 and note 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 the 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; • Allocation of consideration to identified performance obligations; and • Recognition of revenue over a period of time or at a point in time, based on timing when control is transferred to customer. 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, and • liquidated damages Also, for ongoing contracts, management re-assesses the above estimates at each reporting date taking into account expected delays in completion of the performance obligations, cost escalations and available contract remedies We focused on this area since it requires management to exercise judgement and therefore could be subject to material misstatement due to fraud or error.	**Our audit procedures included:** Understood and evaluated the design and tested the operating effectiveness of key controls relating to revenue recognition. In respect of a sample of 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; • Evaluating the contract terms 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 the Management in making estimates for contracts where revenue is recognised over time including the appropriateness and reasonability of Management's conclusion regarding the expected delays in estimated completion of the performance obligations and possible impact on key estimates; • 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, if any; and • Assessing adequacy of presentation and disclosures in the consolidated financial statements. Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and

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	disclosures as required by Ind AS 115.
b. Valuation of contract assets and trade receivables - risk of credit losses (Refer note 2.3(q)(iii), note 3, note 8 and note 11 to the Consolidated Financial Statements) The Group's trade receivables and contract assets amount to Rs. 1,822 and Rs. 1,416 as at March 31, 2023. A significant portion of contract assets and trade receivables are related to the Global Services Business (GSB). GSB is into the business of fibre roll out and end to end system integration wherein revenue is recognised over time. Such contracts are long term in nature and have inherent operational and contractual risks, like difference in billing and payment milestones, customer site acceptance, retention clauses, availability of funds with customers, potential disputes, etc., resulting in delays in billing and collection and risk of recoverability. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts. The expected credit loss provision is measured by the management using the simplified approach as prescribed by Ind AS 109: Financial Instruments. While the Group assesses the recoverability of receivable from each contract of GSB separately based on credit risk, project status, past history, latest discussion/ correspondence with the customers and legal opinions wherever applicable, the provision is estimated on an aggregate basis. For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets are material to the consolidated financial statements and as the assessment of their recoverability requires considerable management judgement, we determined this to be a key audit matter.	**Our audit procedures included:** • Understanding and evaluating the accounting policy of the Group. • Evaluating the design and testing the operating effectiveness of the key controls on measurement of expected credit loss; • Understanding the reasons for aged / overdue balances including factors like project status and contractual terms through discussions with the management, corroborating by review of correspondences with the customers and site visits as necessary and obtaining management representations where necessary; • Assessing and challenging the appropriateness and completeness of the assumptions used by the Management in determining the expected credit loss by considering credit risk of the customer, cash collection, correspondences with the customers, etc.; • Inquiring with the inhouse legal counsel regarding status of the disputed dues and reviewing and discussing the legal opinions obtained by the management with the external legal counsels wherever necessary; • Assessing and testing the appropriateness of inputs and assumptions used in the provision matrix; and • Assessing adequacy of the disclosures in the financial statements required to be made by the Management as per the applicable Ind AS requirements. Based on the above procedures performed, no significant observations were noted in management's assessment of valuation of trade receivables and contract assets.

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Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for assessing the ability of the Group and of its associate companies and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate companies and jointly controlled entity.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(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 consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and jointly controlled entity to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs 403 crores and net assets of Rs 173 crores as at March 31, 2023, total revenue of Rs. 100 crores, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 27 crores and net cash flows amounting to Rs. (9) crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on the reports of the other auditors.

15. The financial statements of four subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 1,175 crores and net assets of Rs. 342 crores as at March 31, 2023, total revenue of Rs. 1,027 crores, total comprehensive loss (comprising of profit and other comprehensive income) of Rs. 7 crores and net cash flows amounting to Rs. 49 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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16. We did not audit the financial statements of twenty six subsidiaries whose financial statements reflect total assets of Rs. 925 crores and net assets of Rs. 149 crores as at March 31, 2023, total revenue of Rs. 334 crores, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 43 crores and net cash flows amounting to Rs. 77 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 4 crores and Rs. Nil for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of three associate companies and one jointly controlled entity respectively, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

The statutory audit reports on the financial statements for the year ended March 31, 2023 of following subsidiaries of the Holding Company have not been issued until the date of this report. Accordingly, no comments for the said subsidiaries have been included for the purpose of reporting under this clause.

S. No.	Name of the Company	Relationship with the Holding Company
1.	Speedon Network Limited	Subsidiary
2.	STL Digital Limited	Subsidiary
3.	Sterlite Innovative Solutions Limited	Subsidiary
4.	Sterlite Telesystems Limited	Step-down Subsidiary

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18. 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 have been kept by the Holding Company and its subsidiary companies incorporated in India, so far as it appears from our examination of those books except that in respect of certain books and papers backup is not maintained in India.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(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, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above.

(g) 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.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 associate companies and jointly controlled entity– Refer Note 22 and 39 to the consolidated financial statements.

ii. The Group, its associate companies and jointly controlled entity were not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group, its associates and jointly controlled entity did not have any long-term derivative contracts as at March 31, 2023.

ii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India during the year.

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iii. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 9 to the consolidated financial statements).

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 19 to the consolidated financial statements).

(c) Based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

iv. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act.

v. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, associate companies and jointly controlled entity, is applicable to the Group, associate companies and jointly controlled entity only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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19. The Holding Company and its subsidiary companies incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 23108391BGTBUR3252
Place: Mumbai
Date: May 17, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of Sterlite Technologies Limited on the consolidated financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Sterlite Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date. The statutory audit reports of four subsidiaries of the Holding Company incorporated in India (refer note 36 to the Consolidated Financial Statements) have not been issued until the date of this report.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Annexure A to Independent Auditor's Report

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Sterlite Technologies Limited
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 23108391BGTBUR3252
Place: Mumbai
May 17, 2023

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

	Notes	31 March 2023	31 March 2022
ASSETS			
I. Non-current assets			
Property, plant & equipment	4	2,854	2,855
Capital work-in-progress	4	129	143
Goodwill	5.6	225	270
Intangible assets	[illegible]	167	226
Deferred tax assets (net)	24A	77	48
Financial assets			
(i) Investments	7	96	92
(ii) Loans	9	3	4
(iii) Other financial assets	10	11	18
Other non-current assets	11	97	122
Total Non-current Assets		**3,659**	**3,770**
II. Current assets			
Inventories	12	832	920
Financial assets			
(i) Investments	13	40	0
(ii) Trade receivables	8	1,822	1,706
(iii) Cash and cash equivalents	14	450	411
(iv) Other bank balances	15	57	119
(v) Loans	9	0	0
(vi) Other financial assets	10	118	110
Contract assets	11	1,416	1,255
Other current assets	11	461	460
		5,196	**4,981**
Assets classified as held for sale	16	10	-
Total Current Assets		**5,206**	**4,981**
Total Assets		8,865	8,759
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	80	80
Other equity	18	2,011	1,875
Equity attributable to owners of the parent		**2,091**	**1,955**
Non-controlling interests		4	92
Total Equity		**2,095**	**2,047**
Liabilities			
I. Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	1,002	1,536
(ii) Lease liabilities	4	126	129
(iii) Other financial liabilities	20	15	16
Employee benefit obligations	25	44	50
Provisions	22	0	[illegible]
Deferred tax liabilities (net)	24A	54	90
Total Non-current Liabilities		**1,241**	**1,822**
II. Current liabilities			
Financial liabilities			
(i) Borrowings	19	2,665	1,775
(ii) Lease liabilities	4	41	35
(iii) Trade payables	21		
(A) total outstanding dues of micro and small enterprises (refer note 40)		326	178
(B) total outstanding dues of creditors other than micro and small enterprises		1,826	2,242
(iv) Other financial liabilities	20	254	295
Contract liabilities	23	156	186
Employee benefit obligations	25	29	17
Provisions	22	66	24
Current tax liabilities (Net)	24B	33	22
Other current liabilities	23	131	116
Total Current Liabilities		**5,529**	**4,890**
Total liabilities		**6,770**	**6,713**
Total Equity & Liabilities		8,865	8,759
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: [illegible]

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

Neeraj Sharma
Partner
Membership Number 108391

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN: [illegible]

Ankit Agarwal
Managing Director
DIN: [illegible]

Tushar Shroff
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 17 May 2023

Place: [illegible]
Date: [illegible]

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

	Notes	31 March 2023	31 March 2022
Continuing Operations			
INCOME			
Revenue from operations	26	6,925	5,437
Other income	27	41	58
Total Income (I)		**6,966**	**5,495**
EXPENSES			
Cost of raw materials and components consumed	28	3,164	3,089
Purchase of traded goods		1	0
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	28	134	(320)
Employee benefit expense	29	912	661
Other expenses (includes net impairment losses of financial and contract assets of ₹ 72 crores (31 March 2022 : ₹ 91 crores))	30	1,824	1,342
Total Expenses (II)		**6,035**	**4,772**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**931**	**723**
Depreciation and amortisation expense	31	309	308
Finance costs	32	311	238
Profit before exceptional items, tax and share of profit of associate and joint venture		**311**	**178**
Share of net profit of associates and joint venture	53	4	5
Profit before exceptional items and tax		**315**	**182**
Exceptional items	44	-	16
Profit before tax from continuing operations		**315**	**199**
Tax expense:			
Current tax	33	148	138
Deferred tax		(64)	(86)
Total tax expenses		**84**	**52**
Profit from continuing operations		**231**	**147**
Discontinued operation			
Loss from discontinued operation after tax	16	(104)	(102)
Loss from discontinued operation		**(104)**	**(102)**
Profit for the year (A)		**127**	**45**
<u>Other comprehensive income/(loss)</u>			
Items that may be reclassified to profit or loss in subsequent periods			
Net movement in cash flow hedges	18	(37)	6
Exchange differences on translation of foreign operations	18	14	1
Income tax effect on the above		6	(0)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**(17)**	**7**
Items that will not be reclassified to profit or loss in subsequent periods		4	4
Income tax effect on the above		(1)	(1)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**3**	**3**
Other comprehensive income/(loss) for the year, net of tax (B)		**(14)**	**10**
Total comprehensive income for the year (A+B)		**113**	**55**

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

	Notes	31 March 2023	31 March 2022
Profit/(loss) for the year attributable to:			
Owners of the Parent		141	60
Non-controlling interests		(14)	(15)
		127	**45**
Other comprehensive income/(loss) attributable to:			
Owners of the Parent		(10)	5
Non-controlling interests		(4)	5
		(14)	**10**
Total comprehensive income/(loss) attributable to:			
Owners of the Parent		131	65
Non-controlling interests		(18)	(10)
		113	**55**
Total comprehensive income attributable to owners arising from:			
Continuing Operations		235	167
Discontinued Operations		(104)	(102)
		131	**65**
Earnings/(loss) per equity share to owners of the parent (Amounts in ₹) **(Face Value ₹ 2 per share)**	35		
Basic			
From continuing operations		6.15	4.03
From discontinued operation		(2.62)	(2.52)
From continuing and discontinued operations		3.53	1.51
Diluted			
From continuing operations		6.12	4.02
From discontinued operation		(2.62)	(2.52)
From continuing and discontinued operations		3.50	1.50
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391

Place: Mumbai
Date: 17 May 2023

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Tushar Shroff
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 17 May 2023

STERLITE TECHNOLOGIES LTD. PUNE

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Note	No. in Crs.	Amount
As at 01 April 2021		39.66	79
Changes in equity share capital	17	0.11	0
As at 31 March 2022		39.77	80
Changes in equity share capital	17	0.08	0
As at 31 March 2023		39.85	80

B. OTHER EQUITY

	Reserves and surplus							Other reserves				
	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Redemption liability reserve	Foreign currency translation reserve	Total	Non-Controlling interest
As at 01 April 2021	0	15	23	37	102	2	1,695	2	(19)	51	1,908	98
Profit for the year	-	-	-	-	-	-	60	-	-	-	60	(13)
Other comprehensive income for the year	-	-	-	-	-	-	3	1	-	1	6	3
Total comprehensive income for the year	-	-	-	-	-	-	63	1	-	1	66	(10)
Amount transferred to general reserve	-	-	-	(37)	37	-	-	-	-	-	-	-
Restatement of redemption liability	-	-	-	-	-	-	-	-	6	-	6	-
Creation of Redemption liability (refer note 45)	-	-	-	-	-	-	-	-	(35)	-	(35)	-
Transferred to statement of profit and loss (net)	-	-	-	-	-	-	-	(1)	-	-	(1)	-
Others	-	-	-	-	-	-	-	-	-	(1)	(1)	-
Transactions with owners in their capacity as owners												
Employee stock option exercised	-	10	(10)	-	-	-	-	-	-	-	-	-
Employee stock option expense for the year (refer note 34)	-	-	12	-	-	-	-	-	-	-	12	-
Equity dividend (refer note 49)	-	-	-	-	-	-	(79)	-	-	-	(79)	-
Transactions with non-controlling interest (refer note 45)	-	-	-	-	-	-	-	-	-	-	-	11
Non-controlling interest sold during the year (refer note 36)	-	-	-	-	-	-	-	-	-	-	-	(7)
As at 31 March 2022	0	25	25	-	139	2	1,679	1	(47)	51	1,875	92

Price Waterhouse Chartered Accountants LLP
LLPIN AAC - 5001
Chartered Accountants
FRN 012754N/N500016
★ Pune ★

STERLITE TECHNOLOGIES LTD.
PUNE

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

	Reserves and surplus							Other reserves				
	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Redemption liability reserve	Foreign currency translation reserve	Total	Non-Controlling Interest
As at 31 March 2022	0	25	25	-	139	2	1,679	1	(47)	51	1,875	92
Profit for the year	-	-	-	-	-	-	141	-	-	-	141	(14)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	3	(28)	-	15	(10)	(4)
Total comprehensive income for the year	-	-	-	-	-	-	144	(28)	-	15	131	(18)
Restatement of redemption liability	-	-	-	-	-	-	-	-	47	-	47	-
Others	-	-	-	-	-	-	-	-	-	(5)	(5)	-
Transactions with owners in their capacity as owners												
Employee stock option exercised	-	9	(9)	-	-	-	-	-	-	-	-	-
Employee stock option expenses for the year (refer note 34)	-	-	9	-	-	-	-	-	-	-	9	-
Equity dividend (refer note 49)	-	-	-	-	-	-	(20)	-	-	-	(20)	(14)
Transactions with non-controlling interest (refer note 45 and note 54)	-	-	-	-	-	-	(26)	-	-	-	(26)	(40)
Non-controlling interest sold during the year (refer note 16)	-	-	-	-	-	-	-	-	-	-	-	(16)
As at 31 March 2023	0	34	25	-	139	2	1,777	(27)	-	61	2,011	4

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: Mumbai
Date: 17 May 2023

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Tushar Shroff
Chief Financial Officer

Amit Deshpande
Company Secretary

STERLITE TECHNOLOGIES LTD. PUNE

Place: Mumbai
Date: 17 May 2023

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
A. Operating activities		
Profit/(Loss) before tax		
From continuing operations	315	199
From discontinued operation	(162)	(140)
	153	**59**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	336	319
Amortization and impairment of intangible assets	37	45
Provision for doubtful debts and advances / written back	64	105
Bad debts / advances written off	56	-
(Profit) / Loss on sale of property, plant and equipment, net including gain on termination of lease	[illegible]	(68)
Profit from sale of business undertaking	(90)	-
Profit on sale of investments	(37)	(36)
Rental income	-	(0)
Share of profit from associates and joint venture	(4)	(4)
Employee stock option expenses	9	12
Finance costs (including interest pertaining to Ind AS 116)	314	241
Finance income (forming part of other income)	(10)	(6)
Unrealized exchange difference	(41)	(2)
	636	**606**
Operating profit before working capital changes	**789**	**665**
Working capital adjustments:		
Increase/(decrease) in trade payables	(305)	414
Increase/(decrease) in long-term provisions	(1)	0
Increase/(decrease) in short-term provisions	41	28
Increase/(decrease) in other current liabilities	23	18
Increase/(decrease) in contract liabilities	9	113
Increase/(decrease) in other current financial liabilities	(12)	(11)
Increase/(decrease) in other non-current financial liabilities	40	(7)
Increase/(decrease) in current employee benefit obligations	12	4
Increase/(decrease) in non-current employee benefit obligations	(2)	1
Decrease/(increase) in current trade receivable	(235)	(172)
Decrease/(increase) in inventories	118	(297)
Decrease/(increase) in loans given to related parties	2	10
Decrease/(increase) in short-term loans	(0)	(0)
Decrease/(increase) in other current financial assets	(18)	(62)
Decrease/(increase) in other non-current financial assets	6	[illegible]
Decrease/(increase) in other current assets	(4)	(23)
Decrease/(increase) in contract assets	(192)	55
Decrease/(increase) in other non current assets	(27)	1
Changes in working capital	**(545)**	**77**
Cash generated from operations	**245**	**742**
Income tax paid (net of refunds)	(19)	(158)
Net cash inflow from operating activities (A)	**226**	**584**
B. Investing activities*		
Purchase of property, plant and equipments	(365)	(668)
Receipt of government grant for investment in property, plant & equipment	14	129
Purchase of intangible assets	(10)	(19)
Proceeds from sale of property, plant and equipments	26	95
Investment in subsidiaries, net of cash acquired	-	(110)
Proceeds from assets held for sale	10	20
Proceeds from sale of investments in subsidiaries	113	45
Proceeds from sale of business undertaking	123	-
Purchase of current investments	(40)	(0)
Proceeds from current investments	-	181
Net movement in other bank balance	62	(160)
Rental income	-	0
Interest received (finance income)	10	6
Net cash flow used in investing activities (B)	**(57)**	**(481)**
C. Financing activities*		
Proceeds from long term borrowings	346	587
Repayment of long term borrowings	(523)	(298)
Proceeds/(repayment) from/of short term borrowings (net)	493	166
Proceeds from issue of shares against employee stock options	0	0
Interest paid (including interest pertaining to Ind AS 116)	(314)	(240)
Principal elements of leases payments	(33)	(21)
Payment to non-controlling interest for acquisition	(67)	-
Dividend paid by subsidiary to non-controlling interest	(14)	-
Dividend paid on equity shares	(20)	(79)
Net cash flow from financing activities (C)	**(132)**	**115**

* [illegible]

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ crores, unless otherwise stated)

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Net increase in cash and cash equivalents (A+B+C)	37	218
Foreign exchange relating to cash and cash equivalents of Foreign operations	2	(0)
Cash and cash equivalents as at the beginning of the year	411	193
Cash and cash equivalents as at the year end	450	411

Components of cash and cash equivalents:

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Balances with banks :	450	411
Cash on hand	0	0
Total cash and cash equivalents	**450**	**411**
Total cash and cash equivalents	**450**	**411**

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: Mumbai
Date: 17 May 2023

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Tushar Shroff
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 17 May 2023

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Parent Company), its subsidiaries (collectively, the Group) and its joint venture and associate companies for the year ended 31 March 2023. The Parent Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Parent Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra-411001, India. The Group's operations primarily relates to telecom sector including manufacturing of telecom products, telecom services and providing digital and technology solutions.

The Group is a global leader in end-to-end data network solutions. The group designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the group is the industry's leading integrated solutions provider for global data networks. The group partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share Based Payments
- Defined benefit plans- plan assets measured at fair value
- Assets classified as held for sale – measured at fair value less cost to sale.

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

2.2 Principles of consolidation and equity accounting

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2023 When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how goodwill is accounted.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

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Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Redemption liability

The Group recognises a financial liability at the present value of the redemption amount for its obligation, if any, to pay cash in the future to purchase the shares held by non-controlling interest shareholders. The initial redemption liability and any subsequent adjustment to the liability is reduced from the parent's equity if the risks and rewards of ownership remain with the non-controlling interest and are not transferred to the group.

b) Investment in joint ventures and associate companies

The Group's investment in its joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate companies and joint ventures are recognised as a reduction in the carrying amount of the investment.

Associate companies are all entities over which group has significant influence but not control. Investment in associate companies are accounted for using the equity method of accounting, after initially being recognised at cost.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Sterlite Technologies Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income or profit and loss account.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference are classified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

e) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:
(i) identify contracts with customers
(ii) identify the separate performance obligation
(iii) determine the transaction price of the contract
(iv) allocate the transaction price to each of the separate performance obligations, and
(v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Group has following streams of revenue:

(i) Revenue from sale of products
(ii) Revenue from sale of services
(iii) Revenue from network integration projects
(iv) Revenue from software products/licenses and implementation activities

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Group performs, or
(b) The customer controls the work-in-progress, or
(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time when control has been transferred.

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion,

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or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

The Group estimates variable consideration using the most likely amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

Financing components: The Group does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, legal title to goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

f) Other income

1. Interest income
Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in other income in the statement of profit and loss.

2. Dividends
Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

3. Rental income
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in the statement of profit and loss.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

h) Income taxes (Current income tax & deferred tax)

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation in the countries where the parent company and it's subsidiaries operate and generate taxable income is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. Such historical cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of plant and equipment.

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Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Group, based on technical assessments made by technical experts and management estimates, depreciates the certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provides the details of the useful life which are different from useful life prescribed under Schedule II of the Companies Act, 2013:

Asset Category	Useful Life considered#*	Useful life (Schedule II)
Buildings	30-60 Years	30-60 Years
Plant & Machinery	3-25 Years	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5-10 Years	10 Years
Data processing equipment's	3-5 Years	Servers and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment's	4-5 Years	5 Years
Electric fittings	4-10 Years	10 Years
Vehicles#	4-5 Years	8 Years

* Considered on the basis of management's estimation, supported by technical advice of management's expert, of the useful lives of the respective assets.

Residual value considered up to 15% on the basis of management's estimation, supported by technical advice.

The leasehold improvements and property, plant and equipment acquired under leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, unless the entity/Group expects to use the assets beyond the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The assets' residual values and useful lives are reviewed at each financial year end and adjusted, if appropriate, at the end of each reporting period.

j) Intangible assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, or is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

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Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Group does not have any intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

All intangibles assets (other than Goodwill and Customer Relationships) are amortised on a straight line basis five to six years.

Customer relationships recognised as a part of business combination are amortised over period of five to ten years.

Research costs are expensed as incurred.

k) Leases

As a lessee:

The group leases various assets which includes land, buildings and plant & machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, and leased assets are not used as security for borrowing purposes

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

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- 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 group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

As a lessor:

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for privilege leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity, and

(b) Defined contribution plans in the nature of provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

p) Share-based payments

The fair value of options granted under the Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

q) Investments and other financial assets

i) Classification & recognition:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commit to purchase or sell the financial asset.

ii) Measurement:

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in statement of profit and loss using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/(expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ (expenses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group makes investments in certain joint ventures and associate companies with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associate companies in accordance with Ind AS 109.

iii) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instrument, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Lease receivables under Ind AS 116

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

iv)De-recognition of financial assets

A financial asset is derecognised only when the group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform

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an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

r) Financial liabilities

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/(expenses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

s) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

t) Derivatives and hedging activities

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Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group designates the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

u) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associate companies are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

v) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

w) Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Presentation of EBITDA

The Group presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the group's financial position or performance.

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include exceptional items, depreciation and amortization expense, finance costs, share of profit/ loss from associates and joint venture and tax expense.

z) Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

aa) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 56 for segment information presented.

bb) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

cc) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated. Amounts below the rounding off norm followed by the Group are disclosed as '0'.

dd) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

2.2 Recent accounting pronouncements

New and amended standards adopted by the Group
The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS' notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

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NOTE 3: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates. Management exercises judgement in applying the Group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below

Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6

Revenue Recognition on Contracts with Customers

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer

The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc

Revenue for fixed-price contract is recognised using the input method for measuring progress. The Group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.
Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Group excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Group recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Group in designing and manufacturing of the good

Share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in Note 34

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25

Business Combinations

In accounting for business combinations, judgement is required for valuation of assets and determining whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable asset acquired and liabilities and contingent considerations involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions, such as discount rate, that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations

Impairment assessment for trade receivables and contract assets

A significant portion of contract assets and trade receivables of the group is related to the Global Services business (GSB) wherein revenue is recognised over time. Such contracts are long term in nature and have inherent operational and contractual risks, like difference in billing and payment milestones, customer acceptance, retention clauses, availability of funds with customers, potential disputes and others resulting in delay in billing and collection and the risk of recoverability
The group uses the simplified approach as prescribed by Ind AS 109: Financial Instruments to calculate the expected lifetime credit loss for receivable and contract assets from the GSB. Given the differences in size, nature and contractual and operational risks of each contract, in assessing the recoverability of receivable, contract assets and expected lifetime credit loss, the group considers the credit risk, expected date of billing and collection, interpretation of contractual terms, project status, past history, latest discussion/ correspondence with the customers and legal opinions wherever applicable, of individual contracts. The assessments are then considered in calculating the expected lifetime losses on an overall balance of receivables and contract assets from GSB business
For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts for which a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109

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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										
As at 01 April 2021	138	685	3,295	29	80	21	47	12	143	4,431
Additions	19	12	190	3	12	4	20	5	86	362
Assets acquired under business combination (refer note 45)	-	-	7	-	-	-	-	-	-	7
Translation adjustments	(1)	4	26	9	-	(0)	-	(0)	9	29
Disposals/adjustments	(5)	(3)	(40)	(1)	(0)	(2)	(0)	(2)	(1)	(74)
As at 31 March 2022	133	700	3,478	31	92	23	87	18	227	4,789
Additions	-	17	287	7	11	5	9	2	26	363
Asset classified as asset held for sale (refer note 16)	-	-	(70)	-	(3)	(1)	-	-	-	(80)
Translation adjustments	4	8	33	8	-	1	-	0	6	28
Disposal/adjustments	-	(21)	(27)	(1)	(5)	(1)	(8)	(2)	(27)	(54)
As at 31 March 2023	136	709	3,674	38	95	27	88	16	231	5,022
Accumulated Depreciation and Impairment										
As at 01 April 2021	-	135	1,347	16	81	16	36	8	35	1,648
Charge for the year *	-	34	202	3	10	3	5	2	35	296
Impairment loss (refer note 40)	-	-	29	-	-	-	-	-	-	29
Translation adjustments	-	1	8	0	(0)	(0)	-	(0)	(0)	7
Disposal / adjustments	-	(1)	(23)	(1)	(16)	(2)	(0)	(1)	(1)	(28)
As at 31 March 2022	-	168	1,562	18	75	17	41	7	56	1,939
Charge for the year (Continued operations)	-	33	194	2	16	3	8	2	22	274
Charge for the year (Discontinued operations) (refer note 16)	-	-	32	1	3	-	-	-	7	11
Asset disclosed as asset held for sale (refer note 16)	-	-	(22)	(0)	(1)	(1)	-	-	-	(23)
Translation adjustments	-	1	15	0	0	0	0	0	1	20
Disposal/adjustments	-	(2)	(19)	(1)	(2)	(1)	(1)	(1)	(26)	(54)
As at 31 March 2023	-	200	1,748	21	79	19	48	8	54	2,168
Net Book Value										
As at 31 March 2023	136	509	1,926	17	16	8	47	8	177	2,854
As at 31 March 2022	133	540	1,916	13	21	6	46	9	171	2,855

Movement in Capital work in progress	31 March 2023	31 March 2022
Opening balance	148	227
Additions during the year	317	201
Borrowing cost capitalised during the year (Refer Note 22)	10	3
Transfers during the year	(335)	(291)
Closing balance	139	143

Capital work in progress mainly comprises amounts pertaining to plant & machinery, building and Data processing equipments.

\# Buildings include those constructed on leasehold land:

	31 March 2023	31 March 2022
Gross Block	483	479
Depreciation for the year	20	22
Accumulated depreciation	119	98
Net Block	364	380

* The charge during the year also include amount of ₹ Nil (31 March 2022: ₹ 2 crores) which is capitalised as directly attributable expenditure as per Ind AS 16.

Refer note 19 for information on property, plant and equipment pledged as security by the Group.

Refer note 38 for disclosure of capital commitments for the acquisition of property, plant & equipments.

No proceedings have been initiated or are pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

* ₹ 14 crores received in the current year (31 March 2022: ₹ 128 crores) under Modified Special Incentive Package Scheme (MSIPS) is netted off against specific items of Property, Plant & Equipment against which the Grant is received.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5[illegible] Chartered Accountants FRN [illegible] Pune

STERLITE TECHNOLOGIES LIMITED

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Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 4: PROPERTY, PLANT & EQUIPMENT

Capital work in progress ageing schedule

As at 31 March 2023	Less than 1 year	1-2 years	Total
Projects in progress			
Fiber project	37	0	37
Fiber cable project	78	3	81
Others	12	0	12
	126	3	129

As at 31 March 2022	Less than 1 year	1-2 years	Total
Projects in progress			
Fiber cable project	80	-	80
Fiber project	10	-	10
Wireless solution project	30	2	32
Others	20	1	21
	140	3	143

There are no material overdue projects compared to original plans as on 31 March 2023 and 31 March 2022.

The group evaluates completion of the projects based on its original plan which excludes certain projects relating to research and development executed on an ongoing basis.

Details of Leases :
The note provides information for leases where the group is a lessee. The group has taken land, various offices and plant and machinery on lease. Rental contracts for offices and plant and machinery are typically made for fixed periods of 2 to 15 years, but have extension options.

(i) Assets recognised in balance sheet

The balance sheet shows the following amount relating to lease:

Particulars	Gross Book Value		Net Book Value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Right of use assets				
Leasehold Land	38	28	33	33
Buildings	134	150	113	101
Plant & Machinery	49	49	31	37
Total	221	227	177	171

Additions to the right of use assets during the year is ₹ 26 crores (31 March 2022: ₹ 86 crores)

Particulars	31 March 2023	31 March 2022
Lease liabilities		
Current	41	35
Non-current	126	129
Total	167	164

Movement of lease liability		
Particulars	31 March 2023	31 March 2022
Opening balance	164	105
Add: Acquired during the year	25	86
Less: Disposed during the year	(3)	(10)
Add: Interest accrued during the year	9	10
Less: Payments	(33)	(33)
Addition/(less): FCTR	5	[illegible]
Closing balance	167	164

(ii) Amount recognised in the statement of profit & loss

Particulars	31 March 2023	31 March 2022
Depreciation charge on right of use assets		
Leasehold land	1	1
Buildings	17	15
Plant & Machinery	4	4
Total (Note no. 31)	22	20

Particulars	Note no.	31 March 2023	31 March 2022
Interest expenses (included in finance cost)	32	9	10
Expenses related to short term leases, low value assets (disclosed as rent in other expenses)	30	16	11

The total cash outflow for leases for the year ended 31 March 2023 was ₹ 39 crores (31 March 2022 : ₹ 43 crores)

Extension and Termination options :
Extension and termination options are included in a number of property and equipment leases held by the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

NOTE 5: INTANGIBLE ASSETS

(₹ in crores)

	Software/ licenses	Patents	Customer acquisition / Customer Relationships	Non-Compete	Indefeasible right of use	Goodwill (Refer note 6 and note 45)	Total
Cost							
As at 01 April 2021	**80**	**9**	**81**	**1**	**1**	**440**	**613**
Additions	7	-	2	-	-	-	9
Assets acquired under business combination (refer note 45)	-	37	127	10	-	67	240
Disposals /adjustments	(1)	-	-	-	-	(80)	(81)
Translation adjustments	0	-	(11)	(0)	-	(8)	(20)
As at 31 March 2022	**85**	**46**	**199**	**11**	**1**	**418**	**761**
Additions	9	-	-	-	-	-	9
Assets disclosed as asset held for sale (refer note 16)	(11)	-	-	-	-	-	(11)
Disposals /adjustments	(2)	0	(34)	(1)	-	(54)	(91)
Translation adjustments	1	2	2	(0)	-	9	14
As at 31 March 2023	**82**	**48**	**167**	**10**	**1**	**373**	**681**
Accumulated Amortization and Impairment							
As at 01 April 2021	**36**	**9**	**27**	**0**	**1**	**148**	**221**
Charge for the year	12	4	27	2	0	-	45
Disposals /adjustments	(0)	-	-	-	-	-	(0)
Translation adjustments	0	-	(1)	(0)	-	-	(1)
As at 31 March 2022	**48**	**14**	**53**	**2**	**1**	**148**	**265**
Charge for the year (Continued operations)	8	3	22	1	-	-	35
Charge for the year (Discontinued operations) (refer note 16	1	-	2	-	-	-	3
Assets disclosed as asset held for sale (refer note 16)	(4)	-	-	-	-	-	(4)
Disposals /adjustments	(2)	-	(12)	(0)	-	-	(14)
Translation adjustments	2	1	2	(0)	-	-	4
As at 31 March 2023	**52**	**18**	**67**	**3**	**1**	**148**	**289**
Net Book Value							
As at 31 March 2023	30	30	100	7	0	225	392
As at 31 March 2022	38	32	147	9	0	270	496

NOTE 6: IMPAIRMENT TESTING OF GOODWILL

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Goodwill (refer note 5)	225	270

Goodwill is monitored by management at CGU level. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount.

A CGU level summary of the goodwill allocation is given below

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Connectivity Solutions business in Europe Region	65	60
Network service Solutions business in Europe Region	-	57
Optical Inter-connect Solutions business in Europe Region and India (refer note 45)	95	90
Network service Solutions business in UK Region (refer note 45)	65	63
	225	270

A segment level summary of the carrying value of goodwill is given below

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Optical networking business (ONB)		
Connectivity Solutions business in Europe Region	65	60
Optical Inter-connect Solutions business in Europe Region and India (refer note 45)	95	90
Global service business (GSB)		
Network service Solutions business in Europe Region	-	57
Network service Solutions business in UK Region (refer note 45)	65	63
	225	270

Key assumptions used in the value in use calculations

The following table provides the key assumptions for those CGUs that have goodwill allocated to them.

	31 March 2023	31 March 2022
EBIDTA margins for Connectivity Solutions business in Europe Region	15.00%	10.00%
EBIDTA margins for Network service Solutions business in Europe Region	-	8.00%
EBIDTA margins for Optical Inter-connect Solutions business in Europe region and India	22.00%	18.00%
EBIDTA margins for Network service Solutions business in UK Region	6.00%-19.00%	18.00%
Sales growth rate (annual growth rate) for Connectivity Solutions business in Europe Region	10.00%-33.00%	10.00%
Sales growth rate (annual growth rate) for Network service Solutions business in Europe Region	-	10.00%-12.00%
Sales growth rate (annual growth rate) for Optical Inter-connect Solutions business in Europe Region and India	10.00%	10.00%
Sales growth rate (annual growth rate) for Network service Solutions business in UK Region	5.00%-65.00%	10.00%
Long-term terminal Growth rate for Connectivity Solutions business in Europe Region	2.00%	2.00%
Long-term terminal Growth rate for Network service Solutions business in Europe Region	-	2.00%
Long-term terminal Growth rate for Optical Inter-connect Solutions business in Europe and India	3.00%	0.50%
Long-term terminal Growth rate for Network service Solutions business in UK Region	3.00%	3.00%
Pre-tax discount rate for Connectivity Solutions business in Europe Region	12.38%	13.87%
Pre-tax discount rate for Network service Solutions business in Europe Region	-	13.90%
Pre-tax discount rate for Optical Inter-connect Solutions business in Europe Region and India	12.38%	13.60%
Pre-tax discount rate for Network service Solutions business in UK Region	12.90%	8.99%

Management has determined the values assigned to each of the above key assumptions as follows:

Discount Rate

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

Growth rate assumptions

The group has considered growth rate to extrapolate cash flows beyond the budget period, consistent with the industry forecasts.

EBITDA margins

EBITDA margins are based on the actual EBITDA of the CGU based on the past trend and future expectations.

Sensitivity to changes in assumptions - Connectivity Solutions business in Europe Region

Discount rates

A rise in Pre-tax discount rate to 26.00% would result in impairment.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 9.80% would result in impairment.

Sensitivity to changes in assumptions - Optical Inter-connect Solutions business in Europe Region and India

Discount rates

A rise in Pre-tax discount rate to 22.73% would result in impairment.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 14.90% would result in impairment.

Sensitivity to changes in assumptions - Network service Solutions business in UK Region

Discount rates

A rise in Pre-tax discount rate to [illegible] would result in impairment.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins by [illegible] would result in impairment.

NOTE 7: NON-CURRENT INVESTMENTS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current investments (unquoted)		
Investment in Joint Venture		
50% (31 March 2022: 50%) Equity investment in Sterlite Conduspar Industrial Ltda	-	-
Investments - Other at fair value through OCI		
18,683 (31 March 2022: 18,683) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	0	0
Investment in Associate Companies		
40% (31 March 2022 : 40%) stake in MB Maanshan Special Cable Limited	36	32
11.70% (31 March 2022 : 11.70%) stake in ASOCS Ltd.*	60	60
Total Investments	**96**	**92**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	96	92
Amount of impairment in the value of investments	-	-

* Investment in ASOCS Ltd. is classified as fair value through OCI. The fair value of investment in ASOCS (start-up) as on March 31, 2023 was assessed as ₹ 60 crores as per management's best estimate using revenue multiple approach and latest investment rounds.

During the previous year, Group had sold the investment in Metis Eduventures Private Limited for ₹ 45 crores. The gain on sale of ₹ 10 crores was disclosed in other income (refer note 27).

The group has complied with the number of layers prescribed under the Companies Act, 2013.
The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 8: TRADE RECEIVABLES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Current		
Trade receivables	1,936	1,814
Receivables from related parties (refer note 51)	38	42
Less: Loss allowance	(152)	(149)
	1,822	**1,706**
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,952	1,847
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	22	9
Total	**1,974**	**1,856**
Unsecured, considered good		
- Unsecured, considered good *	12	12
- Unsecured, considered doubtful	26	26
Less: Loss allowance	(152)	(149)
Total Current trade receivables	**1,822**	**1,706**

Trade receivables ageing (Amount in Rs Crores)

31 March 2023

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	947	567	58	88	67	7	1,734
Undisputed Trade Receivables – credit impaired	-	-	-	-	3	19	22
Disputed Trade Receivables–considered good	53	4	1	32	52	76	218
Total	**1,000**	**571**	**59**	**120**	**122**	**102**	**1,974**

31 March 2022

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,027	145	241	166	154	110	1,844
Undisputed Trade receivables – credit impaired	-	-	-	3	-	9	12
Total	**1,027**	**145**	**241**	**169**	**154**	**119**	**1,856**

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

Refer note 19 for information on trade receivables pledged as security by the Group.

NOTE 9: LOANS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current (Unsecured, considered good)		
Loans to related parties (Refer note 51)	3	4
Total non-current loans	3	4
Break-up for security details		
Loans Considered good - Unsecured	3	4
Total	3	4
Less Loss allowance	-	-
Total	3	4
Current		
Loans to employees	0	0
Total current loans	0	0

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties:

Type of Borrower	Amount outstanding as at 31 March 2023	Percentage to the total Loans and Advances in the nature of loans
Amounts repayable on demand		
Other Related Parties		
Sterlite Conduspar Industrial Ltda	3	98%
Maharashtra Transmission Communication Infrastructure Limited	0	2%
Total	3	100%

Type of Borrower	Amount outstanding as at 31 March 2022	Percentage to the total Loans and Advances in the nature of loans
Amounts repayable on demand		
Other Related Parties		
Twin Star Technologies Limited	1	19%
Twinstar Disply Technologies Limited	0	11%
Sterlite Conduspar Industrial Ltda	3	67%
Maharashtra Transmission Communication Infrastructure Limited	0	3%
Total	4	100%

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/entities identified in any manner whatsoever by or on behalf of the Group ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than loans aggregating ₹ 79 crores given during the year by Sterlite Technologies Limited to STL UK Holdco Limited and Sterlite Technologies UK Ventures Limited, subsidiaries of Sterlite Technologies Limited, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to one of the overseas subsidiary of Sterlite Technologies Limited towards meeting its business requirements Accordingly, no further disclosures, in this regard, are required

NOTE 10: OTHER FINANCIAL ASSETS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	-	1
Others		
Security deposits	8	4
Financial guarantee receivable	1	2
Others*	2	11
Total other non-current financial assets	11	18

*This amount includes ₹ Nil (31 March 2022: ₹ 12 crores) receivable from Sterlite Power Transmission Limited with respect to sale of investment in Maharashtra Transmission Communication Infrastructure Limited (Refer note 16 for further details)

	31 March 2023	31 March 2022
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	7	26
Currency/ Interest rate swaps	-	4
Others		
Security deposits	10	12
Interest accrued on investments/deposits	0	0
Government grants receivable	25	33
Receivable on sale of Investment in MTCIL (refer note 16)	13	10
Discounted bills receivables re-purchased	30	-
Others*	32	25
Total other current financial assets	118	110

*This includes expenses incurred on behalf of customer and receivables from sale and lease back of buildings amounting to ₹ 6 crores (31 March 2022, ₹ 5 crores) and ₹ 19 crores (31 March 2022 Nil) respectively

Refer note 19 for information on financial assets pledged as security by the Group

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STERLITE TECHNOLOGIES LIMITED

NOTE 11: OTHER ASSETS AND CONTRACT ASSETS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current (Unsecured, considered good)		
Capital advances	29	35
Advance income tax, including TDS (net of provision)	10	59
Prepaid expenses	39	2
Advance to suppliers	19	27
Total other non-current assets	**97**	**123**
Current (unsecured, considered good)		
Prepaid expenses*	67	50
Balances with Government authorities	312	325
Advance to suppliers	73	66
Other advances	9	19
Total other current assets	**461**	**460**

* Includes cost to obtain a contract of ₹ 4 crores (31 March 2022: ₹ 5 crores) which is being amortised to Statement of Profit and Loss on a systematic basis which is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current year is ₹ 1 crores (31 March 2022: ₹ 3 crores)

Refer note 19 for information on financial assets pledged as security by the Group

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Contract assets (Unsecured, considered good)		
Undisputed	1,277	1,163
Disputed	200	103
Less: Loss allowance	(61)	(11)
Total contract assets	**1,416**	**1,255**

Significant changes in Contract assets
Contract assets have increased from previous year as entity has entered into new contracts during the year and has provided services ahead of the agreed billing and
During the year ended 31 March 2023, ₹ 664 crores (31 March 2022: ₹ 1,157 crores) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones
Refer note 19 for information on other assets pledged as security by the group

NOTE 12: INVENTORIES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Raw materials [Includes stock in transit ₹ 9 crores (31 March 2022: ₹ 11 crores)]	191	182
Work-in-progress	61	101
Finished goods [Includes stock in transit ₹ 237 crores (31 March 2022: ₹ 37 crores)]	467	561
Traded goods [Includes stock in transit Nil (31 March 2022: Nil)]	2	3
Stores, spares, packing materials and others	111	74
Total	**832**	**920**

Amount recognised in Statement of Profit and Loss
Write-downs of inventories to net realisable value amounted to ₹ 41 crores (31 March 2022: ₹ 60 crores). These were recognised as an expense during the year and included in '(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods' in statement of profit and loss of respective year.

Refer note 19 for information on inventories pledged as security by the Group

NOTE 13: CURRENT INVESTMENT

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
In mutual funds (at fair value through profit or loss) (unquoted)		
3,29,964 (31 March 2022: Nil) units of ICICI Prudential Liquid Fund- Direct Plan- Growth option	40	-
Investment in other short term liquid funds	-	0
Aggregate amount of unquoted investments [Market Value: ₹ 40 Crores (31 March 2022: ₹ 0 Crores)]	**40**	**0**
Aggregate amount of impairment in the value of investments	-	-

NOTE 14: CASH AND CASH EQUIVALENTS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Balances with banks:		
In current accounts (in INR)	135	131
In current accounts (in foreign currency)	315	180
Deposits with maturity of less than 3 months	-	100
Cash on hand	0	0
Total	**450**	**411**

There are no repatriation restrictions with regards to cash and cash equivalents

NOTE 15: OTHER BANK BALANCES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Deposits with original maturity of more than 12 months*	2	1
Deposits with original maturity of more than 3 months but less than 12 months**	50	114
In unpaid dividend account	5	4
Total other bank balances	**57**	**119**

* Includes [illegible] by banks against bank guarantees
** Includes Nil (31 March 2022: ₹ 1 crore) held as lien by banks against bank guarantees.

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 16: DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

Year ending 31 March 2023 :

A. Wireless Solution Business
During the current year, the group recognised its Wireless Business as discontinued operation and classified certain non-current assets of ₹ 62 crores as assets held for sale. As of March 31, 2023, the group has recognised an impairment provision of ₹ 52 crores as the difference between the estimated fair value and carrying amount of the assets held for sale

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Assets classified as held for sale		
Property, plant and equipment	10	-
Total assets of disposal group held for sale	**10**	-

Financial performance	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Revenue	6	15
Expenses	145	161
Profit / (loss) before income tax	(139)	(146)
Income tax	36	37
Profit / (loss) for the year	(103)	(110)
Loss on measurement of fair value less cost to sale of assets held for sale	(52)	-
Income tax on above	14	-
Profit / (loss) from discontinued operations	(141)	(110)
Other comprehensive income	-	-
Total comprehensive income	(141)	(110)
Net cash inflow / (outflow) from operating activities	(75)	(84)
Net cash inflow / (outflow) from investing activities	2	(53)
Net cash inflow / (outflow) from financing activities	(2)	(3)
Net (decrease) / increase in cash generated from discontinuing operation	(74)	(140)

B. Telecom Software Business
During the current year, the Group recognised its Telecom Software Business as a discontinued operation and sold the said business and recognised a net gain of ₹ 42 crores in accordance with the business transfer agreement after considering charge of certain net assets not transferred

Financial performance	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Revenue	145	161
Expenses	210	176
Profit / (loss) before income tax	(65)	(15)
Income tax	34	4
Profit / (loss) for the year	(31)	(12)
Gain (Net off ₹ 45 crores provided for certain net assets not transferred) on sale of business (see note a below)	42	-
Income tax on above gain	(22)	-
Profit / (loss) from discontinued operations	(11)	(12)
Other comprehensive income	-	-
Total comprehensive income	(11)	(12)
Net cash inflow / (outflow) from operating activities	57	3
Net cash inflow / (outflow) from investing activities	18	(13)
Net cash inflow / (outflow) from financing activities	24	(7)
Net (decrease) / increase in cash generated from discontinuing operation	99	(18)

a.Details of the sale of the business

	31 March 2023 (₹ in crores)
Consideration received;	
Cash	123
Carrying amount of net assets sold	(33)
Less: Incidental selling costs	(3)
Provision for certain asstes not transferred	(45)
Gain on sale of business	42
Income tax on above	(22)
Gain on sale of business after tax	20

The carrying amounts of assets and liabilities as at the date of sale (27 March 2023) were as follows:

	27 March 2023 (₹ in crores)
Property, Plant and Equipment	0
Capital work-in-progress	6
Other Intangible assets	0
Inventories	1
Trade receivables	34
Contract Assets	24
Other current assets	1
Total assets	67
Trade payables	2
Contract Liabilities	31
Total liability	34
Net assets	33

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NOTE 16: DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

C. Impact Data Solutions Limited, UK

During the year ended March 31, 2023, the Group has recognised a gain of ₹ 37 crores for sale of its stake in Impact Data Solutions Limited, UK and its wholly owned subsidiary Impact Data Solutions BV (IDS) in accordance with terms of Sale and Purchase Agreement

Financial performance	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Revenue	95	133
Expenses	79	125
Profit before income tax	15	8
Income tax	(3)	(3)
Profit for the year	12	6
Gain on sale of subsidiary after tax (see note a below)	37	-
Profit from discontinued operations	49	6
Other comprehensive income	-	-
Total comprehensive income	49	6
Net cash inflow from operating activities	4	10
Net cash outflow from investing activities	(4)	(0)
Net cash outflow from financing activities	-	(8)
Net increase in cash generated from discontinuing operation	-	2

a. Details of the sale of the subsidiary

	31 March 2023 (₹ in crores)
Consideration received/ receivable:	
Cash	158
Less: Incidental selling costs	(8)
Net consideration	151
Less: Carrying amount of net assets sold	114
Gain on sale of business	37
Income tax expense on gain	-
Gain on sale of business after tax	37

The carrying amounts of assets and liabilities as at the date of sale (26 September 2022) were as follows:

	26 September 2022 (₹ in crores)
Property, Plant and Equipment	1
Goodwill	52
Other Intangible assets	28
Other Non-current assets	0
Trade receivables	17
Cash and cash equivalents	32
Other Current Financial Assets	0
Contract Assets	38
Other current assets	[illegible]
Total assets	174
Lease Liability	0
Deferred tax liabilities (Net)	7
Trade payables	32
Other current liabilities	1
Current tax liability	4
Total liability	44
Non controlling interest	(16)
Net assets	114

Year ending 31 March 2022 :

A. During the year ended March 31, 2022, the group has sold the investment in MTCIL. The gain on sale of investment in Maharashtra Transmission Communication Infrastructure Limited of ₹ 26 crores is disclosed in other income as Profit on sale of subsidiaries and investment in joint venture

Financial performance and cash flow information	31 March 2023 (Rs. in crores)	31 March 2022 (Rs. in crores)
Revenue	-	28
Expenses	-	(14)
Profit / (loss) before income tax	-	14
Income tax	-	-
Profit / (loss) for the year	-	14
Other comprehensive income	-	-
Total comprehensive income	-	14
Net cash inflow / (outflow) from operating activities	-	11
Net cash inflow / (outflow) from investing activities	-	(89)
Net cash inflow / (outflow) from financing activities	-	(22)
Net (decrease) / increase in cash generated from discontinuing operation	-	0

Details of Sale of Subsidiary :	31 March 2022 (Rs. in crores)
Consideration received/receivable :	
Cash	41
Carrying amount of net assets sold	(16)
Gain on sale before income tax	26
Income tax expense on gain	1
Gain on sale after income tax	25

NOTE 16: DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

The carrying amounts of assets and liabilities as at the date of sale (29 March 2022) were as follows :

	29 March 2022 (Rs. in crores)
Property, plant and equipments	85
Other non-current assets	6
Cash and Cash equivalents	7
Other bank balances	97
Other current assets	40
Total assets	**236**
Other current liabilities	(7)
Contract liabilities	(174)
Other liabilities	(31)
Total liabilities	(213)
Non-Controlling interest	(7)
Carrying value of net assets sold	16

B. The group had decided to sell land and building at Hyderabad during the year ended 31 March 2021. Hence it was classified as held for sale during the year ended 31 March 2021 and measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the building was determined using the sales comparison approach. No write down was recognised as fair value of the assets is higher than cost. During the year ended March 31, 2022, group has sold the Land and building at Hyderabad. The gain of ₹ 67 crores is recognised as an exceptional item in the statement of profit and loss.

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023
NOTE 17: SHARE CAPITAL

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2022: 75.00) equity shares of ₹2 each	150	150
Issued, subscribed and fully paid-up shares (no. crores)		
39.85(31 March 2022: 39.77) equity shares of ₹ 2 each fully paid - up	80	80
Total issued, subscribed and fully paid-up share capital	**80**	**80**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2023		31 March 2022	
	Nos in crores	₹ in crores	Nos in crores	₹ in crores
At the beginning of the year	39.77	80	39.66	79
Issued during the year against employee stock options	0.08	0	0.11	0
Outstanding at the end of the year	**39.85**	**80**	**39.77**	**80**

b. Terms and rights attached to equity shares
The Parent group has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the Parent group, the holders of equity shares will be entitled to receive remaining assets of the Parent group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding group and their subsidiaries/associates:

	31 March 2023		31 March 2022	
	No. in crores	% holding	No. in crores	% holding
Immediate holding group				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas) (refer note 51)	20.94	52.55%	20.94	52.65%
Vedanta Limited	0.48	1.20%	0.48	1.20%

d. Detail of shareholders holding more than 5 % of shares in the group

	31 March 2023		31 March 2022	
	No. in crores	% holding	No. in crores	% holding
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas) (refer note 51)	20.94	52.55%	20.94	52.65%

e. Shares reserved for issue under options
For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 34.

f. Details of shareholding of promoters:

Name of the promoter	Number of shares (No. in crores) as at 31 March 2023	Number of shares (No. in crores) as at 31 March 2022	Percentage of total number of shares as at 31 March 2023	Percentage of total number of shares as at 31 March 2022	Percentage of change during the year ended 31 March 2023	Percentage of change during the year ended 31 March 2022
Twin Star Overseas Limited, Mauritius	20.94	20.94	52.55%	52.65%	-0.09%	-0.15%

'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.

g. Details of shares bought back during the 5 years preceding 31 March 2023:

On March 24, 2020, the Board of Directors had approved the buyback of Equity Shares for a total amount not exceeding Rs. 145 Crores, being 9.95% and 9.32% of the aggregate of the total paid-up equity capital and free reserves (including securities premium) of the Parent group based on the audited standalone and consolidated financial statements, respectively, of the Parent group for the financial year ended March 31, 2019. The Parent group closed the buy back on August 27, 2020. The Parent group has bought back 88,67,000 shares for Rs. 99.78 crores (excluding taxes).

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NOTE 18: OTHER EQUITY

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
A. Securities Premium		
Opening balance	25	15
Add: Addition on Employee stock options exercised	9	10
Closing balance (A)	**34**	**25**
B. Other reserves		
Capital Reserve	**0**	**0**
Redemption Liability Reserve		
Opening balance	(47)	(18)
Add: Restatement of redemption liability (refer note 45)	47	6
Add : Creation of redemption liability (refer note 45)	-	(35)
Closing balance	-	(47)
Employee Stock Option Outstanding		
Opening balance	25	21
Add: Employees stock option expenses for the year (refer note 34)	9	12
Less: Exercised during the year	(9)	(10)
Closing balance	**25**	**25**
Foreign Currency Translation Reserve		
Opening balance	51	51
Add: Exchange differences on translation of foreign operations for the year	10	1
Add /(Less) : Gain on restatement of net investments in foreign operations	10	-
Less: Amount reclassified to statement of profit and loss on disposal of foreign subsidiary	(2)	-
Add / (Less): Deferred tax	(3)	-
Add / (less): Others	(5)	(1)
Closing balance	**61**	**51**
Debenture Redemption Reserve		
Opening balance	-	37
Less: Amount transferred to general reserve	-	(37)
Closing balance	-	-
Capital Redemption Reserve		
Opening balance	2	2
Add : Capital redemption reserve created during the year	-	-
Closing balance	**2**	**2**
General Reserve		
Opening balance	139	102
Add: Amount transferred from debenture redemption reserve	-	37
Closing balance	**139**	**139**
Cash Flow Hedge Reserve		
Opening balance	1	2
Add / (Less): Cash flow hedge reserve created on currency forward contracts	(27)	17
Add / (Less): Cash flow hedge reserve on swap contracts	(4)	(1)
Add / (Less) : Amount reclassified to statement of profit and loss	(6)	(15)
Add / (Less) : Amount transferred to statement of profit and loss	-	(2)
Add / (Less) : Deferred tax	9	(0)
Closing balance	**(27)**	**1**
Total other reserves (B)	**200**	**171**
C. Retained Earnings		
Opening balance	1,679	1,695
Add: Net profit for the year	141	60
Add / (Less) : Remeasurement of defined employee benefit obligation (Net of tax)	3	3
Less : Equity dividend (refer note 49)	(20)	(79)
Less: Transactions with non-controlling interest (refer note 45 and note 54)	(26)	-
Total retained earnings (C)	**1,777**	**1,679**
Total other equity (A+B+C)	**2,011**	**1,875**

Nature and Purpose of reserves, other than retained earnings

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

General Reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off

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Cash Flow Hedge Reserve
The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted sales and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedge reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee Stock Option Outstanding
The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Parent group.

Redemption Liability Reserve
Redemption liability reserve is created on account of redemption liability pertaining to acquisition of IDS Group and Clearcomm Group Limited (Refer note 45). During the year redemption liability on account of acquisition of the subsidiary, Clearcomm Group Limited, has been reversed considering negative EBITDA (computed as per the share purchase agreement).

Capital Reserve
Capital reserve is not available for distribution as dividend.

Debenture Redemption Reserve
The Group had created a debenture redemption reserve (DRR) of 25% of the total 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 outstanding amounts were repaid in the previous year.

Capital Redemption Reserve
As per provisions of the Companies Act, 2013, the Group has created a capital redemption reserve of ₹ 2 Crores against face value of equity shares bought back by the group during the year ended 31 March 2021.

NOTE 19: BORROWINGS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current		
Debentures (Secured)		
10,000 (31 March 2022 : NIL) 9.10% Non convertible debentures of ₹ 1 lacs each	100	-
2,900 (31 March 2022 : 2,900) 8.25% Non convertible debentures of ₹ 10 lacs each	290	290
1,500 (31 March 2022 : 1,500) 7.30% Non convertible debentures of ₹ 10 lacs each	150	150
Term loans		
Indian rupee loans from banks (secured)	459	347
Foreign currency loans from banks (secured)	359	409
Foreign currency loans from banks (unsecured)	147	277
Indian rupee loans from NBFC (unsecured)	249	25
Indian rupee loans from banks (unsecured)	-	400
	1,754	**1,898**
The above amount includes		
Secured borrowings	1,358	1,196
Unsecured borrowings	396	703
Total Non-current borrowings	**1,754**	**1,898**
Less: Current maturities of long term borrowings disclosed under the head "Current Borrowings"	752	362
Net Amount	**1,002**	**1,536**

Notes:
Sterlite Technolgies Limited (STL)
a) 9.10% Non convertible debentures carry 9.10% p.a rate of interest. Total amount of non-convertible debentures is due in the FY 2025-26. These non-convertible debentures are secured by way of a first pari passu charge over movable fixed assets of the group, other than assets located at Shendra Aurangabad.

b) 8.25% Non convertible debentures carry 8.25% p.a rate of interest. Total amount of non-convertible debentures is due in 4 equal annual installments starting from FY 2027-28 till FY 2030-31. These non-convertible debentures are secured by way of hypothecation on specified movable fixed assets at Shendra plant (project Gaurav) (both present and future).

c) 7.30% Non convertible debentures carry 7.30% p.a rate of interest. Total amount of non-convertible debentures is due in the FY 2023-24. These non-convertible debentures are secured by way of mortgage of immovable fixed assets of the group located at Aurangabad.

d) Foreign Currency term loan from bank amounting to ₹ Nil (31 March 2022: ₹ 38 crores) carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the group located at Dadra & Nagar Haveli and Pune. The loan has been repaid during FY 2022-23.

e) Foreign Currency term loan from bank amounting to ₹ Nil (31 March 2022: ₹ 62 crores) crores carries interest @ GBP Libor+2.60 % p.a. Loan amount is repayable in 6 half yearly equated instalments of GBP 0.13 crores starting from Feb 2022. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) of the group. The loan has been repaid during FY 2022-23.

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Sterlite Technologies Limited

f) Indian rupee term loan from bank amounting to ₹ 166 crores (31 March 2022: ₹ 249 crores) carries interest @ One Year MCLR +0.15% p.a. Loan amount is repayable in 12 quarterly instalments from June 2022 of ₹ 20.75 crores per Quarter (excluding interest). The term loan is secured by way of first pari pasu charge on entire movable fixed assets at Shendra plant (project Gaurav) (both present and future).

g) Secured Indian rupee term loan from bank amounting to ₹ 200 crores (31 March 2022 Unsecured indian rupee term loan: ₹ 200 crores) carries interest @ overnight MCLR. Loan amount is repayable as a bullet repayment in the month of October 2023. The term loan is secured by way of first pari pasu charge on entire movable fixed assets at Shendra plant (project Gaurav) (both present and future).

h) Unsecured Indian rupee term loan from bank amounting to ₹ Nil (31 March 2022: ₹ 200 crores) carries interest 6.6% p.a. Loan amount has been repaid during FY 2022-23.

i) Unsecured Indian rupee term loan from NBFC amounting to ₹ 175 crores (31 March 2022: Nil) carries interest @ 9.15% p.a. Loan amount is repayable in FY 2024-25.

j) Unsecured Indian rupee term loan from NBFC amounting to ₹ 74 crores (31 March 2022: ₹ 25 crores) carries interest @ 5.5% p.a. Loan amount is repayable in FY 2022-23 & 2023-24.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)
a) Foreign currency loan from bank of ₹ Nil (31 March 2022: ₹ 6 crores) carried interest @ 4.72% p.a. This loan was secured by way of hypothecation of Plant and Machinery. Loan amount is repaid during the year.

Metallurgica Bresciana S.p.A.
a) Unsecured foreign currency term loan from bank of ₹ 123 crores (31 March 2022: ₹ 162 crores) carries interest of EURIBOR + 1.90% p.a. Loan amount is repayable in 10 half yearly instalments starting from September 2020 to March 2025 (excluding interest). The term loan is secured by way of corporate guarantee issued by Sterlite Technologies Limited.

b) Foreign currency term loan from bank of ₹ 72 crores (31 March 2022: ₹ 101 crores) carries interest of EURIBOR + 1.70% p.a. This loan is backed by SBLC issued by Citi Bank India which is further secured by first charge on entire movable fixed assets and charge on specified immovable fixed assets located at Silvassa of Sterlite Technologies Limited. Loan amount is repayable in 8 half yearly instalments of Euro 0.20 crores starting from July 2020 to January 2023 and thereafter Euro 0.40 crores for the period July 2023 to January 2024 (excluding interest).

c) Unsecured foreign currency loan from bank of ₹ 7 crores (31 March 2022: ₹ 10 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.02 crores starting from November 2019 to November 2024 (excluding interest).

d) Unsecured foreign currency loan from bank of ₹ 8 crores (31 March 2022: ₹ 13 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.03 crores starting from August 2019 to August 2024 (excluding interest).

Non-compliance with covenants:
As at March 31, 2023, there was a non-compliance with respect to certain covenants of loan taken by Metallurgica Bresciana S.p.A. Accordingly, non-current amount of the loan of ₹ 74 crores has been reclassified to current borrowings. The management does not expect any material impact on the cash flows due to the above.

STL Optical Interconnect S.p.A.
a) Foreign currency loan from bank of ₹ 193 crores (31 March 2022: ₹ 201 crores) carries interest of 6 months EURIBOR + 1.7% p.a. This loan is backed by SBLC issued by SBI India which is further secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets located at Dadra & Nagar Haveli of Sterlite Technologies Limited. Loan amount is repayable in 9 half yearly instalments of Euro 0.24 crores starting from January 2023 to January 2025 and thereafter Euro 0.30 crores for the period July 2025 to January 2027 (excluding interest).

Optotec S.p.A.
a) Unsecured foreign currency loan from bank of ₹ 8 crores (31 March 2022: ₹ Nil) carries interest of 2.6 % p.a. Loan amount is repayable in 20 quarterly installments of Euro 0.05 crores starting from March 2023 to March 2028 (excluding interest).

STL UK Holdco Limited, UK
a) Foreign currency loan from bank of ₹ 95 crores (31 March 2022: ₹ 92 crores) carries interest of overnight SONIA + 2.8% p.a. Loan amount is repayable in 2 half yearly instalments of GBP 0.06 crores starting from July 2023 to January 2024 and thereafter GBP 0.11 crores for the period July 2024 to July 2028 (excluding interest). The loan is secured by way of charge created on entire current assets of Clearcomm Group Limited and by way of corporate gaurantee issued by Sterlite Technologies Limited.

Sterlite Tech Cables Solutions Limited
a) Indian rupee term loan from bank of ₹ 93 crores (31 March 2022: ₹ 98 crores) carries interest of overnight MCLR + 0.3% p.a. Loan amount is repayable in 11 ballooning half yearly instalments starting from September 2022. This loan is secured by way of first charge on mortgage of leasehold land and building and entire Plant and Machinery both present and future of the group.

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	79	-
Working capital demand loans from banks (secured)	734	325
Commercial paper from bank (unsecured)	200	500
Foreign currency loan (unsecured)	20	52
Current Maturities of Long term borrowings (secured)	659	292
Current Maturities of Long term borrowings (unsecured)	93	70
Other loan from banks (secured)	714	423
Other loans (unsecured)	166	114
	2,665	**1,775**
The above amount includes		
Secured borrowings	2,186	1,040
Unsecured borrowings	479	735
Net Amount	**2,665**	**1,775**

Note :

Sterlite Technologies Limited (STL)

(i) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the group (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the group. Working Capital Demand Loans have been taken for a period of 7 days to 180 days and carry interest @ 6.85 % to 8.60% p.a (31 March 2022: 4.50 % to 7.00% p.a)

(ii) Commercial Papers are unsecured and are generally taken for a period from 60 Days to 180 days and carry interest @ 7.55% to 8.40% p.a (31 March 2022: 4.50% to 6.00% p.a)

(iii) Other loans include buyer's credit arrangements (unsecured) and export packing credit (secured). These secured loans are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products range from 6.85% - 8.05% p.a (31 March 2022: 4.00% - 6.50% p.a)

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Unsercured foreign currency loan from bank of ₹ 6 crores (31 March 2022 : ₹ 36 crores) carries interest 4.5% (31 March 2022: 3.20% - 4.60% p.a)

Metallurgica Bresciana S.p.A.

a) Unsercured foreign currency working capital loan from bank of ₹ 7 crores (31 March 2022: ₹ 15 crores) carries interest @ EURIBOR + 1.20% - 3.50% (31 March 2022: EURIBOR + 0.75% - 3.50% p.a)

Sterlite Tech Cables Solutions Limited

a) Cash credit facility of ₹ 79 crores (31 March 2022 : ₹ Nil) from banks is secured by first pari-passu charge on entire current assets of the group (both present and future). Loan carries interest overnight MCLR + 0.3% p.a

Clearcomm Group Limited

a) Unsercured foreign currency working capital loan from bank of ₹ 7 crores (31 March 2022: ₹ Nil) carries interest @ EURIBOR + 1.20% - 3.50%.

Borrowing secured against current assets :

The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts except as disclosed in Note no. 52

Utilisation of borrowed funds :

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ;

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The borrowings obtained by the group during the year from banks and financial institutions have been applied for the purposes for which such loans were was taken

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Cash and cash equivalents	450	411
Current investments *	90	113
Current Borrowings (including interest accrued but not due)	(2,666)	(1,779)
Non-current borrowings	(1,002)	(1,536)
Net Debt	**(3,128)**	**(2,791)**

The amount of net debt considering the amount of lease liabilities of ₹ 167 crores (31 March 2022 : ₹ 164 crores) and redemption liability of ₹ Nil (31 March 2022 : ₹ 47 crores) is ₹ 3,297 crores (31 March 2022 : ₹ 3,004 crores). Refer note 4 and 18 for movement in lease liability and redemption liability

* Includes other bank balance of ₹ 50 crores (31 March 2022 : ₹ 112 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Group at any time without any major penalties

Movement of Borrowings (current and non current)	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Opening balance	**3,315**	**2,862**
Cashflows (net)	316	455
Interest expense	247	207
Interest paid	(250)	(207)
Forex adjustment	40	(2)
Closing balance	**3,668**	**3,315**

Cash and cash equivalent	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Opening balance	**411**	**193**
Cashflows (net)	37	218
Forex adjustment	2	(0)
Closing balance	**450**	**411**

Current Investments	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Opening balance	**113**	**231**
Cashflows (net)	(25)	(120)
Fair value adjustments	2	1
Closing balance	**90**	**112**

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are

Particulars	**31 March 2023 (₹ in crores)**	**31 March 2022 (₹ in crores)**
Current		
Financial Assets		
Exclusive Charge		
Trade Receivables	439	236
Cash and Cash Equivalents	1	1
Other Current Financial Assets	2	1
Pari Passu Charge		
Current Investments	40	-
Trade Receivables	2,154	1,849
Cash and Cash Equivalents	138	275
Other Bank Balances	57	117
Other Current Financial Assets	120	115
Non Financial Assets		
Exclusive Charge		
Inventories	17	32
Contract Assets	8	-
Other Current Assets	49	15
Pari Passu Charge		
Inventories	410	445
Contract Assets	1,373	1,218
Other Current Assets	402	385
Total Current Assets pledged as security	**5,209**	**4,688**
Non Current Assets		
Exclusive Charge		
Right of Use asset	24	24
Buildings	194	200
Plant & Machinery	72	75
Furnitures & Fixtures	0	-
Data Processing Equipments	1	1
Office Equipments	0	0
Electrical Fittings	6	6
Pari Passu Charge		
Freehold Land	28	79
Buildings	125	233
Plant & Machinery	1,341	1,475
Furnitures & Fixtures	12	11
Data Processing Equipments	13	19
Office Equipments	5	4
Electrical Fittings	39	39
Vehicles	6	8
Capital Work in Progress	55	65
Total Non Current Assets pledged as security	**1,923**	**2,239**
Total Assets pledged as security	**7,132**	**6,927**

NOTE 20: OTHER FINANCIAL LIABILITIES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	-	0
Others		
Payables for purchase of property, plant and equipment	7	1
Redemption liability (refer note 45)	5	12
Deposits from vendors	3	3
Total other non-current financial liabilities	**15**	**16**
Current		
Derivative instruments		
Foreign exchange forward contracts	22	4
Currency / Interest Rate Swaps	-	0
	22	**4**
Others		
Interest accrued but not due on borrowings	1	4
Unclaimed dividend*	3	4
Deposits from customers	0	0
Deposits from vendors	0	0
Payables for purchase of property, plant and equipment	114	163
Employee benefits payable	112	70
Redemption liability (refer note 45)	-	36
Others	0	14
	232	**291**
Total other current financial liabilities	**254**	**295**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

NOTE 21: TRADE PAYABLES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 40)	326	178
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 51)	0	30
Acceptances	241	307
Others	1,585	1,905
	1,826	**2,242**
Total Trade Payables	**2,152**	**2,420**

31 March 2023

Particulars			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	206	119	1	0	0	326
(ii) Others-undisputed	708	760	326	14	12	6	1,826
Total	708	966	445	16	12	6	2,152

31 March 2022

Particulars			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed		60	118			0	178
(ii) Others-undisputed	619	1,224	321	53	9	16	2,242
Total	619	1,284	439	53	9	16	2,420

NOTE 22: PROVISIONS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non-current		
Provision for warranty	0	1
Total non-current provision	**0**	**1**
Current		
Provision for litigations / contingencies	66	24
Provision for warranty	0	-
Total current provision	**66**	**24**

Provision for litigations / contingencies

The provision of ₹ 66 crores as at 31 March 2023 (31 March 2022: ₹ 23 Crores) is towards contingencies in respect of disputed claims against the group as described in note 39, quantum of outflow and timing of which is presently unascertainable.

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
At the beginning of the year	24	10
Addition during the year	42	14
Utilized during the year	-	-
At the end of the year	**66**	**24**
Current portion	66	24
Non-current portion	-	-

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Notes to consolidated financial statements for the year ended March 31, 2023

Provision for warranty
Movement in provision for warranty is given below

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
At the beginning of the year	1	1
Addition during the year	-	0
Utilized during the year	(1)	-
At the end of the year	**0**	**1**
Current portion	0	-
Non-current portion	0	1

NOTE 23: OTHER CURRENT LIABILITIES AND CONTRACT LIABILITIES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Contract Liabilities		
Unearned revenue	1	28
Advance from customers	155	157
Total contract liabilities	**156**	**186**

Significant changes in Contract liabilities
Contract liabilities have decreased in current year as the Group has recognised revenue from opening unearned revenue. The movement in advance from customer is on account of advances received and utilised during the year

During the year ended 31 March 2023 , the Group recognized revenue of ₹ 28 crores (31 March 2022: ₹ 29 crores) arising from opening unearned revenue

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Current		
Indirect taxes payable	56	44
Withholding taxes (TDS) payable	16	15
Others	59	57
Total other current liabilities	**131**	**116**

NOTE 24A: DEFERRED TAX LIABILITIES (NET)

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Deferred tax liability		
Property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	149	170
Impact of fair valuation of Land as at Ind AS transition date	11	11
Right of use assets	23	22
Net movement on cash flow hedges	-	7
Impact of difference in revenue recognition under income tax and Ind AS	25	15
Others	-	14
Total deferred tax liability (A)	**208**	**239**
Deferred tax assets		
Provision for doubtful debtors, contract assets and other assets	62	60
Expenditure allowed for tax purposes on payment basis	16	27
Provision for inventory	17	14
Provision for litigations / contingencies	17	7
Net movement on cash flow hedges	1	-
Lease Liability	20	22
Ind AS 116 transition impact	-	1
Brought forward losses of subsidiaries	77	47
Others	21	18
Total deferred tax assets (B)	**231**	**197**
Net deferred tax liability/(asset) (A-B)	**(23)**	**42**

Reconciliation of deferred tax liability / deferred tax asset

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Opening deferred tax liability, net	42	86
Deferred tax (credit) / charge recorded in statement of profit and loss	(64)	(86)
Deferred tax (credit) / charge recorded in OCI	(13)	1
Deferred tax impact on account of business combination (refer note 45)	-	46
Others	12	(5)
Closing deferred tax liability/(asset), net	(23)	42

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Profit or loss section		
Current Tax		
Current tax related to continuing operations	148	138
Current tax related to discontinuing operations	(59)	(38)
Deferred Tax		
Relating to origination and reversal of temporary differences	(64)	(86)
Income tax expense reported in the statement of profit or loss	**25**	**15**
OCI Section		
Deferred tax related to items recognised in OCI during the year:		
Net (gain)/loss on revaluation of cash flow hedges	(14)	0
Remeasurement loss of defined employee benefit plans	1	1
Income tax charged through OCI	**(13)**	**1**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Profit before tax from continuing operations	315	199
Tax at India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	79	50
Tax at lower tax rate of subsidiaries	(43)	(3)
Adjustments in respect of income tax of previous years	-	3
Income taxed at lower tax rate	-	(11)
Tax (DTA) at subsidiaries recognised on losses at lower rate (as per respective statutory tax rate)	41	12
Other adjustments	7	1
Income tax expense	84	52
Income tax expense reported in the statement of profit and loss	84	52

NOTE 24B: CURRENT TAX LIABILITIES (NET)

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Opening Current tax liabilities/(assets)	(37)	28
Add/(Less) · Current tax payable for the year - Continued operations	148	138
Add/(Less) · Current tax payable for the year - Discontinued operations	(59)	(38)
Add/(Less) · Tax paid	(19)	(158)
Add/(less) · Other adjustments	(7)	(6)
Total current tax liabilities / (assets)	26	(37)
Disclosed as current tax assets in note 11	(10)	(59)
Disclosed as current tax liability	33	22

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Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Non Current		
Provision for gratuity	14	21
Provision for compensated absences	20	19
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A.	6	5
Provision for employee benefit obligations of Optotec S.p.A.	2	5
Provision for employee benefit obligations of other subsidiaries	2	-
Total non-current employee benefit obligations	**44**	**50**
Current		
Provision for gratuity	10	13
Provision for compensated absences	4	4
Provision for employee benefit obligations of Metallurgica Bresciana S.p.A	10	0
Provision for employee benefit obligations of Optotec S.p.A.	4	0
Provision for employee benefit obligations of other subsidiaries	1	0
Total current employee benefit obligations	**29**	**17**

i) Compensated Absences

The compensated absences cover the Group's liability for sick and privilege leave. The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

ii) Post employment benefit obligation - Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to fund managed by Life insurance Corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Defined benefit obligation at the beginning of the year	37	44
Current service cost	6	7
Interest cost	3	3
Liability Transferred Out/ Divestments	(1)	
Actuarial (gain)/loss		
- Due to change in Demographic Assumptions	-	0
- Due to change in Financial Assumptions	(1)	(6)
- Due to Experience	(3)	1
Past service cost	-	-
Benefits paid	(5)	(11)
Defined benefit obligation at the end of the year	**34**	**38**

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Fair value of plan assets at the beginning of the year	4	5
Interest Income	0	0
Contribution by employer	11	2
Benefits paid	(4)	(3)
Return on Plan Assets, Excluding Interest Income	(0)	(0)
Fair value of plan assets at the end of the year	**11**	**4**

The parent group expects to contribute ₹ 10 crores (31 March 2022: ₹ 12 crores) to its gratuity plan in FY 2023-24

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2023 %	31 March 2022 %
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of plan assets represents the amount as confirmed by the fund.

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NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS
Details of defined benefit obligation

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Present value of defined benefit obligation	34	38
Fair value of plan assets	(11)	(4)
Net defined benefit liability	**24**	**34**

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Present value of funded obligations	34	38
Fair value of plan assets	(11)	(4)
Deficit of funded plan (A)	24	34
Unfunded plans (B)	-	-
Total net obligation (A+B)	24	34

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Net employee benefit expense recognised in the statement of profit and loss:

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Current service cost	6	7
Interest cost	3	3
Expected return on plan assets	(0)	(0)
Net benefit expense	8	9

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Actuarial (gains)/losses on Obligation For the Period	(4)	(5)
Return on Plan Assets, Excluding Interest Income	0	0
Net (income)/expense for the year recognized in OCI	(4)	(4)

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	31 March 2023	31 March 2022
Discount rate	7.41%	6.90%
Expected rate of return on plan asset	7.41%	6.90%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	8.00%	8.00%

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity Analysis

Particulars	31 March 2023	31 March 2022
+1% Change in discount rate	(2)	(2)
-1% Change in discount rate	2	3
+1% Change in rate of salary increase	2	2
-1% Change in rate of salary increase	(2)	(2)
+1% Change in rate of employee turnover	(0)	(0)
-1% Change in rate of employee turnover	0	0

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

Risk exposure
Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below

Asset volatility:
The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India

The Group's assets are maintained in a trust fund managed by public sector insurance group via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations

Changes in bond yields:
A decrease in bond yields will increase plan liabilities.

Future salary escalation and inflation risk:
Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk

Life expectancy
Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy

The weighted average duration of the defined benefit obligation is 8 years (31 March 2022: 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:
The expected maturity analysis of undiscounted gratuity is as follows :

Particulars	31 March 2023 Funded	31 March 2022 Funded
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	6	7
Between 1 to 2 years	3	3
Between 2 to 5 years	9	10
Over 5 years	41	46

(iii) Employee benefit obligations of Metallurgica Bresciana S.p.A. and Optotec S.p.A.

The provision for the staff leaving indemnity were calculated in accordance with the terms of article 2120 of the Italian Civil Code, taking into account legal provisions and the specific nature of the contracts and professional categories, and includes the annual amounts accrued and revaluations performed based on ISTAT coefficients. The amount of the provision is assessed net of advances paid and the amounts used for terminations of employment occurring during the fiscal year and represents the certain payable due to the employees on the fiscal year's closing date

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STERLITE TECHNOLOGIES LIMITED

NOTE 26: REVENUE FROM OPERATIONS

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
Finished goods	4,868	3,482
Traded goods	164	-
Revenue from sale of products	5,032	3,482
Revenue from sale of services	242	14
Revenue from network integration projects	1,511	1,846
Revenue from software products/licenses and implementation activities	5	3
	6,790	5,345
Other Operating Income		
Scrap sales	48	38
Other operating income *	9	10
Export incentives *	79	43
Revenue from operations	[illegible]	5,437

Revenue disaggregation in terms of nature of goods and services has been included above
The total contract price of ₹ 6,803 crores (31 March 2022: ₹ 5,371 crores) is reduced by the consideration of ₹ 13 crores (31 March 2022 ₹ 26 crores) towards variable components
Refer note 2 and 3 for accounting policy and significant judgements respectively
The Group's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 3,950 crores (31 March 2022 Rs 4,127 crores) which is expected to be recognised over a period of one to nine years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Group has applied the practical expedient in Ind AS 115

During the year ended March 31, 2023, the Group has recorded provision of ₹ Nil (31 March 2022: ₹ 64 crores) based on final settlement with the customer for supplies made in the previous years by an adjustment to revenue from operations
*Includes government grant of ₹ 88 crores (31 March 2022: ₹ 45 crores) pertaining to the indirect tax benfits available availed under Industrial Promotion Scheme, Remmission of Duties or Taxes on Export Products Scheme and Duty Drawback Scheme

NOTE 27: OTHER INCOME

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Management Fees (refer note 51)	6	10
Rental Income	0	0
Profit on sale of assets, net	-	1
Profit on sale of subsidiaries and investment in joint venture	-	36
Miscellaneous Income	25	7
	31	53
Interest income on :		
- Bank deposits	8	4
- Loans to related parties (refer note 51)	-	0
- Others	-	0
Gain on investments measured at fair value through profit or loss, net	2	1
	10	6
Total Other Income	41	58

NOTE 28: COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Inventory at the beginning of the year (refer note 12)	182	206
Adjustment on account of business combination (refer note 45)	-	1
Add: Purchases	3,173	3,064
	3,355	3,271
Less : Inventory at the end of the year (refer note 12)	191	182
Cost of raw material & components consumed	3,164	3,089
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	3	4
Work-in progress	101	88
Finished goods	561	252
	664	344
Closing inventories		
Traded goods	2	3
Work-in-progress	61	101
Finished goods	467	561
	530	664
(Increase) / decrease in inventories	134	(320)

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Salaries, wages and bonus	828	589
Contribution to provident fund (refer note below)	30	27
Gratuity expenses (refer note 25)	11	8
Employees stock option expense (refer note 34)	7	11
Staff welfare expenses	36	26
Total Employee benefits expense	**912**	**661**

Defined Contribution Plans:

The Parent group and its indian subsidiaries have a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government in India for employees at the rate of 12% of basic salary as per local regulations.

Metallurgica Bresciana S.p.A. has a social security fund which is a defined contribution plan. Contributions are made to social security fund administered by Italian 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 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Contribution to Employees Provident Fund	30	27
Total	**30**	**27**

b. Net of government grant of ₹ 0 crore (31 March 2022: ₹ 1 crore) pertaining to refund of the employers contribution towards provident fund under Industrial Promotion Scheme

NOTE 30: OTHER EXPENSES

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Consumption of stores and spares	163	121
Consumption of packing materials	147	135
Power, fuel and water *	203	142
Labour Charges	97	89
Repairs and maintenance		
Building	4	2
Plant & machinery	31	10
Others	37	32
Corporate Social Responsibility (CSR) expenses (refer note 43)	8	12
Sales commission	104	43
Sales promotion	16	1
Carriage outwards	394	291
Rent	16	11
Insurance	33	27
Legal and professional fees	136	82
Rates and taxes	20	13
Travelling and conveyance	73	52
Subcontracting charges for Network Maintenance	98	43
Loss on sale of assets, net	5	-
Provision for doubtful debts and advances	22	91
Provision for unbilled Revenue	50	-
Directors sitting fee and commission	1	2
Exchange difference, (net)	2	0
Research and development expenses (refer note 41)		
Salaries, wages and bonus	16	12
Raw materials consumed	5	0
General expenses	19	10
Total Research and development expenses	**41**	**22**
Less: Amount transferred to individual expense line item	(41)	(22)
	-	-
Miscellaneous expenses	164	143
Total other expenses	**1,824**	**1,342**

*Net of government grant of ₹ 10 crores (31 March 2022: ₹ 21 crores) pertaining to refund of the employers contribution towards provident fund under Industrial Promotion Scheme

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Depreciation of property, plant & equipment	252	244
Depreciation of right of use assets	22	20
Amortisation of intangible assets	35	43
Total depreciation and amortisation expense	**309**	**308**

NOTE 32: FINANCE COST

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	237	204
Interest on lease liabilities	9	10
Bank charges	57	14
Others	8	10
Total finance cost	**311**	**238**

* During the [illegible] costs of ₹ 10 Crores (31 March 2021: ₹ 5 crores) incurred on the borrowings specifically availed for expansion of production [illegible] general borrowing [illegible]. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest [illegible] in this case 7.90% p.a. (31 March 2022: 7.25 % p.a.).

NOTE 33: TAX EXPENSE

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Current tax*	148	138
Deferred tax#	(64)	(86)
Total tax expense	84	52
Unused tax losses for which no deferred tax asset has been recognised	25	16
Potential tax benefit @ 25.17 % (31 March 2022 : 25.17%)	6	4

Certain subsidiaries of the Group have undistributed earnings aggregating to ₹ 683 crores (31 March 2022 : ₹ 384 crores). The Group plans to reinvest these undistributed earnings in the foreseeable future and consequently did not recognise a deferred tax liability on the same.
These undistributed earnings even if distributed by subsidiaries in the form of dividend will be eligible for tax deduction if it is utilised for further distribution of dividend to shareholders of the Parent group within timelines specified and as per the provisions of Income Tax Act, 1961.

*For current year, the current tax expense includes credit of ₹ 24 crores (31 March 2022: charge of ₹ 8 crores) pertaining to current tax of earlier years.

#For current year, the deferred tax includes charge of ₹ 24 crores (31 March 2022: credit of ₹ 5 crores) for adjustment pertaining to deferred tax of earlier years.

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NOTE 34: EMPLOYEE SHARE BASED PAYMENTS

The Group has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Group has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of maximum five year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is Rs 2 per option.

The Group has charged ₹ 9 crore (31 March 2022: ₹ 12 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

a) Set Out Below is the summary of options granted under the plan.

	31 March 2023		31 March 2022	
	Average Exercise price per share option	Number of Options	Average Exercise price per share option	Number of Options
Opening Balance	2	30,02,165	2	35,68,463
Granted during the year	2	16,03,514	2	17,37,354
Exercised during the year	2	(8,23,648)	2	(11,28,407)
Expired/cancelled during the year	2	(7,38,200)	2	(11,75,245)
Closing Balance		**30,43,831**		**30,02,165**
Vested and Exercisable		6,10,633		7,24,205

Weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 is Rs. 164 (31 March 2022: Rs 269).

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2023	Share options outstanding on 31 March 2022
30 April 2014	01 June 2024	2	750	5,750
30 March 2015	01 June 2025	2	16,000	45,750
13 July 2016	01 June 2025	2	2,984	9,302
25 July 2016	01 August 2026	2	10,970	37,160
19 July 2017	01 August 2027	2	34,396	1,07,950
16 October 2017	16 October 2027	2	7,180	7,180
17 January 2018	17 January 2028	2	1,220	2,280
19 July 2018	01 August 2028	2	1,37,691	2,66,355
24 January 2019	25 January 2027	2	25,425	29,325
24 October 2019	24 October 2029	2	3,33,922	5,19,062
22 July 2020	31 July 2030	2	4,03,403	7,56,692
19 January 2021	19 January 2031	2	18,603	38,345
21 July 2021	31 July 2030	2	45,450	2,27,251
21 July 2021	31 July 2031	2	4,52,578	9,13,662
18 January 2022	18 January 2032	2	30,393	36,101
19 July 2022	31 July 2031	2	72,280	-
19 July 2022	31 July 2032	2	13,60,356	-
25 January 2023	26 January 2033	2	90,230	-
Total			**30,43,831**	**30,02,165**

Weighted Average remaining contractual life of the options outstanding at the end of the period	3.23	3.09

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NOTE 34: EMPLOYEE SHARE BASED PAYMENTS

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved three grants. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

Date of Grant- July 19, 2022

The group has granted 72,280 options under ESOP scheme based on following criteria and related assumptions
Vesting criteria - Continuous employment with the group.
Fair Valuation Method- Black Scholes options Pricing Model

Variables	**Vest 1**	**Vest 2**	**Vest 3**	**Vest 4**
	01-Aug-23	**01-Aug-24**	**01-Aug-25**	**01-Aug-26**
Share price at Grant Date	143.85	143.85	143.85	143.85
Volatility	49.10%	49.10%	49.10%	49.10%
Risk Free rate	7.09%	7.09%	7.09%	7.09%
Exercise Price (Rs per Option)	2.00	2.00	2.00	2.00
Life of the Option	2.54	2.54	2.54	2.54
Dividend Yield	0.78%	0.78%	0.78%	0.78%
Outputs				
Option Fair value	139.4	139.4	139.4	139.4
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
Fair Value of the option (Black Scholes Model)				**139.4**

Date of Grant- July 19, 2022

The group has granted 14,41,013 options under ESOP scheme based on following criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the group.
   Fair Valuation Method- Black scholes options pricing model

Variables	**Vest 1**	**Vest 2**	**Vest 3**	**Vest 4**	**Vest 5**
	01-Aug-23	**01-Aug-24**	**01-Aug-25**	**01-Aug-26**	**01-Aug-27**
Share price at Grant Date	143.85	143.85	143.85	143.85	143.85
Volatility	43.10%	43.10%	43.10%	43.10%	43.10%
Risk Free rate	7.09%	7.09%	7.09%	7.09%	7.09%
Exercise Price (Rs per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.14	2.14	2.14	2.14	2.14
Dividend Yield	0.78%	0.78%	0.78%	0.78%	0.78%
Outputs					
Option Fair value	139.8	139.8	139.8	139.8	139.8
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black scholes model)					**139.8**

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:
- 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	
Share price at Grant Date	143.85
Volatility	52.52%
Risk Free rate	6.42%
Exercise Price (Rs per Option)	2.00
Life of the Option	0.82
Dividend Yield	0.78%
Fair Value of the option	**36.93**

3. Vesting criteria - 40% Vesting based on achievement of target EBITDA

NOTE 34: EMPLOYEE SHARE BASED PAYMENTS

Fair Valuation Method - Monte carlo simulation model

Vesting of these options is dependent on the achivement of target EBITDA during the performance of FY 2023-24 as per the criteria determined by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the group :

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the group
- Dividend yield based on historical dividend payments
- Estimate of EBITDA as per approved business plan

Assumptions used are as follows:

Variables	
Share price at Grant Date	143.85
Volatility	52.52%
Risk Free rate	6.42%
Exercise Price (Rs per Option)	2.00
Life of the Option	0.82
Dividend Yield	0.78%
Fair Value of the option	**133.40**

Date of Grant- January 25, 2023

The group has granted 90,230 options under ESOP scheme based on following criteria and related assumptions

Vesting criteria - Continuous employment with the group.

Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	26-Jan-24	26-Jan-25	26-Jan-26	26-Jan-27	26-Jan-28
Share price at Grant Date	179.60	179.60	179.60	179.60	179.60
Volatility	44.70%	44.70%	44.70%	44.70%	44.70%
Risk Free rate	7.00%	7.00%	7.00%	7.00%	7.00%
Exercise Price (Rs per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.50%	2.50%	2.50%	2.50%	2.50%
Outputs					
Option Fair value	175.00	175.00	175.00	175.00	175.00
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**175.00**

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 35: EARNINGS PER SHARE (EPS)

The following table reflects the basic and diluted EPS	31 March 2023	31 March 2022
Profit/(Loss) for the year from continuing operations attributable to owners of the Parent group (₹ in crores)	244	162
Profit /(Loss) for the year from discountinued operations attributable to owners of Parent group (₹ in crores)	(104)	(102)
Weighted average number of equity shares in calculating basic EPS (units in crores)	39.81	39.71
Adjustments for classification of diluted EPS:		
Employee stock options outstanding during the year (units in crores)	0.35	0.39
Weighted average number of equity shares in calculating diluted EPS (units in crores)	40.16	40.10
Earnings/(loss) per share		
Basic		
From continuing operations	6.15	4.03
From discontinued operations	(2.62)	(2.52)
From continuing and discontinued operations	3.53	1.51
Diluted		
From continuing operations	6.12	4.02
From discontinued operations	(2.62)	(2.52)
From continuing and discontinued operations	3.50	1.50

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 34.

NOTE 36: THE LIST OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE GROUP'S EFFECTIVE HOLDING THEREIN

Name of the Group	Effective ownership as on 31 March 2023	Effective ownership as on 31 March 2022	Country of incorporation
List of subsidiaries			
Speedon Network Limited	100%	100%	India
Sterlite Telesystems Limited	100%	100%	India
Sterlite Innovative Solutions Limited	100%	100%	India
STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited")	100%	100%	India
Sterlite Tech Cables Solutions Limited	100%	100%	India
STL Networks Limited	100%	100%	India
Sterlite Global Ventures (Mauritius) Limited	100%	100%	Mauritius
Jiangsu Sterlite Fiber Technology Co. Ltd (Formerly "Jiangsu Sterlite and Tongguang Fiber Co. Limited")	100%	75%	China
Sterlite (Shanghai) Trading Co. Limited	100%	100%	China
Metallurgica Bresciana S.p.A	100%	100%	Italy
Elitecore Technologies (Mauritius) Limited	100%	100%	Mauritius
Elitecore Technologies SDN. BHD	100%	100%	Malaysia
Sterlite Technologies UK Ventures Limited	100%	100%	United Kingdom
Sterlite Tech Holding Inc	100%	100%	USA
Sterlite Technologies Inc.	100%	100%	USA
Impact Data Solutions Limited	-	80%	United Kingdom
Impact Data Solutions B.V	-	80%	Netherlands
Vulcan Data Centre Solutions Limited	80%	80%	United Kingdom
PT Sterlite Technologies Indonesia	100%	100%	Indonesia
Sterlite Technologies DMCC	100%	100%	United Arab Emirates
Sterlite Technologies Pty. Ltd	100%	100%	Australia
STL Edge Networks Inc	100%	100%	USA
STL Optical Interconnect S.p.A.	100%	100%	Italy
Optotec S.p.A.	100%	100%	Italy
Optotec International S.A	100%	100%	Switzerland
STL Tech Solutions Limited, UK	100%	100%	United Kingdom
STL Digital Inc. (USA)	100%	100%	USA
STL Digital UK Limited	100%	-	United Kingdom
STL Tech GmbH	-	100%	Germany
STL Optical Tech Limited	100%	100%	USA
STL Network Services Inc., US	100%	100%	USA
STL Solutions Germany GmbH	100%	100%	Germany
STL UK Holdco Limited, UK	100%	100%	United Kingdom
Clearcomm Group Limited, UK	80%	80%	United Kingdom

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List of Associate companies			
MB Maanshan Special Cable Limited	40.00%	40.00%	China
Manshaan Metallurgica Bresciana Electrical Technology Limited	40.00%	40.00%	China
ASOCS Ltd.	11.71%	11.71%	Israel
List of joint venture			
Sterlite Conduspar Industries Ltda	50.00%	50.00%	Brazil

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 Group towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Group is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules that are notified become effective.

NOTE 38: CAPITAL AND OTHER COMMITMENTS

a] Estimated amount of contracts remaining to be executed on capital account and not recognized for (net of advances) are ₹ 151 crores (31 March 2022: ₹ 98 crores)

b] The Group has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below

Year of Issue	Year upto which export obligation to be fulfilled	31 March 2023 (Rs in Crores)	31 March 2022 (Rs in Crores)
2020-21	2026-27	-	5
2021-22	2027-28	-	2
2022-23	2028-29	45	-

In this respect, the Group has given bonds of Rs 665 crores (31 March 2022: Rs 883 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

NOTE 39: CONTINGENT LIABILITIES	**31 March 2023 (₹ in crores)**	**31 March 2022 (₹ in crores)**
1. Disputed liabilities		
a) Excise and Customs duty	90	90
b) Goods and Service tax	3	1
c) Income tax	14	12
d) Claims lodged by a bank against the Group*	19	19
e) Claims against the Group not acknowledged as debt$	-	3
	126	**124**

2. The group had issued Corporate guarantees amounting to ₹ 114 crores to the Income tax Authorities in FY 2003-04 on behalf of the Group companies. The matter against which corporate guarantee was paid by STL was decided in favour of the Group companies by both ITAT and HC orders against which the Department has filed an appeal with the Supreme Court. The above corporate guarantee is backed by the corporate guarantee issued by the Volcan Investments Limited (refer note 51) in the favour of the Group.

* In an earlier year, one of the Bankers of the Group had wrongly paid an amount of ₹ 19 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the Group, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Group in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the Group and has dismissed the appeal filed by the bank. The bank has challenged the said order in Writ petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

In the FY21-22, the Group had received show cause notices with respect to 4 Service tax registrations of ₹ 57 crores each demanding service tax on difference between value of services appearing in 26AS (at legal entity level) vis-a-vis respective service tax registrations for the period 2016-17. Management has assessed that the show-cause notice is not required to be disclosed as contingent liability as it is erroneous in nature and the probability of an unfavourable outcome is remote.

Further, Income tax orders for AY 2013-14, 2014-15 and 2017-18 were received with respect to Elitecore Technologies Private Limited (which is now a non-existent entity in these years since it had merged with the Group with effect from 29 September 2016) with a demand of INR 55.67 crores mainly relating to addition on certain aspects like treatment of purchase of software/hardware. Management has assessed that based on principles arising from judicial precedents, including those passed by the Hon'ble Supreme Court and Jurisdictional Bombay High Court, the notices issued in the name of non-existent entity are not merely an irregularity but also suffer from jurisdictional defect which cannot be cured. On this primary ground and certain other strong grounds, including procedural defects, the Group (on behalf of Elitecore Technologies private limited) has filed a writ before the Hon'ble High Court. The order of High Court for AY 2013-14 and AY 2014-15 came in favour of Group via order dated March 27, 2023. While the order for AY 2017-18 is awaited. Hence, management believes that the probability of an unfavourable outcome is remote and the demand of INR 5 crs pertaining to the said case (AY 2017-18) is not disclosed as a contingent liability.

3. Other claims not acknowledged as debt :

$ Claims against the Group not acknowledged as debt mainly pertains to ₹ Nil (31 March 2022: ₹ 3 crores) is related to claim made on one of the subsidiaries by its employees. In the current year, the Group has provided for ₹ 3 crores in the books of account.

The Group has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

NOTE 40: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier*	326	178
Interest amount due to supplier	2	1
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	4	2
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the group regarding status of the suppliers as Micro and Small enterprises.

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 41: RESEARCH AND DEVELOPMENT EXPENDITURE

STL through its extensive research capabilities, constant innovation and unique capabilities at following R&D centres is able to provide customers end to end solutions from manufacturing of cable to system integration to providing software products required by telecom players:

- **Aurangabad** – R&D activities to manufacture cable which can cater most bandwidth demand
- **Gurgaon** - R&D activities to design, build, manage broadband network for global service providers, smart cities, rural broadband etc
- **Ahmedabad** – R&D activities to develop innovative telecom software products which can cater demand for business support system and operating support system
- **Pune** - R&D activities for Product Engineering towards Programmable Networking & Intelligence

Particulars	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Capital expenditure		
- Plants and machinery - capitalized during the year	2	2
- Software - capitalized during the year	-	0
- IT Equipments - capitalized during the year	0	2
	2	**4**
Revenue expenditure		
- Salaries, wages and bonus	16	12
- Raw materials consumed	5	0
- General expenses	19	10
Total	**41**	**22**

The Group has four Research and Development Centres. Centre wise breakup of expenditure is as follows

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Sterlite Technologies - Aurangabad		
- Capital Expenditure	2	3
- Revenue Expenditure	21	20
	23	**23**
Sterlite Technologies - Silvassa		
- Capital Expenditure	-	-
- Revenue Expenditure	13	-
	13	-
Sterlite Technologies - Italy		
- Capital Expenditure	-	-
- Revenue Expenditure	2	-
	2	
Sterlite Technologies - Pune		
- Capital Expenditure	-	1
- Revenue Expenditure	5	2
	5	**3**

NOTE 42: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except as reported below

(₹ in crores)

Name of the struck off group	Nature of transaction	Balance as at 31 March 2023	Balance as at 31 March 2022	Relationship with the struck off compay
Igus India Private Limited	Payable for services	0	-	Not a related party
Arun Timbers Private Limited	Payable for services	0	-	Not a related party
Tarun Info Solutions Private Limited	Payable for services	1	-	Not a related party
Curinnov Services Private Limited	Payable for services	0	0	Not a related party
Shubhankit Infra Private Limited	Payable for services	0	-	Not a related party
Precision Electronics Limited	Payable for services	0	-	Not a related party
Overarching Solutions Private Limited	Payable for services	0	-	Not a related party
Yash Medical Sciences Private Limited	Payable for services	-	0	Not a related party
Thermadyne Private Limited	Payable for services	-	-	Not a related party

NOTE 43: CORPORATE SOCIAL RESPONSIBILITY

The group has spent an amount of ₹ 8 crores (31 March 2022: ₹ 12 crores) during the year as required under section 135 of the Companies Act, 2013 for the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of INR 8 crores (refer note 51).

(a) Details of CSR expenditure:

Particulars	31 March 2023	31 March 2022
	(₹ in crores)	(₹ in crores)
Amount required to be spent during the year	8	12
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Brought forward from last year	-	-
Short fall for pervious year spent now	-	-
Spent during the year for current year	8	12
Carried forward to next year (short)/excess	-	-
Amount of cumulative shortfall at the end of the year	-	-

(b) Details of ongoing CSR projects under Section 135(6) of the Act:

Balance as at April 01, 2022		Amount spent during the year			Balance as at March 31, 2023	
With the company	In separate CSR Account	Amount required to be spent during the year	From the company's bank account	From Separate CSR Unspent account	With the company*	In Separate CSR Unspent Account
		N.A.				

(c) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

Balance unspent as at 1st April 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31st March 2023
-	-	8	8	0

(d) Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2022	Amount required to be spent during the year	Amount spent during the year	Balance (short)/excess spent as at 31 March 2023
-	8	8	-

e) There is no provision made with respect to a liability incurred by entering into a contractual obligation during the current year.

NOTE 44: EXCEPTIONAL ITEMS

During the year ended March 31, 2022, the amount of ₹ 53 crores reported under exceptional items in the financial statements includes profit of ₹ 67 crores recognised on account of transfer of land situated at Hyderabad and provision of ₹ 14 crores with respect to an order against the group for a claim filed by a vendor for non-fulfilment of certain contractually agreed off take obligations.The amount of exceptional items also includes a charge of ₹ 8 crores towards cancellation of a lease agreement by STL US (wholly owned subsidiary) and an impairment charge of ₹ 29 crores for the assets of JSTFCL (a subsidiary) basis the assessment of recoverable value of assets performed by Management.

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Note 45 : Business Combinations

Summary of acquisition FY 2021-22

The Group acquired 80% of the shares of Clearcomm Group Limited for a purchase consideration of GBP 10.72 million in accordance with the agreement dated July 27, 2021. During the year ended March 31, 2022, the purchase price was allocated to assets and liabilities on a provisional basis as per Ind AS 103 – Business Combinations resulting in a provisional goodwill of GBP 8.95 million pending completion of purchase price allocation. During the year ended March 31, 2023, the group has completed the allocation of purchase price to identified assets and liabilities as given below as at acquisition date fair value as per Ind AS 103 – Business Combinations. Accordingly, amount of goodwill has reduced to GBP 6.51 million (₹ 66.62 crores) on account of increase in the value of identified intangible assets in consolidated balance sheet.

Further, the Group has an obligation to acquire the balance 20% by FY 2022-23 for a consideration based on an earn out model (multiple of EBITDA). The Group has reassessed the payout for acquisition of balance 20% and reversed the redemption liability in the current year with credit to retained earnings.

The previous year numbers have been restated to give the impact of allocation of purchase price. The profit of Clearcomm Group Limited consolidated for the current year is for 12 months whereas for the last year was from July 27, 2021 to March 31, 2022.

The measurement period adjustments were as follows:

Particulars	Provisional amount as at 31 March 2022 (GBP in Crores)	Provisional amount as at 31 March 2022 (₹ In Crores)	Measurement Period Adjustments (GBP in Crores)	Measurement Period Adjustments (₹ in Crores)	Book Value Amount in (GBP in Crores)	Book Value Amount in (₹ Crores)
Tangible Assets	0.07	7.08	-	-	0.07	7.08
Intangible Assets	-	-	0.43	44.80	0.43	44.80
Inventories	0.01	1.24	-	-	0.01	1.24
Cash & Cash equivalents	0.05	4.90	-	-	0.05	4.90
Trade receivables	0.39	40.82	-	-	0.39	40.82
Other assets	0.11	11.81	-	-	0.11	11.81
Deferred tax assets	-	-	(0.11)	(11.16)	(0.11)	(11.16)
Borrowings	(0.02)	(2.07)	-	-	(0.02)	(2.07)
Trade and other payables	(0.36)	(36.58)	-	-	(0.36)	(36.58)
Other liabilities	(0.04)	(4.34)	-	-	(0.04)	(4.34)
Net identifiable asset required	**0.21**	**22.86**	**0.32**	**33.64**	**0.53**	**56.50**
Non-controlling interest	0.04	4.57	0.07	7.73	0.11	12.30
Net identifiable asset required	**0.17**	**18.29**	**0.25**	**25.91**	**0.42**	**44.20**

Calculation of goodwill	Provisional amount as at 31 March 2022 (GBP in Crores)	Provisional amount as at 31 March 2022 (₹ In Crores)	Measurement Period Adjustments (GBP in Crores)	Measurement Period Adjustments (₹ in Crores)	Amount as at 31 March 2023 (GBP in Crores)	Amount as at 31 March 2023 (₹ in Crores)
Consideration transferred for investment	1.07	110.82	0.00	0.00	1.07	110.82
Less: Net identifiable assets required	(0.17)	(18.29)	(0.25)	(25.91)	(0.42)	(44.20)
Goodwill	**0.90**	**92.53**	**(0.25)**	**(25.91)**	**0.65**	**66.62**

The goodwill is attributable to the synergies from combining operations with group and workforce.

Revenue & Profit Contribution :

If the acquisitions had occurred on 1 April 2021, consolidated pro-forma revenue and profit from continuing operation for the year ended 31 March 2022 would have been ₹ 5,491 Crores and ₹ 119 Crores respectively. These amounts have been calculated using the subsidiary's results.

Calculation of Revenue & Profit Contribution	Revenue (₹ in crores)	Profit (₹ in crores)
Total revenue and profit of group excluding Clearcomm Group	5,307	134
Revenue and profit of Clearcomm Group	184	(15)
Total	**5,491**	**119**

Purchase Consideration - cash outflow

The cash outflow for acquisition of Clearcomm is ₹ 109.95 crores, net of cash acquired including amount of ₹ 4.02 crores given as loan to Clearcomm Group Limited at the time of acquisition. Accordingly net cash outflow for investment is ₹ 105.93 crores.

Acquisition related costs

Acquisition related costs of ₹ 4.36 crores is included in other expenses in Statement of profit & loss.

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Note 45 : 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. including its wholly owned subsidiary, Optotec International S.A for a purchase consideration of EUR 32 million (Rs. 280 crores) as per share purchase agreement dated November 05, 2020 as amended on January 8, 2021 and recognised a provisional goodwill of EUR 19 million (Rs. 173 crores) in FY 2020-21 pending completion of purchase price allocation. During the year ended March 31, 2022, the group has completed the allocation of purchase price to identified assets and liabilities as given below as at acquisition date fair value as per Ind AS 103 – Business Combinations. Accordingly, amount of goodwill has reduced to EUR 11 million (Rs. 96 crores) on account of increase in the value of tangible assets, inventories and identified intangible assets in consolidated balance sheet.

During the previous year, the Group has also paid additional consideration of EUR 1 million (Rs. 12 crores) based on post closing adjustment basis share purchase agreement.

The measurement period adjustments were as follows:

Particulars	Provisional Amount as at March 31, 2021 (Euro in Crores)	Provisional Amount as at March 31, 2021 (₹ In Crores)	Measurement Period adjustment (Euro in crores)	Measurement Period adjustment (₹ In Crores)	As at March 31, 2022 (Euro in crores)	As at March 31, 2022 (₹ In Crores)
Tangible Assets	0.02	2.14	-	-	0.02	2.14
Intangible Assets	0.00	0.05	-	-	0.00	0.05
Intangible Assets: Customer Relationships & Contracts	-	-	0.99	88.39	0.99	88.39
Intangible Assets: Patents	-	-	0.41	36.68	0.41	36.68
Intangible Assets: Non-compete	-	-	0.04	3.79	0.04	3.79
Inventories	0.61	52.46	(0.03)	(3.28)	0.58	49.18
Current investment	0.01	0.86	-	-	0.01	0.86
Cash & Cash equivalents	0.38	32.59	-	-	0.38	32.59
Trade receivables	0.49	41.83	(0.02)	(1.77)	0.47	40.06
Other assets	0.23	20.15	-	-	0.23	20.15
Deferred tax liabilities	-	-	(0.39)	(34.79)	(0.39)	(34.79)
Borrowings	(0.04)	(3.38)	-	-	(0.04)	(3.38)
Trade and other payables	(0.48)	(41.29)	-	-	(0.48)	(41.29)
Other liabilities	(0.11)	(10.23)	-	-	(0.11)	(10.23)
Net identifiable asset required	1.11	95.20	1.01	89.02	2.12	184.22
Non-controlling interest	-	-	-	-	-	-
Net identifiable asset required	1.11	95.20	1.01	89.02	2.12	184.22

Calculation of goodwill	Provisional Amount as at March 31, 2021 (Euro in Crores)	Provisional Amount as at March 31, 2021 (₹ In Crores)	Measurement Period adjustment (Euro in crores)	Measurement Period adjustment (₹ In Crores)	As at March 31, 2022 (Euro in crores)	As at March 31, 2022 (₹ In Crores)
Consideration transferred	3	268	0	12	3	280
Less: Net identifiable assets required	(1)	(95)	(1)	(89)	(2)	(184)
Goodwill	2	173	(1)	(77)	1	96

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NOTE 46: STATUTORY GROUP INFORMATION

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit and loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of total comprehensive income	₹ in crores
Parent								
Sterlite Technologies Limited								
Balance as at 31 March 2023	50.09%	1,049	-129.38%	(164)	34.54%	(5)	-149.83%	(169)
Balance as at 31 March 2022	59.16%	1,211	119.07%	68	-116.07%	(13)	100.26%	58
Subsidiaries								
Indian								
1. Speedon Network limited								
Balance as at 31 March 2023	-1.18%	(25)	-8.27%	(10)	0.00%	0	-9.30%	(10)
Balance as at 31 March 2022	-0.70%	(14)	-20.72%	(10)	0.00%	0	-16.91%	(10)
2. Maharashtra Transmission Communication Infrastructure Limited*								
Balance as at 31 March 2023	0.00%	-	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	(0)	19.09%	9	0.00%	0	15.58%	9
3. Sterlite Telesystems Limited								
Balance as at 31 March 2023	0.00%	-	0.17%	0	0.00%	-	0.19%	0
Balance as at 31 March 2022	-0.01%	(0)	-0.13%	(0)	0.00%	0	-0.10%	(0)
4. STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")								
Balance as at 31 March 2023	-1.07%	(22)	-17.46%	(22)	0.00%	0	-19.64%	(22)
Balance as at 31 March 2022	-0.01%	(0)	-0.68%	(0)	0.00%	0	-0.55%	(0)
5. Sterlite Innovative Solutions Limited								
Balance as at 31 March 2023	0.00%	(0)	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
6. Sterlite Tech Cables Solutions Limited								
Balance as at 31 March 2023	12.22%	256	188.93%	239	2.85%	(0)	212.15%	239
Balance as at 31 March 2022	0.85%	17	39.52%	19	3.00%	0	32.79%	19
7. STL Networks Limited								
Balance as at 31 March 2023	0.00%	0	-0.02%	(0)	0.00%	0	-0.02%	(0)
Balance as at 31 March 2022	0.00%	0	0.00%	-	0.00%	0	0.00%	-
Foreign								
1. Sterlite Global Ventures (Mauritius) Limited								
Balance as at 31 March 2023	12.79%	268	38.81%	49	26.57%	(4)	40.34%	45
Balance as at 31 March 2022	13.31%	272	-3.00%	(1)	0.00%	0	-2.45%	(1)
2. Jiangsu Sterlite Fiber Technology Co. Ltd (Formerly "Jiangsu Sterlite and Tongguang Fiber Co. Limited")								
Balance as at 31 March 2023	7.14%	150	-42.68%	(54)	3.70%	(1)	-48.46%	(55)
Balance as at 31 March 2022	10.10%	206	-116.81%	(55)	151.57%	16	-67.40%	(39)
3. Sterlite (Shanghai) Trading group Limited								
Balance as at 31 March 2023	5.82%	122	1.15%	1	-23.43%	3	4.21%	5
Balance as at 31 March 2022	0.16%	3	6.27%	3	0.00%	0	5.12%	3
4. Metallurgica Bresciana S.p.A (Italy)								
Balance as at 31 March 2023	5.55%	116	31.68%	40	-51.99%	7	42.11%	47
Balance as at 31 March 2022	3.38%	69	46.36%	22	-9.08%	(1)	36.15%	21
5. Sterlite Technologies UK Ventures Limited								
Balance as at 31 March 2023	-4.55%	(95)	-40.68%	(52)	0.21%	(0)	-45.78%	(52)
Balance as at 31 March 2022	-2.14%	(44)	-81.25%	(38)	0.00%	0	-66.29%	(38)
6. Elitecore Technologies (Mauritius) Limited								
Balance as at 31 March 2023	0.04%	1	0.10%	0	0.00%	-	0.12%	-
Balance as at 31 March 2022	0.04%	1	0.17%	0	0.00%	0	0.14%	0
7. Elitecore Technologies Sdn Bhd.								
Balance as at 31 March 2023	0.86%	18	8.78%	11	0.00%	0	9.88%	11
Balance as at 31 March 2022	0.33%	7	3.68%	2	0.00%	0	3.00%	2

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NOTE 46: STATUTORY GROUP INFORMATION

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit and loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of total comprehensive income	₹ in crores
8. Sterlite Tech Holding Inc.								
Balance as at 31 March 2023	-0.19%	(4)	-0.90%	(1)	2.56%	(0)	-1.33%	(2)
Balance as at 31 March 2022	-0.12%	(2)	-1.16%	(1)	0.00%	0	-0.95%	(1)
9. Sterlite Technologies Inc								
Balance as at 31 March 2023	5.11%	107	67.83%	86	-24.79%	3	79.39%	89
Balance as at 31 March 2022	0.87%	18	56.52%	27	0.00%	0	46.11%	27
10. Impact Data Solutions Limited								
Balance as at 31 March 2023	0.00%	-	10.12%	13	18.23%	(3)	9.11%	10
Balance as at 31 March 2022	1.77%	36	23.32%	11	-5.18%	(1)	18.07%	10
11. Vulcan Data Centre Solutions Limited								
Balance as at 31 March 2023	0.00%	0	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	0	-4.38%	(2)	0.15%	0	-3.71%	(2)
12. PT Sterlite Technologies Indonesia								
Balance as at 31 March 2023	0.05%	1	-0.11%	(0)	-0.21%	0	-0.10%	(0)
Balance as at 31 March 2022	0.05%	1	-2.87%	(1)	1.03%	0	-2.15%	(1)
13. Sterlite Technologies Pty. Ltd								
Balance as at 31 March 2023	0.10%	2	0.81%	1	0.00%	0	0.92%	1
Balance as at 31 March 2022	0.05%	1	1.82%	1	0.00%	0	1.48%	1
14. Sterlite Technologies DMCC								
Balance as at 31 March 2023	1.05%	22	16.76%	21	-1.78%	0	19.08%	21
Balance as at 31 March 2022	0.02%	0	6.23%	3	0.94%	0	5.26%	3
15. STL Optical Interconnect S.p.A.								
Balance as at 31 March 2023	-1.13%	(24)	-7.25%	(9)	110.54%	(16)	-21.95%	(25)
Balance as at 31 March 2022	0.05%	1	-17.64%	(8)	26.58%	3	-9.50%	(6)
16. Optotec S.p.A.								
Balance as at 31 March 2023	5.01%	105	7.09%	9	-14.52%	6	13.53%	15
Balance as at 31 March 2022	5.29%	108	43.34%	21	-20.21%	(2)	31.09%	18
17. Optotec International S.A.								
Balance as at 31 March 2023	0.00%	-	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
18. STL Edge Networks Inc.								
Balance as at 31 March 2023	0.08%	2	-0.14%	(0)	-2.21%	0	0.12%	0
Balance as at 31 March 2022	0.08%	2	3.29%	2	0.00%	0	2.69%	2
19. STL Tech Solutions Limited, UK								
Balance as at 31 March 2023	0.00%	0	-3.10%	(4)	-0.93%	0	-3.38%	(4)
Balance as at 31 March 2022	0.19%	4	0.00%	-	-2.25%	(0)	-0.41%	(0)
20. STL UK Holdco Limited, UK								
Balance as at 31 March 2023	0.79%	17	-5.98%	(8)	14.17%	(2)	-8.49%	(10)
Balance as at 31 March 2022	1.28%	26	-5.72%	(3)	28.83%	3	0.64%	0
21. Clearcomm Group Limited, UK*								
Balance as at 31 March 2023	-0.53%	(11)	-9.98%	(13)	6.21%	(1)	-12.00%	(14)
Balance as at 31 March 2022	0.40%	8	-20.34%	(10)	-4.42%	(0)	-17.41%	(10)
22. STL Network Services Inc., US								
Balance as at 31 March 2023	0.00%	-	0.00%	-	0.00%	0	0.00%	-
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
23. STL Solutions Germany GmbH								
Balance as at 31 March 2023	-0.11%	(2)	-0.85%	(1)	1.00%	(0)	-1.08%	(1)
Balance as at 31 March 2022	-0.05%	(1)	-2.75%	(1)	0.20%	0	-2.19%	(1)
24. STL_Digital_Inc								
Balance as at 31 March 2023	0.13%	3	2.08%	3	0.00%	0	2.34%	3
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	0	0.00%	-
28. Share of profit of Joint Venture/ Associate group								
Balance as at 31 March 2023	1.74%	36	3.48%	4	0.00%	0	3.91%	4
Balance as at 31 March 2022	1.57%	32	9.82%	5	0.00%	0	8.01%	5
Non controlling interest in all subsidiaries								
Balance as at 31 March 2023	0.18%	4	-10.99%	(14)	29.27%	(4)	-16.01%	(18)
Balance as at 31 March 2022	4.10%	86	-30.86%	(15)	47.83%	5	-16.37%	(10)
Total								
Balance as at 31 March 2023	**100.00%**	**2,095**	**100.00%**	**127**	**100.00%**	**(14)**	**100.00%**	**113**
Balance as at 31 March 2022	**100.00%**	**2,047**	**100.00%**	**45**	**100.00%**	**10**	**100.00%**	**55**

All eliminations and adjustments are netted off against balances of parent group for disclosure purpose
The numbers for the year ended March 31, 2022 are reported from the acquisition date to balance sheet date
* Refer note 16 for sale of investment in Maharashtra Transmission Communication Infrastructure Limited
ASOCS Ltd. (Associate group) is not considered for consolidation as the operations of the associate group is insignificant for the Group

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STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 47: SEGMENT REPORTING

(a) Description of segments and principal activities
The Group`s operations primarily relate to telecom sector including manufacturing of telecom products, providing telecom services and digital and technology solutions. Effective July 1, 2022, pursuant to an internal reorganization and change in the reporting structure, the management has reassessed the segment reporting as per Ind AS 108 - "Operating Segments". Accordingly, the operating segments have been changed from single operating segment (Connectivity and Network Solutions) to the following operating segments. The corresponding information for previous year has been restated in accordance with Ind AS 108.

1. Optical networking business (ONB) - Designing and Manufacturing of optical fiber, cables and optical interconnect products
2. Global service business (GSB) - Fiber roll out, end to end system integration and network deployment
3. Digital and technology solutions (Digital) - Enabling digital transformation of telcos and enterprises

The Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors

The Parent publishes the Standalone financial statements of the Parent group along with the consolidated financial statements of the Group. In accordance with Ind AS 108, Operating Segments, the Group has disclosed the segment information in the consolidated financial statements. The Operating segments are identified considering

a) the nature of products and services,
b) the differing risks and returns,
c) the internal organisation and management structure, and
d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities. The segment information reviewed by the CODM does not include discontinued operations.

(b) Segment Revenue
Revenues from external customers comprise sale of telecom products for the ONB Business, rendering of telecom services and end to end system integration and network development for the GSB Business and IT and ITES related services for the digital segment.

Sales between segments are carried out at arm`s length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit and loss. The group derives revenue from transfer of goods and services over time and at a point of time in the following segment

Particulars	31 March 2023			Timing of Recognition	
	External Turnover	Inter Segment	Total	Point in time	Overtime
Revenue					
ONB	5,344	95	5,439	5,167	177
GSB	1,511	-	1,511	-	1,511
Digital	70	-	70	-	70
Eliminations	-	(95)	(95)	-	-
Total	6,925	-	6,925	5,167	1,758

Particulars	31 March 2022			Timing of Recognition	
	External Turnover	Inter Segment	Total	Point in time	Overtime
Revenue					
ONB	3,587	126	3,713	3,587	-
GSB	1,844	-	1,844	-	1,844
Digital	6	-	6	-	6
Eliminations	-	(126)	(126)	-	-
Total	5,437	-	5,437	3,587	1,850

(c) Segment Results (EBITDA)
The CODM primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) from the continuing operations to assess the performance of the operating segments. The CODM also receives information about the segments' revenue, assets and liabilities on a regular basis. The segment results for the current and previous year year is given below:

Particulars	31 March 2023			31 March 2022		
	External	Inter Segment	Total	External	Inter Segment	Total
ONB	1,045	-	1,045	541	-	541
GSB	47	-	47	156	-	156
Digital	(124)	-	(124)	(6)	-	(6)
Unallocable	(37)	-	(37)	32	-	32
Total	931	-	931	723	-	723
Finance costs	-	-	311	-	-	238
Depreciation and amortisation expense	-	-	309	-	-	308
Share of Profit/(loss) from Joint Venture		-	4	-	-	5
Exceptional items		-	-	-	-	16
Profit before tax from continuing operations		-	316	-	-	198

(d) Segment Assets and Liabilities
Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset.

The Group's Cash and other bank balances, current investments and borrowings are not considered to be segment assets and liabilities, and are managed by the treasury function. The segment assets and liabilities as at March 31, 2023 and March 31, 2022 is given below:

Particulars	Segmental Assets		Segment Liabilities	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
ONB*	4,933	5,025	1,319	1,469
GSB	2,930	2,452	1,374	1,509
Digital	153	63	105	3
Unallocable	873	1,250	3,996	3,762
Eliminations	(24)	(31)	(24)	(31)
Total	**8,864**	**8,819**	**6,895**	**6,716**
Unallocable Assets and liabilities includes:				
Cash & Cash equivalents	450	411	-	-
Other Bank balances	57	119	-	-
Current Investment	40	0	-	-
Advance income tax and current tax assets	9	58	-	-
Deferred tax assets	77	48	-	-
Assets related to discontinued operations and assets held for sale	11	440	-	-
Corporate Assets	229	175	-	-
Current tax liabilities	-	-	33	22
Current borrowings	-	-	2,665	1,775
Deferred tax liabilities	-	-	54	90
Non current borrowings	-	-	1,002	1,536
Liabilities related to discontinued operations	-	-	31	169
Corporate Liabilities	-	-	211	169

* includes investment in associate and joint venture accounted under equity method amounted to ₹ 36 crores (31 March 2022: 32 crores).

The depreciable and intangible assets are allocated to the respective segments, however the related depreciation and amortisation is not included in the segment results reviewed by the CODM. The amount of related depreciation and amortisation is ₹ 257 crores (31 March 2022: ₹ 293 crores) for ONB, ₹ 21 crores (31 March 2022: ₹ 15 crores) for GSB and ₹ 9 crores (31 March 2022: ₹ 0 crores) for the Digital segment.

Investment in associates and joint venture accounted for under equity method / FVOCI are allocated to respective segment assets but the share of profit / loss is not included in the segment results reviewed by the CODM. The share of profits in associate and joint venture is ₹ 4 crores (31 March 2022: ₹ 5 crores) related to ONB segment.

Geographical Information

Particulars	**31 March 2023 (₹ in crores)**	**31 March 2022 (₹ in crores)**
(1) Revenue from external customers		
- Within India	1,922	2,369
- Outside India	5,003	3,068
Total revenue as per statement of profit and loss	6,925	5,437
(2) Non-current assets		
- Within India	2,458	2,425
- Outside India	1,014	1,191
Total	**3,471**	**3,616**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, intangible assets including goodwill and other non-current assets.

(3) Revenue from external customers

Revenue of approximately ₹ 1,059 crores (31 March 2022 – ₹ 762 crores) are derived from two external customers. This revenue is attributed to ONB segment ₹ 628 crores (31 March 2022 - NIL) and ₹ 431 crores from GSB segment (31 March 2022 - ₹ 762 crores).

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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 2023 and 31 March 2022.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2023 and 31 March 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group's exposure to the risk of changes in interest rate primarily relates to the Group's debt obligations with floating interest rates.

The Group is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2023, after taking into account the effect of interest rate swaps, approximately 71% of the Group's borrowings are at a fixed rate of interest (31 March 2022: 68%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Variable rate borrowings	1,050	1,143
Fixed rate borrowings	2,616	2,168
Total borrowings	**3,667**	**3,311**

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding

	31 March 2023		31 March 2022	
	Balance (₹ In crores)	% of total loans	Balance (₹ In crores)	% of total loans
Variable rate borrowings	1,050	29%	1,143	35%
Interest rate swaps (notional principal amount)	-		100	
Net exposure to cash flow interest rate risk	1,050		1,043	

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates borrowings at variable interest rate. With all the other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/ (increase)
31 March 2023		
Base Rate	+50	5
Base Rate	-50	(5)
31 March 2022		
Base Rate	+50	5
Base Rate	-50	(5)

NOTE 48: FINANCIAL RISK MANAGEMENT

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 15-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in foreign currency risk. During the years ended 31 March 2023 and 31 March 2022, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Group has hedged significant exposure as at March 31, 2023 and as at March 31, 2022. The Group's foreign currency exposure at the year end is as follows

31 March 2023 (₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	92	69	115	4
Bank Balances	2	16	4	-
Loans	-	3	-	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency*	951	131	277	6
Net Exposure to foreign currency risk (Assets)	(857)	(42)	(158)	(2)

*Includes forward contracts of Rs. 857 crores (for USD currency risk), Rs. 42 crores (for EUR currency risk) and Rs. 158 crores (for GBP currency risk) on intragroup monetary items which result in exposure to foreign exchange rate gains or losses that are not fully eliminated on consolidation.

31 March 2023 (₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan	113	53	-
Payables for purchase of property, plant & equipments	36	34	-
Trade Payables	171	77	6
Derivative Liabilities			
Foreign exchange forward contracts – Buy foreign currency *	335	108	6
Net Exposure to foreign currency risk (Liabilities)	(15)	46	0

*Includes forward contracts of Rs. 15 crores (for USD currency risk) on intragroup monetary items which result in exposure to foreign exchange rate gains or losses that are not fully eliminated on consolidation.

31 March 2022 (₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	11	78	222	11
Bank Balances	1	34	16	-
Loans	-	-	3	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	525	121	219	11
Net Exposure to foreign currency risk (Assets)	(513)	(8)	22	0

31 March 2022 (₹ in crores)

Financial Liabilities	USD	EUR	GBP
Bank Loan	132	25	62
Payables for purchase of property, plant & equipments	90	39	-
Trade Payables	110	34	2
Derivative Liabilities			
Foreign exchange forward contracts - Buy foreign currency	236	76	12
Principal Swap - Buy foreign currency	38	-	-
Net Exposure to foreign currency risk (Liabilities)	59	22	52

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NOTE 48: FINANCIAL RISK MANAGEMENT

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 2023	+5%	(42.16)/(32.92)	+5%	(4.44)/5.62	+5%	(7.98)/20.60
	-5%	42.16/32.92	-5%	4.44/(5.62)	-5%	7.98/(20.60)
31 March 2022	+5%	0.37/15.03	+5%	1.03/12.67	+5%	(1.47)/20.06
	-5%	(0.37)/(15.03)	-5%	(1.03)/(12.67)	-5%	1.47/(20.06)

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet these requirements the Group enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Price risk

The Group's investment in non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 96 crores (31 March 2022: ₹ 92 crores). The group also invests into highly liquid mutual funds which are subject to price risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds are made as a part of treasury management activities.

The group invests into highly liquid funds which are subject to price risk changes. These investments are generally for short durations and therefore impact of price change is generally not significant.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account its financial position, past experience and other factors, eg. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Group provides for expected credit loss of trade receivables and contract assets based on life-time expected credit losses (simplified approach). The Group assesses the expected credit loss for Global Services Business (GSB) considering the individual nature and risks of the contracts. The expected credit losses for other businesses is assessed using a provision matrix as per the practical expedient prescribed under IND AS 109.

The credit risk of customers of Global Services Business (GSB) is assessed individually considering the nature and risks involved in each contract. Such assessment is considered in determining the adequacy of expected credit loss for trade receivables and contract assets of the business which requires significant managment judgement. Refer Note 3 for details of the judgement involved.

A major portion of the GSB trade receivables and contract assets consists of government customers. The credit risk in receivable from government customers is considered to be low. In case of disputes, the Group considers interpretation of contractual terms, project status, probability of settlement, counter-claims, latest discussions / correspondence and legal opinions wherever applicable in assessing the recoverability. The average project execution cycle in GSB ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from [illegible] days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

NOTE 48: FINANCIAL RISK MANAGEMENT

For other businesses, a provision matrix is used to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The trade receivables and contract assets for other businesses are mainly related to contracts for sale of goods and time and material contracts.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively using a provision matrix to measure the lifetime expected credit losses as per the practical expedient prescribed under Ind AS 109. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.
The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the group made write-offs of Nil (31 March 2022 : Nil) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Details of Expected credit loss for Global Services Business (GSB) is as follows:

Particulars	31-Mar-23	31-Mar-22
Gross Carrying Amount - Trade Receivables	1,150	1,021
Gross Carrying Amount - Contract Assets	1,477	1,207
Expected credit losses - Trade Receivables	102	116
Expected credit losses - Contract Assets	61	-
Carrying amount of trade receivable (net of provision)	**1,048**	**905**
Carrying amount of contract assets (net of provision)	**1,416**	**1,207**

Details of Expected credit loss for Other than GSB Business are as follows:

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount - Trade Receivables					
Considered Good	755	16	13	18	801
Credit Impaired	-	-	3	19	22
Expected loss rate	0.40%	6.36%	0.94%	22.29%	1.01%
Expected credit losses - Trade Receivables	3	1	3	23	30
Carrying amount of trade receivables (net of impairment)	752	15	13	14	793

As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount - Trade Receivables					
Considered Good	664	44	68	48	823
Credit Impaired	-	3	-	9	12
Gross Carrying Amount - Contract Assets	-	59	-	-	59
Expected loss rate	0.30%	10.68%	1.48%	25.13%	2.95%
Expected credit losses - Trade Receivables	2	3	1	21	27
Expected credit losses - Contract Assets	-	11	-	-	11
Carrying amount of trade receivables (net of impairment)	662	44	67	36	808
Carrying amount of contract assets (net of impairment)	-	48	-	-	48

Reconciliation of loss allowance provision of trade receivables and contract assets:

Particulars	Contract Assets	Trade Receivables
Loss Allowance as on April 01, 2021	-	49
Increase in loss allowance recognised in profit or loss during the year	11	94
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	-	-
Loss Allowance as on March 31, 2022	**11**	**143**
Increase in loss allowance recognised in profit or loss during the year	61	1
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	-	-
Loss Allowance pertaining to Discontinued Operations	(11)	(14)
Loss Allowance as on March 31, 2023	**61**	**130**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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 2023 and 31 March 2022 is the carrying amounts of each class of financial assets.

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Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 48: FINANCIAL RISK MANAGEMENT

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2023						
Borrowings (including interest)	-	1,637	1,117	1,008	244	4,006
Other financial liabilities	5	5	113	3	-	126
Trade payables	535	1,118	499	-	-	2,152
Payables for purchase of Property, plant and equipments	-	114	7	-	-	121
Derivatives	-	11	11	0	-	22
Lease liability	-	8	23	101	58	189
	539	2,893	1,769	1,113	301	6,615
As at March 31, 2022						
Borrowings (including interest)	0	1,356	469	1,580	345	3,750
Other financial liabilities	5	31	56	50	-	142
Trade payables	643	1,274	503	-	-	2,420
Payables for purchase of Property, plant and equipments	-	13	150	1	-	164
Derivatives	-	0	4	0	-	4
Lease liability	-	9	26	104	76	215
	648	2,683	1,208	1,735	421	6,695

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NOTE 48: FINANCIAL RISK MANAGEMENT

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The cash flow hedges for such derivative contracts as at 31 March 2023 were assessed to be highly effective and a net unrealised loss of ₹ 33 crores, with a deferred tax asset of ₹ 8 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2021 were assessed to be highly effective and an unrealised gain of ₹ 1.50 crores, with a deferred tax liability of ₹ 0.38 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2023 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2024 and 31 March 2025.

As at 31 March 2023, the Group does not have any currency/interest rate swap contracts outstanding. As at 31 March 2022, the Group had currency/interest rate swap agreements in place with a notional amount of USD 0.5 crores (Rs. 42.45 crores) and GBP 0.63 crores (Rs. 57.60 crores whereby the Group received a variable rate of interest of Libor + 2.70% and paid interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD for the USD Interest Swap. For the GBP Interest Swap, the Group received a variable rate of interest of Sterling Overnight Index Average and paid ineterst at a fixed rate equal to 1.74% p.a on the notional amount of GBP Loan. The swaps were being used to hedge the exposure to changes in the foreign exchange rates and interest rates.

The cash flow hedges for such derivative contracts as at 31 March 2022 were assessed to be highly effective and a net unrealised loss of Rs. 1.1 crore, with a deferred tax asset of Rs. 0.28 crore relating to the hedging instruments, is included in OCI.

Impact of hedging activities
(a) Disclosure of effects of hedge accounting on financial position

31 March 2023

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts-Assets	480	2	April 2023-Jun 2024	1:1	EUR:INR-89.99 GBP:INR-102.38 USD:INR-83.06 AED:INR-22.59 AUD:INR-59.03 CNH:INR-11.90	(16)	16
(ii) Foreign exchange forward contracts-Liabilities	801	(13)	April 2023-Jun 2024	1:1	EUR:INR-89.31 USD:INR-82.70 GBP:INR-99.59 AED:INR-22.41	(12)	12
(iii) Foreign Currency Loan	Nil	Nil	NA	NA	NA	(4)	4
Interest rate risk							
Interest rate swap	Nil	Nil	NA	NA	NA	0	(0)

31 March 2022

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets/(Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts-Assets	1,108	18	April 2022-Jun 2023	1:1	EUR:INR- 87.76, GBP:INR- 102.59, USD:INR- 77.53, AED:INR- 21.66	0	(0)
(ii) Foreign exchange forward contracts-Liabilities	171	(1)	April 2022 - Jun 2023	1:1	EUR:INR- 86.23, GBP:INR- 101.82, USD:INR- 76.73, AED:INR- 20.68, AUD:INR- 56.92	1	(1)
(iii) Foreign Currency Loan	38	4	3 January 2023	1:1	N/A	(2)	2
Interest rate risk							
Interest rate swap	100	(0)	3 January 2023	1:1	N/A	1	(1)

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1
The notional amount of interest rate swaps 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

NOTE 48: FINANCIAL RISK MANAGEMENT

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2023 (₹ in Crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(28)	-	(6)	Revenue and COGS
Interest Risk	0	-	-	N/A

31 March 2022

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	15	-	(14)	Revenue and COGS
Interest Risk	1	-	-	N/A

The Group's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:
- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve

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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 group in new businesses, increasing the capacity of existing businesses and increase in working capital due to certain projects has lead to increase in capital requirement. The group expects to realise the benefits of these investments in near future.

Particulars	**As at 31 March 2023 (₹ in crores)**	**As at 31 March 2022 (₹ in crores)**
Interest bearing loans and borrowings	3,669	3,315
Less: Cash and cash equivalents & current investment*	(541)	(523)
Net debt	**3,128**	**2,792**
Equity share capital	80	80
Other equity	2,011	1,877
Total capital	**2,091**	**1,957**
Capital and net debt	**5,219**	**4,749**
Gearing ratio	59.93%	58.80%

*includes other bank balance of ₹ 50 crores (31 March 2022 : ₹ 112 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the group at any time without any major penalties.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Dividend distribution made and proposed

As a part of Group's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	**31 March 2023 (₹ in crores)**	**31 March 2022 (₹ in crores)**
Cash dividends on equity shares declared and paid:		
Sterlite Technologies Limited		
Final dividend for the year ended on 31 March 2022: ₹ 0.5 per share (31 March 2021: ₹ 2 per share)	20	79
	20	**79**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2023: ₹ 1 per share (31 March 2022: ₹ 0.5 per share)	40	20
	40	**20**

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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 31 March 2023:

(₹ in Crores)

	31 March 2023			31 March 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	-	60	-	-	60	-
Mutual funds	40	-	-	0	-	-
Trade receivables	-	-	1,822	-	-	1,706
Loans	-	-	3	-	-	4
Cash and cash equivalents	-	-	450	-	-	411
Other bank balances	-	-	57	-	-	119
Derivative financial assets	5	2	-	14	17	-
Other financials assets	13	-	109	21	-	75
Total financial assets	**58**	**62**	**2,441**	**35**	**77**	**2,315**
Financial liabilities						
Borrowings	-	-	3,668	-	-	3,311
Trade Payables	-	-	2,152	-	-	2,420
Derivative financial liabilities	9	13	-	2	2	-
Payables for purchase of Property, plant and equipment's	-	-	121	-	-	164
Deposits from vendors	-	-	3	-	-	3
Other Financial Liabilities	-	-	123	-	-	139
Total financial liabilities	**9**	**13**	**6,067**	**2**	**2**	**6,038**

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Amount	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments in Equity Shares of Associates				
As at 31 March 2023	60	-	-	60
As at 31 March 2022	60	-	-	60
Investments in Mutual funds				
As at 31 March 2023	40	40	-	-
As at 31 March 2022	0	0	-	-
Other Financial Assets				
As at 31 March 2023	13	-	13	-
As at 31 March 2022	21	-	21	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at 31 March 2023	5	-	5	-
As at 31 March 2022	14	-	14	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at 31 March 2023	2	-	2	-
As at 31 March 2022	17	-	17	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at 31 March 2023	9	-	9	-
As at 31 March 2022	2	-	2	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at 31 March 2023	13	-	13	-
As at 31 March 2022	2	-	2	-

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NOTE 50: FAIR VALUES

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices

Level 2. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3.

c) Valuation technique used to determine fair value
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.
The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

Particulars	₹ in crores Investments in Equity Shares of Associate
As at 31 March 2022	60
Acquisitions	-
Deletion	-
As at 31 March 2023	60

e) Valuation inputs and relationships to fair value
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVOCI assets in unquoted equity shares	Transaction multiple approach	Revenue multiple considered	31 March 2023: 3.6 (31 March 2022 : 3.6)	5% (31 March 2022 : 5%) increase/ (decrease) in the revenue multiple would result in increase/ (decrease) in fair value by ₹ 3.43/(3.43) crores (31 March 2022: 3.86/ (3.86) crore)

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Valuation processes
The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the Group are derived and evaluated as follows:
Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2023 and 31 March 2022 are as shown above.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

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STERLITE TECHNOLOGIES LIMITED

NOTE 51: RELATED PARTY TRANSACTIONS

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding group
Twin Star Overseas Limited, Mauritius (Immediate holding group)
Volcan Investments Limited, Bahamas (Ultimate holding group)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Fellow Subsidiaries

Cairn India Holdings Ltd
Sterlite Power Transmission Limited
Vedanta Limited
Hindustan Zinc Limited
Fujairah Gold FZE
ESL Steel Limited
Talwandi Sabo Power Limited
Ferro Alloy Corporation Limited (FACOR)
Avan Strate Inc.

(ii) Joint ventures
Sterlite Conduspar Industrial Ltda (50:50 joint venture between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Eletricos Limiteda)

(iii) Key management personnel (KMP)
Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Mr Sandip Das (Non executive & Independent Director)
Ms Kumud Srinivasan (Non executive & Independent Director)
Mr B J Arun (Non executive & Independent Director)
Mr S Madhavan (Non executive & Independent Director)
Mr Ankit Agarwal (Managing Director)

(iv) Relative of key management personnel (KMP)
Mrs. Jyoti Agarwal
Mrs Ruchira Agarwal
Mrs. Sonakshi Agarwal
Mr. Navin Agarwal

(v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)

Universal Floritech LLP (EKMP)
Sterlite Tech Foundation (EKMP)
Pravin Agarwal Family Trust (EKMP)
Runaya Private Limited

(vi) Associates
M.B Maanshan Special Cables Co. Ltd
ASOCS Ltd

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. Mihir Modi (Chief Financial Officer till October 13, 2022)
Mr. Tushar Shroff (Chief Financial Officer from December 06, 2022)
Mr. Amit Deshpande (group Secretary)

Ultimate Controling Party
Sterlite Technologies Limited is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (Twin Star). Volcan Investments Limited ('Volcan') holds 100 % of the share capital and 100 % of the voting rights of Twin Star. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Mr. Anil Agarwal is the protector and one of the beneficiaries of the Trust. Twin Star Overseas Limited, Volcan Investments Limited and Anil Agarwal Discretionary Trust do not produce Group financial statements.

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Sterlite Technologies Limited

NOTE 51: RELATED PARTY TRANSACTIONS

(B) The transactions with related parties during the year and their outstanding balances are as follows:-

S. No.	Particulars	Joint Ventures / Associates		Holding group		KMP		Relatives of KMP		Fellow Subsidiaries/EKMP	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	Remuneration	-	-	-	-	15	31	-	-	-	-
2	Sitting Fees	-	-	-	-	0	0	-	-	-	-
3	Commission	-	-	-	-	1	2	-	-	-	-
4	Consultancy	-	-	-	-	-	1	-	-	-	-
5	Dividend (received)/paid	-	-	10	42	0	0	0	0	0	1
6	Sale of investments	-	-	-	-	-	-	-	-	-	43
7	Loans and advances given	-	0	-	-	-	-	-	-	-	-
8	Repayment of loans given	-	-	-	-	-	-	-	-	-	11
9	Loan repaid	-	-	-	-	-	-	-	-	-	10
10	Interest charged on loans	-	-	-	-	-	-	-	-	-	0
11	Interest expense on loans	-	-	-	-	-	-	-	-	-	1
12	Management fees received	-	-	-	-	-	-	-	-	6	10
13	Reimbursement of expenses	-	-	-	-	-	-	-	-	2	0
14	Purchase of goods & services	-	-	-	-	-	-	-	-	238	261
15	Sale of goods & services	6	13	-	-	-	-	-	-	27	9
16	Contributions made for CSR	-	-	-	-	-	-	-	-	8	11
17	Rental income	-	-	-	-	-	-	-	-	0	0
	Outstanding Balances										
1	Loans/advance receivables##	3	3	-	-	-	-	-	-	0	1
2	Loans/advance payables	-	-	-	-	-	-	-	-	-	-
3	Interest payable on loans	-	-	-	-	-	-	-	-	-	-
4	Trade receivables	33	42	-	-	-	-	-	-	6	-
5	Other receivables	-	-	-	-	-	-	-	-	16	23
6	Trade payables	-	-	-	-	-	-	-	-	0	30
7	Advance to vendors	-	-	-	-	-	-	-	-	-	-
8	Investment in equity shares,preference shares & debentures	96	92	-	-	-	-	-	-	-	-
9	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114^	114^

S. No.	Particulars	Relationship	31 March 2023	31 March 2022
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	8	10
	Dr. Anand Agarwal	KMP	-	14
	Mr. Ankit Agarwal	KMP	4	4
	Mr. Tushar Shroff	KMP	1	0
	Mr. Mihir Modi	KMP	1	3
	Mr. Amit Deshpande	KMP	1	1
2	**Sitting Fees**			
	Mr. Sandip Das	KMP	0	0
	Ms. Kumud Srinivasan	KMP	0	0
	Mr. S. Madhavan	KMP	0	0
	Mr. B J Arun	KMP	0	0
3	**Commission**			
	Ms. Kumud Srinivasan	KMP	0	0
	Mr. S. Madhavan	KMP	0	0
	Mr. B J Arun	KMP	0	0
	Mr. Sandip Das	KMP	0	0
4	**Consultancy**			
	Mr. Sandip Das	KMP	-	1
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding group	10	42
	Vedanta Limited	Fellow Subsidiary	0	1
6	**Sale of investments**			
	Sterlite Power Transmission Limited	Fellow Subsidiary		

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STERLITE TECHNOLOGIES LIMITED

NOTE 51: RELATED PARTY TRANSACTIONS

S. No.	Particulars	Relationship	31 March 2023	31 March 2022
7	**Loans and advances given**			
	Sterlite Conduspar Industrial Ltda	Joint Venture	-	0
8	**Repayment of loans given**			
	Twinstar Display Technologies Limited	Fellow Subsidiary	-	11
	Twin Star Technologies Ltd	Fellow Subsidiary	-	-
9	**Loan repaid**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	10
10	**Interest charged on loans**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	-	0
	Twin Star Technologies Ltd	Fellow Subsidiary	-	0
11	**Interest expense on loans**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	-	1
12	**Management fees received**			
	Cairn India Holdings Ltd	Fellow Subsidiary	6	10
13	**Reimbursement of expenses**			
	Cairn India Holdings Ltd	Fellow Subsidiary	1	-
	Sterlite Power Transmission Limited	Fellow Subsidiary	0	0
14	**Purchase of goods & services**			
	Vedanta Limited	Fellow Subsidiary	190	223
	Runaya Private Limited	EKMP	48	38
15	**Sale of goods & services**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	16	9
	Sterlite Conduspar Industrial Ltda	Joint Venture	6	13
	Hindustan Zinc Limited	Fellow Subsidiary	2	-
	Vedanta Limited	Fellow Subsidiary	8	-
16	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	8	11
17	**Rental income**			
	Universal Floritech LLP	EKMP	0	0

(D) Compensation of Key mangement personnel of the group

Particulars	31 March 2023	31 March 2022
Short term employee benefits	14	23
Long term & Post employment benefits	1	5
Share based payment transaction*	0	3
Total compensation paid to key management personnel	**15**	**31**

(E) Terms and Conditions

a) Transactions relating to dividends for equity shares were on the same terms and conditions that applied to other shareholders.

b) All other transactions were made on normal commercial terms and conditions and at market rates.

c) All outstanding balances are unsecured and repayable in cash.

##Includes interest & expenses incurred and recoverable

^ Refer note 39 for details

*Share-based payments include the perquisite value of stock incentives excercised during the year,determined in accordance with the provisions of the Income-tax Act,1961

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NOTE 52 : BORROWING SECURED AGAINST CURRENT ASSETS

List of banks to which stock statements are submitted:

Sr No	Bank Name
1	ICICI Bank Ltd
2	State Bank of India
3	Yes Bank Ltd
4	Axis Bank Ltd
5	IDFC FIRST Bank Ltd
6	Indusind Bank Limited
7	Bank of Baroda
8	RBL Bank Ltd
9	The Federal Bank Limited
10	IDBI Bank Limited
11	Deutsche Bank AG
12	Union Bank of India
13	HDFC Bank Ltd
14	Export-Import Bank of India
15	Citi Bank

The group has borrowings from banks on the basis of security of current assets. The quarterly returns of statements of current assets filed by the group with banks are in agreement with the books of accounts, except for the following statements in the table below:-

(₹ in crores)

Quarter ended	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
March, 2023	Trade receivables and contract assets	3,527	3,532	(4)	The difference is on account of period end regrouping entries
December, 2021	Trade receivables and contract assets	2,929	3,162	(233)	The difference is on account of period end regrouping entries.
December, 2021	Inventories	457	349	108	The difference is on account of period end closing entries
September, 2021	Trade receivables and contract assets	2,991	3,124	(133)	The difference is on account of period end closing entries ₹ (195.16) crores and non consideration of related party receivable ₹ 62.00 crores
September, 2021	Inventories	374	341	33	The difference is on account of period end closing entries.
June, 2021	Trade receivables and contract assets	3,204	3,079	125	The difference is on account of period end regroupings ₹ 63.09 crores and non consideration of related party receivable ₹ 62.00 crores
June, 2021	Inventories	449	351	97	The difference is on account of period end closing entries.

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STERLITE TECHNOLOGIES LIMITED

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Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 53: INTERESTS IN JOINT VENTURE AND ASSOCIATE

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 50.00 % (31 March 2022: 50.00 %) interest in Sterlite Conduspar Industrial Ltda, a joint venture engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda ('Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Current assets	14	37
Non-current assets	7	10
Total Assets (A)	21	47
Current liabilities	19	12
Non-current liabilities	32	45
Total Liabilities (B)	50	57
Net Assets (A+B)	(30)	(11)
Proportion of the Group's ownership	50.00%	50.00%
Carrying amount of the investment	-	-

Summarised statement of profit and loss of the Joint Venture:

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Revenue	43	56
Other Income	-	[illegible]
Cost of raw material and components consumed	[illegible]	39
Depreciation & amortization	1	1
Finance cost	6	2
Employee benefit	6	8
Other expense	3	10
Loss before tax	(18)	[illegible]
Income tax expense	-	-
Loss for the year	(18)	(1)
Other comprehensive income	-	-
Total comprehensive income for the year	(18)	(1)
Group's share of loss for the year	(9)	(1)
Unrecognised share of profit / (loss) of joint venture	(9)	(1)

As per paragraph 39 of Ind AS 28, the group has not recognised the share of loss of joint venture, as the equity investment in joint venture is reduced to zero. The group will resume recognising its share of profits in the joint venture only after its share of the profits equals the share of losses not recognised.
The group had no contingent liabilities or capital commitments relating to its interest in joint venture as at 31 March 2023 and 31 March 2022

Associate group - M.B Maanshan Special Cables Co. Ltd

	31 March 2023 (₹ in crores)	31 March 2022 (₹ in crores)
Aggregate carrying amount	36	32
Aggregate amounts of the group's share of:		
Profit from continuing operations	4	5
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	4	5

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STERLITE TECHNOLOGIES LIMITED

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023
NOTE 54: DISCLOSURE FOR NON-CONTROLLING INTERESTS

This information is based on amounts before inter-group eliminations
Financial information of subsidiaries that have material non-controlling interests is provided below
Proportion of equity interest held by non-controlling interests:

Name of the group	Principal activity	Effective ownership as on 31 March 2023	Effective ownership as on 31 March 2022	Country of incorporation
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)#	Manufacturing of Optical Fibre	-	25.00%	China
Impact Data Solutions Limited*	Data centre network infrastructure design and deployment	-	20.00%	United Kingdom
Impact Data Solutions B.V.*		-	20.00%	Netherlands
Vulcan Data Centre Solutions Limited*		20.00%	20.00%	United Kingdom
Clearcomm Group Limited	Network integration services	20.00%	20.00%	United Kingdom

*collectively referred as "IDS Group" and disclosed below. Further, group has sold the investment in Impact Data Solutions Limited and Impact Data Solutions B.V. during the year (refer note 16)

Summarised statement of profit and loss for the year ended 31 March 2023:

	31 March 2023				31 March 2022			
	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)
Revenue	-	74	1	101	28	104	-	133
Profit / (loss) for the year	-	(21)	(50)	14	14	(12)	(74)	7
Total comprehensive income	-	(19)	(60)	2	14	(13)	(52)	6
Attributable to non-controlling interests	-	(4)	(15)	1	5	(3)	(13)	1
Dividends paid to non-controlling interests	-	-	(14)	-	-	-	-	-

Summarised balance sheet as at 31 March 2023 and 31 March 2022:

	31 March 2023				31 March 2022			
	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group** (₹ in crores)	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)
Non current assets	-	48	-	-	-	26	419	45
Current assets	-	41	-	0	-	57	41	76
Total Asset (A)	-	89	-	0	-	83	460	121
Non current liability	-	(49)	-	(0)	-	(38)	13	(13)
Current liability	-	(21)	-	(0)	-	(34)	(198)	(33)
Total Liability (B)	-	(70)	-	(0)	-	(73)	(186)	(46)
Net assets (A+B)	-	19	-	0	-	10	275	75
Accumulated NCI	-	4	-	0	-	2	69	15

** Pertians to Vulcan Data Centre Solutions Limited

Summarised cash flows

	31 March 2023				31 March 2022			
	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group** (₹ in crores)	MTCIL (₹ in crores)	Clearcomm (₹ in crores)	JSTFCL (₹ in crores)	IDS Group (₹ in crores)
Cash inflow / (outflow) from operating activities	-	(16)	2	1	111	(0)	30	10
Cash inflow / (outflow) from investing activities	-	(5)	(0)	(1)	(89)	(5)	(9)	(0)
Cash inflow / (outflow) from financing activities	-	21	4	-	(22)	2	(25)	(8)
Net increase /(decrease) in cash and cash equivalents	-	0	6	0	0	(3)	(3)	2

** Closing cash and cash equivalents pertains to Vulcan Data Centre Solutions Limited

Transactions with non-controlling interests
During the year, the Group signed a definitive agreement dated June 28, 2022 to acquire balance 25% stake in Jiangsu Sterlite Tongguang Fiber Co. Ltd. (JSTFCL). The Group has completed the acquisition of balance 25% stake in JSTFCL. Consequent to acquisition, the Group is holding 100% equity shares of Jiangsu Sterlite Fiber Technology Co. Ltd (formerly known as JSTFCL). The difference of ₹ 26 crores between consideration paid and carrying value of non-controlling interest is recognised in other equity

Particulars	31 March 2023
Carrying amount of non-controlling interests acquired (A)	40
Consideration paid to non-controlling interests (B)	65
Incidental costs related to acquisition of non-controlling interests (C)	1
Excess of consideration paid recognised in retained earnings within equity (A-B)	(26)

* During the year ended March 31, 2023, the Group sold its entire stake held in Impact Data Solutions Limited, UK and its wholly owned subsidiary Impact Data Solutions BV and consequently derecognised non-controlling interest of ₹ 16 crores related to the entities sold during the year

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STERLITE TECHNOLOGIES LIMITED

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2023

NOTE 55: DEMERGER

The Board of Directors of the Parent group at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged group" or "group") and STL Networks Limited (the "Resulting group") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder

The Scheme, inter alia, provides for the following:

(a) Transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged group to the Resulting group and consequent issuance of equity shares by the Resulting group to the shareholders of the Demerged group; and
(b) Various other matters consequential or otherwise integrally connected therewith including the reorganisation of the share capital of the Resulting group.

The equity shares of the Resulting group are to be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the group will be issued shares in the Resulting group in the same proportion as their holding in the group. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National group Law Tribunal, Mumbai Bench

NOTE 56: PREVIOUS YEAR FIGURES

Further, previous year figures have been reclassified to conform to this year's classification

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As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391

Place: Mumbai
Date: 17 May 2023

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Tushar Shroff
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 17 May 2023

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Sterlite Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity (refer Note 36 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2022, 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 "Auditors' 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 the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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; • Allocation of consideration to identified performance obligations; and • Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. 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, and • 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 a sample of 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 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, if any; and • Evaluating adequacy of presentation and disclosures in the financial statements. Based on the above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures as required by Ind AS 115.

b. Appropriateness of accounting for business combination	
(Refer note 47, to the Consolidated Financial Statements) On November 2, 2020, the Group, completed the acquisition of Optotec S.p.A., (Italy) including its subsidiary, Optotec Interconnect S.A., (Switzerland) (together known "Optotec group"). The Group acquired 100% of the Optotec group for a total purchase consideration of INR 284.64 crores. Management determined that the acquisition of Optotec group qualifies as a business combination under Ind AS 103 "Business Combinations" (Ind-AS 103). The Management, based on a report of an independent valuer, has determined the fair value of the net identifiable assets acquired at INR 184.22 crores (including INR 128.92 crores relating to intangible assets), resulting in goodwill of INR 95.51 crores. We focused on the identification and valuation of assets, including the intangible assets, arising from the business combination as a significant area of judgement. The valuation methodology to determine the value of identified assets, as well as the inputs and assumptions like discount rate, etc. used in the model, and the related disclosures, also require significant judgement.	Our audit procedures included: • Evaluating management's assessment that the acquisition of Optotec group should be accounted for as a business combination; • Evaluating the design and testing the operating effectiveness of the controls on recognition of assets and liabilities acquired in the business combination; • Assessing the appropriateness and completeness of the identifiable assets acquired and the liabilities assumed at the acquisition date of the acquiree and the terms of the purchase laid out in the agreement by verification of the report on due diligence carried out by management for the purpose of acquisition, assets and liabilities from the financial statements of the acquiree, and involvement of experts for the valuation of the same; • Involving our valuation experts to assess the valuation methodology and underlying assumptions relating to discount rate, etc. used by the independent valuer; • Assessing the appropriateness of the useful life of the identified intangible assets as determined by management; • Re-performing calculation of goodwill arising from the acquisition of Optotec group, being the difference between the total purchase consideration and the fair value of the net identifiable assets; and • Assessed adequacy of the disclosures in the financial statements ~~as~~ required to be made by Management as per Ind AS 103. Based on the above procedures performed, no significant observations were noted on the accounting for the business combination.

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Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditors' report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.
   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. 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

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(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 consolidated financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of twenty seven subsidiaries, whose financial statements reflect total assets of Rs 1,354.25 crores and net assets of Rs. 401.27 crores as at March 31, 2022, total revenue of Rs. 696.75 crores, total comprehensive income (comprising of profit and other comprehensive income) of Rs 25.55 crores and net cash flows amounting to Rs 5.92 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 4.65 crores and Rs. Nil for the year ended March 31, 2022 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 in so far 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 in so far as it relates to the aforesaid subsidiaries, associates and joint 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.

15. The financial statements of five subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of Rs 1,158.53 crores and net assets of Rs. 385.84 crores as at March 31, 2022, total revenue of Rs. 891.63 crores, total comprehensive (loss) (comprising of loss and other comprehensive income) of Rs. (51.60) crores and net cash flows amounting to Rs. (0.36) crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

16. The statutory audit reports of subsidiaries of the Holding Company incorporated in India (refer Note 36 to the consolidated financial statements) have not been issued until the date of this report. Accordingly, no comments for the said subsidiaries have been included for the purpose of reporting required by paragraph 3(xxi) of the Companies (Auditors' Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act.

17. 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 prepartion 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), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(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, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2022 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 Auditors' 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 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 and 39 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, 2022– 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 53 to the consolidated financial statements in respect of the Group's 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 during the year.

iv.

(a) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 19 to the consolidated financial statements).

(b) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 19 to the consolidated financial statements); and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
Pune

18. 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: 22108391AHYNMZ4011
Place: Pune
Date: April 28, 2022

Annexure A to Independent Auditors' Report

Referred to in paragraph 17 (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, 2022
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Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as "the Holding Company"). The statutory audit reports of subsidiaries of the Holding Company incorporated in India (refer Note 36 to the consolidated financial statements) have not been issued until the date of this report.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the 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 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 17 (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, 2022
Page 2 of 2

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

8. In our opinion, the Holding Company has 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number 108391
UDIN: 22108391AHYNMZ4011
Place: Pune
Date: April 28, 2022

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022
(All amounts are in Rs crores, unless otherwise stated)

	Note	31 March 2022	31 March 2021
ASSETS			
I. Non-current assets			
Property, plant and equipment	4	2,855.38	2,782.82
Capital work-in-progress	4	142.43	227.19
Goodwill	5.6	296.03	292.08
Intangible assets	5	186.59	99.11
Deferred tax assets (net)	24A	47.96	17.79
Financial assets			
(i) Investments	7	92.08	122.30
(ii) Loans	9	4.19	14.63
(iii) Other non-current financial assets	10	17.53	9.61
Other non-current assets	11	121.50	39.07
Total Non-current Assets		**3,763.69**	**3,604.60**
II. Current assets			
Inventories	12	920.17	626.35
Financial assets			
(i) Investments	13	0.04	180.90
(ii) Trade receivables	8	1,706.46	1,451.42
(iii) Loans	9	0.26	0.17
(iv) Cash and cash equivalents	14	410.68	192.79
(v) Other bank balances	15	118.93	55.58
(vi) Other current financial assets	10	109.59	36.77
Contract assets	11	1,255.29	1,321.46
Other current assets	11	459.78	430.89
		4,981.20	**4,296.33**
Assets classified as held for sale	16	-	171.68
Total Current Assets		**4,981.20**	**4,468.01**
Total Assets		**8,744.89**	**8,072.61**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	79.55	79.33
Other equity	18	1,877.14	1,908.06
Equity attributable to owners of the parent		**1,956.69**	**1,987.39**
Non-controlling interests		85.69	98.07
Total Equity		**2,042.38**	**2,085.46**
Liabilities			
I. Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	1,536.15	1,255.72
(ii) Lease liabilities	4	128.89	78.68
(iii) Other financial liabilities	20	15.85	25.17
Employee benefit obligations	25	50.16	53.42
Provisions	22	0.84	0.74
Deferred tax liabilities (net)	24A	80.15	103.30
Total Non-current Liabilities		**1,812.04**	**1,517.03**
II. Current liabilities			
Financial liabilities			
(i) Borrowings	19	1,775.24	1,583.35
(ii) Lease liabilities	4	35.27	25.90
(iii) Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 40)		178.38	74.71
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,241.59	1,868.95
(iv) Other financial liabilities	20	294.29	559.10
Contract liabilities	23	185.76	71.27
Employee benefit obligations	25	17.19	13.37
Provisions	22	24.45	10.23
Current tax liabilities (Net)	24B	22.24	29.81
Other current liabilities	23	116.06	73.81
		4,890.47	**4,310.50**
Liabilities directly associated with assets classified as held for sale	16	-	159.62
Total Current Liabilities		**4,890.47**	**4,470.12**
Total liabilities		**6,702.51**	**5,987.15**
Total Equity & Liabilities		**8,744.89**	**8,072.61**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC - 5001
FRN 012754N/N500016
Pune

Sterlite Technologies Limited
STL

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022
(All amounts are in Rs crores, unless otherwise stated)

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 28 April 2022

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place Mumbai
Date: 28 April 2022

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. crores, unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Continuing Operations			
INCOME			
Revenue from operations	26	5,754.26	4,825.18
Other income	27	59.32	42.97
Total Income (I)		**5,813.58**	**4,868.15**
EXPENSES			
Cost of raw materials and components consumed	28	3,237.04	2,534.14
Purchase of traded goods		2.49	0.69
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	28	(374.97)	(139.90)
Employee benefit expense	29	870.70	647.42
Other expenses (includes net impairment losses of financial and contract assets of Rs 105.04 crores (31 March 2021 : Rs. 4.36 crores))	30	1,484.18	972.18
Total Expenses (II)		**5,219.44**	**4,014.53**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**594.14**	**853.62**
Depreciation and amortisation expense	31	325.51	285.26
Finance costs	32	241.35	203.00
Profit before exceptional items, tax and share of profit of associates and joint venture		**27.28**	**365.36**
Share of net profit of associates and joint venture	53	4.65	14.86
Profit before exceptional items and tax		**31.93**	**380.22**
Exceptional items	46	16.23	-
Profit before tax from continuing operations		**48.16**	**380.22**
Tax expense:			
Current tax	33	100.27	93.51
Deferred tax		(85.53)	17.76
Total tax expenses		**14.74**	**111.27**
Profit from continuing operations		**33.42**	**268.95**
Discontinued operation			
Profit / (loss) from discontinued operation after tax	16	13.92	(3.59)
Profit / (loss) from discontinued operation		**13.92**	**(3.59)**
Profit for the year (A)		**47.34**	**265.36**
<u>Other comprehensive income</u>			
Items that may be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		1.28	(6.90)
Income tax effect on the above		(0.24)	1.73
Exchange differences on translation of foreign operations		6.32	44.23
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**7.36**	**39.06**
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurements of defined benefits plan		4.44	3.29
Income tax effect on the above		(1.12)	(0.83)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**3.32**	**2.46**
Other comprehensive income for the year, net of tax (B)		**10.68**	**41.52**
Total comprehensive income for the year (A+B)		**58.02**	**306.88**

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Pune

Sterlite Technologies Limited STL

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. crores, unless otherwise stated)

	Note	31 March 2022	31 March 2021
Profit for the year attributable to:			
Owners of the Parent		61.95	275.47
Non-controlling interests		(14.61)	(10.11)
		47.34	**265.36**
Other comprehensive income attributable to:			
Owners of the Parent		5.57	35.61
Non-controlling interests		5.11	5.91
		10.68	**41.52**
Total comprehensive income attributable to:			
Owners of the Parent		67.52	311.08
Non-controlling interests		(9.50)	(4.20)
		58.02	**306.88**
Total comprehensive income attributable to owners arising from:			
Continuing Operations		58.48	313.44
Discontinued Operation		9.04	(2.36)
		67.52	**311.08**
Earnings/(loss) per equity share to owners of the parent	35		
Basic			
From continuing operations		1.33	6.98
From discontinued operation		0.23	(0.05)
From continuing and discontinued operations		1.56	6.93
Diluted			
From continuing operations		1.32	6.90
From discontinued operation		0.23	(0.05)
From continuing and discontinued operations		1.55	6.85
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: 28 April 2022

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 28 April 2022

STERLITE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in Rs. crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL	Note	No. in Crs.	Amount
Equity shares of Rs. 2 each issued, subscribed and fully paid			
As at 01 April 2020		**40.39**	**80.79**
Changes in equity share capital	17	(0.73)	(1.46)
As at 31 March 2021		**39.66**	**79.33**
Changes in equity share capital	17	0.11	0.22
As at 31 March 2022		**39.77**	**79.55**

B. OTHER EQUITY	Reserves and surplus							Other reserves			Total	Non-Controlling interest
	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Redemption liability reserve	Foreign currency translation reserve		
As at 31 March 2020	**0.04**	**51.36**	**26.83**	**56.25**	**131.25**	**-**	**1,577.34**	**4.35**	**(15.22)**	**6.79**	**1,838.99**	**103.18**
Profit for the year	-	-	-	-	-	-	275.47	-	-	-	275.47	(10.11)
Other comprehensive income for the year	-	-	-	-	-	-	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)**
Employee stock option exercised*	-	14.83	-	-	-	-	-	-	-	-	14.83	-
Transferred to securities premium account*	-	-	(14.83)	-	-	-	-	-	-	-	(14.83)	-
Employee stock option expense for the year (refer note 34)*	-	-	11.42	-	-	-	-	-	-	-	11.42	-
Amount transferred to general reserve	-	-	-	(18.75)	18.75	-	-	-	-	-	-	-
Equity dividend (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	-	-	-	-	-	-	-	-	(3.45)	-	(3.45)	
Capital redemption reserve created during the year*	-	-	-	-	-	1.77	-	-	-	-	1.77	
Transferred to statement of profit and loss (net)	-	-	-	-	-	-	-	2.56	-	-	2.56	-
Others	-	-	-	-	-	-	-	-	-	5.91	5.91	-
Non-controlling interest acquired during the year (refer note 47)*	-	-	-	-	-	-	-	-	-	-	-	(2.19)
Issue of equity shares*	-	-	-	-	-	-	-	-	-	-	-	1.28
As at 31 March 2021	**0.04**	**14.83**	**23.42**	**37.50**	**101.58**	**1.77**	**1,694.83**	**1.74**	**(18.67)**	**51.01**	**1,908.06**	**98.07**

* Transactions with owners in their capacity as owners

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STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. crores unless otherwise stated)

	Reserves and surplus							Other reserves				
	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	Redemption liability reserve	Foreign currency translation reserve	Total	Non-Controlling interest
As at 31 March 2021	**8.04**	**14.83**	**22.42**	**37.50**	**101.58**	**1.77**	**1,694.83**	**1.74**	**(18.67)**	**51.01**	**1,908.06**	**98.07**
Profit for the year	-	-	-	-	-	-	61.95	-	-	-	61.95	(14.61)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	3.32	1.04	-	1.21	5.57	5.11
Total comprehensive income for the year	-	-	-	-	-	-	**65.27**	**1.04**	-	**1.21**	**67.52**	**(9.50)**
Employee stock option exercised*	-	10.14	-	-	-	-	-	-	-	-	10.14	-
Transferred to securities premium account*	-	-	(10.14)	-	-	-	-	-	-	-	(10.14)	-
Employee stock option expenses for the year (refer note 34)*	-	-	11.88	-	-	-	-	-	-	-	11.88	-
Amount transferred to general reserve	-	-	-	(37.50)	37.50	-	-	-	-	-	-	-
Equity dividend (refer note 49)*	-	-	-	-	-	-	(79.36)	-	-	-	(79.36)	-
Creation of redemption liability (refer note 47)	-	-	-	-	-	-	-	-	(34.93)	-	(34.93)	-
Restatement of redemption liability	-	-	-	-	-	-	-	-	6.30	-	6.30	-
Transferred to statement of profit and loss (net)	-	-	-	-	-	-	-	(1.34)	-	-	(1.34)	-
Others	-	-	-	-	-	-	-	-	-	(0.98)	(0.98)	-
Non-controlling interest acquired during the year (refer note 47)*	-	-	-	-	-	-	-	-	-	-	-	4.57
Non-controlling interest sold during the year (refer note 16)*	-	-	-	-	-	-	-	-	-	-	-	(7.45)
As at 31 March 2022	**8.04**	**24.97**	**24.16**	-	**139.08**	**1.77**	**1,680.74**	**1.44**	**(47.30)**	**51.24**	**1,877.18**	**85.69**

* Transactions with owners in their capacity as owners

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: 28 April 2022

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 28 April 2022

STERLITE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. crores, unless otherwise stated)

	31 March 2022	31 March 2021
A. Operating activities		
Profit/(Loss) before tax		
From continuing operations	48.16	[illegible]
From discontinued operation	13.92	(3.59)
	62.08	**376.63**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant & equipment	319.37	255.57
Amortisation and impairment of intangible assets	41.52	36.01
Provision for doubtful debts and advances	105.04	4.36
Bad debts / advances written off	-	0.92
(Profit) / Loss on sale of property, plant and equipment, net including gain on termination of lease	(67.85)	(2.91)
Profit on sale of investments	(35.58)	-
Rental income	(0.06)	(0.06)
Share of profit from associates and joint venture	(4.65)	(14.86)
Change in fair value of investment	-	(7.00)
Employee stock option expenses	11.88	11.42
Finance costs (including interest pertaining to Ind AS 116)	241.35	203.00
Finance income	(5.76)	(9.90)
Unrealized exchange difference	(2.74)	(8.97)
	602.52	**467.58**
Operating profit before working capital changes	**664.60**	**844.21**
Working capital adjustments		
Increase/(decrease) in trade payables	411.58	460.92
Increase/(decrease) in long-term provisions	0.10	(0.69)
[illegible] in short-term provisions	[illegible]	[illegible]
Increase/(decrease) in other current liabilities	32.65	(4.24)
Increase/(decrease) in contract liabilities	113.48	(65.34)
Increase/(decrease) in other current financial liabilities	(10.94)	(50.87)
Increase/(decrease) in other non-current financial liabilities	(7.48)	(4.45)
Increase/(decrease) in current employee benefits obligations	3.93	(1.41)
Increase/(decrease) in non-current employee benefits obligations	1.18	2.89
Decrease/(increase) in trade receivables	(172.08)	180.05
Decrease/(increase) in inventories	(296.53)	(112.56)
Decrease/(increase) in loans given to related parties	10.43	0.10
Decrease/(increase) in short-term loans	(0.09)	0.47
Decrease/(increase) in other current financial assets	(62.28)	76.75
Decrease/(increase) in other non-current financial assets	5.08	15.70
Decrease/(increase) in other current assets	(22.74)	(36.48)
Decrease/(increase) in contract assets	54.98	(577.20)
Decrease/(increase) in other non-current assets	0.57	4.77
Change in working capital	**78.05**	**(161.88)**
Cash generated from operations	**742.66**	**682.33**
Income tax paid (net of refunds)	(168.68)	(43.85)
Net cash inflow from operating activities (A)	**573.98**	**638.48**
B. Investing activities*		
Payment for property, plant and equipment	(668.46)	(446.20)
Receipt of government grant for investment in property, plant & equipment	128.85	-
Purchase of intangible assets	(8.53)	(9.47)
Proceeds from sale of property, plant and equipment	95.00	1.44
Investment in associates and joint venture	-	(31.43)
Investment in subsidiaries, net of cash acquired	(109.93)	(234.13)
Proceeds from assets held for sale	19.96	-
Proceeds from sale of non-current investments	44.87	-
Purchase of current investments	(0.04)	(180.86)
Proceeds from sale of current investments	180.90	233.00
Net movement in other bank balances	(160.02)	39.35
Rental income	0.06	0.06
Interest received	6.19	9.67
Net cash outflow from investing activities (B)	**(471.17)**	[illegible]
C. Financing activities*		
Proceeds from long - term borrowings	587.40	878.87
Repayment of long - term borrowings	(298.19)	(331.60)
Proceeds/(repayment) from/of short - term borrowings (net)	166.17	(4.29)
Proceeds from issue of shares against employee stock options	0.22	0.30
Interest paid (including interest pertaining to Ind AS 116)	(240.31)	(202.22)
Principal element of leases payments	(20.64)	(18.15)
Dividend paid on equity shares	(79.36)	(137.77)
Buy-back of equity shares	-	(99.78)
Tax on buy back	-	(22.16)
Net cash inflow from financing activities (C)	**115.25**	**23.20**

* Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of Rs. 86.17 crores (31 March 2021: Rs. 1.25 crores) and creation of redemption liability of Rs. 34.93 crores (31 March 2021: Rs. Nil)

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Sterlite Technologies Limited STL

STERLITE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. crores, unless otherwise stated)

	31 March 2022	31 March 2021
Net increase/(decrease) in cash and cash equivalents (A+B+C)	218.05	43.11
Foreign exchange relating to cash and cash equivalents of Foreign operations	(0.16)	3.28
Cash and cash equivalents as at the beginning of the year	192.79	153.48
Cash and cash equivalents as at the year end	410.68	199.87

Components of cash and cash equivalents:

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Balances with banks :	410.67	192.76
Cash on hand	0.01	0.03
Total cash and cash equivalents	**410.68**	**192.79**
Cash & cash equivalents from discontinued operation	-	7.08
Total cash and cash equivalents	**410.68**	**199.87**

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: 28 April 2022

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 28 April 2022

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Parent Company), its subsidiaries, joint ventures and associate companies (collectively, the Group)for the year ended 31 March 2022. The Parent Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Parent Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra - 411001, India. The Group is primarily engaged in the business of Connectivity and Network solutions.

The Group is a global leader in end-to-end data network solutions. The group designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the group is the industry's leading integrated solutions provider for global data networks. The group partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share Based Payments
- Defined benefit plans- plan assets measured at fair value
- Assets classified as held for sale – measured at fair value less cost to sale.

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

2.2 Principles of consolidation and equity accounting

. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that

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group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2022 When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how goodwill is accounted.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

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Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Redemption Liability

The Group recognises a financial liability at the present value of the redemption amount for its obligation, if any, to pay cash in the future to purchase the shares held by non-controlling interest shareholders. The initial redemption liability and any subsequent adjustment to the liability is reduced from the parent's equity if the risks and rewards of ownership remain with the non-controlling interest and are not transferred to the group.

b) Investment in joint ventures and associate companies

The Group's investment in its joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate companies and joint ventures are recognised as a reduction in the carrying amount of the investment.

Associate companies are all entities over which group has significant influence but not control. Investment in associate companies are accounted for using the equity method of accounting, after initially being recognised at cost.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Sterlite Technologies Limited's functional and presentation currency.

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Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income or profit and loss account.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference are classified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

e) Revenue from contracts with customers

Revenue recognition policy

The Group has following streams of revenue:

(i) Revenue from sale of products
(ii) Revenue from sale of services
(iii) Revenue from network integration projects
(iv) Revenue from software products/licenses and implementation activities

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

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The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Group performs, or
(b) The customer controls the work-in-progress, or
(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time when control has been transferred.

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network intergration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

The Group estimates variable consideration using the most likely amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

Financing components: The Group does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, legal title to goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

f) Other Income

1. Interest income
Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in other income in the statement of profit and loss.

2. Dividends
Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured

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reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

3. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in the statement of profit and loss.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

h) Income Taxes (Current Income Tax & Deferred Tax)

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation in the countries where the parent company and it's subsidiaries operate and generate taxable income is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

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i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. Such historical cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Group, based on technical assessments made by technical experts and management estimates, depreciates the certainitems of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provides the details of the useful life which are different from useful life prescribed under Schedule II of the Companies Act, 2013:

Asset Category	Useful Life considered#*	Useful life (Schedule II)
Buildings	30-60 Years	30-60 Years
Plant & Machinery	3-25 Years	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5-10 Years	10 Years
Data processing equipments	3-5 Years	Servers and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment	4-5 Years	5 Years
Electric fittings	4-10 Years	10 Years
Vehicles	4-5 Years	8 Years

* Considered on the basis of management's estimation, supported by technical advice of management's expert, of the useful lives of the respective assets.

Residual value considered upto 15% on the basis of management's estimation, supported by technical advice.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted, if appropriate, at the end of each reporting period

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j) Intangible Assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, or is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Group does not have any intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

All intangibles assets (other than Goodwill and Customer Relationships) are amortised on a straight line basis five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Customer relationships recognised as a part of business combination are amortised over period of five to ten years.

Research costs are expensed as incurred.

k) Leases

As a Lessee:

The group leases various assets which includes land, buildings and plant & machinery. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, and leased assets are not used as security for borrowing purposes

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

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Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

As a Lessor:

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for privilege leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity, and

(b) Defined contribution plans in the nature of provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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p) Share-based payments

The fair value of options granted under the Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

q) Investments and Other Financial assets

i) Classification & Recognition:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commit to purchase or sell the financial asset.

ii) Measurement:

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in statement of profit and loss using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised

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in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/(expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ (expenses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group makes investments in certain joint ventures and associate companies with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associate companies in accordance with Ind AS 109.

iii) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instrument, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Lease receivables under Ind AS 116

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

iv)De-recognition of financial asset

A financial asset is derecognised only when the group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

r) Financial liabilities

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to

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another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/(expenses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

s) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

t) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group designates the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

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- With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

u) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the priciples of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associate companies are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

v) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

w) Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Presentation of EBITDA

The Group presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the group's financial position or performance.

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include exceptional items, depreciation and amortization expense, finance costs, share of profit/ loss from associates and joint venture and tax expense.

z) Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

aa) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 56 for segment information presented.

bb) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

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cc) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

dd) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

2.2 Recent Accounting Pronouncements

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These changes are applicable for the financial year commencing from 1 April 2022 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after 1 April 2022.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates. Management exercises judgement in applying the Group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

Revenue Recognition on Contracts with Customers

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

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 recognized using the input method for measuring progress. The Group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.
Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Group excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Group recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Group in designing and manufacturing of the good.

Share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Business Combinations

In accounting for business combinations, judgement is required for valuation of assets and determining whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable asset acquired and liabilities and contingent considerations involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions, such as discount rate, that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

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	Freehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Right of Use asset	Total
Cost										
As at 01 April 2020	127.60	625.73	3,149.88	28.01	71.99	20.00	64.87	13.92	152.73	4,253.71
Additions	-	21.95	126.41	2.55	8.55	1.39	4.43	0.73	1.23	167.45
Asset disclosed as asset held for sale	(0.76)	(0.19)	-	-	-	-	-	-	-	(0.95)
Assets acquired under business combination	-	2.14	-	-	-	-	-	-	-	2.14
Translation adjustments	1.93	7.80	28.86	0.16	(0.01)	0.44	0.01	0.27	4.09	33.55
Disposals/adjustments	-	(2.08)	(29.13)	(3.24)	(0.67)	(0.95)	(1.35)	2.00	(16.86)	(47.50)
As at 31 March 2021	128.17	654.75	3,275.43	25.48	80.10	21.47	67.48	12.34	141.43	[illegible]
Additions	10.27	32.19	180.66	2.43	12.11	3.60	19.99	5.13	80.17	342.47
Assets acquired under business combination (refer note 47)	-	-	7.08	-	-	-	-	-	-	7.08
Translation adjustments	(1.17)	4.03	23.51	0.04	-	(0.08)	-	(0,16)	0.26	29.05
Disposals/adjustments	(4.74)	(2.83)	(20.50)	(1.04)	(0.05)	(1.00)	(0.50)	(1.20)	(1.40)	(33.36)
As at 31 March 2022	132.53	688.16	3,477.73	26.93	92.12	23.33	87.00	[illegible]	[illegible]	4,[illegible]
Accumulated Depreciation and Impairment										
As at 01 April 2020	-	106.92	1,173.76	14.89	58.17	13.45	32.57	5.90	17.00	1,412.44
Charge for the year	-	28.97	170.80	2.55	10.70	2.77	4.88	1.96	21.12	249.25
Asset disclosed as asset held for sale	-	(0.09)	-	-	-	-	-	-	-	(0.09)
Translation adjustments	-	2.70	16.48	0.13	(0.01)	0.40	0.01	0.26	1.30	21.41
Disposal / adjustments	-	(7.38)	(30.00)	(0.76)	(0.02)	(0.80)	(1.13)	(1.35)	(8.50)	(50.39)
As at 31 March 2021	-	130.51	1,327.03	16.32	68.84	15.73	36.13	5.77	30.92	1,647.78
Charge for the year*	-	35.86	202.70	2.83	10.33	3.08	5.27	1.42	26.21	283.77
Impairment loss (refer note 46)	-	-	28.69	-	-	-	-	-	-	28.69
Translation adjustments	-	0.73	4.66	0.02	(0.00)	(0.13)	-	(0.07)	(0.15)	5.04
Disposal/adjustments	-	(1.48)	(31.83)	(0.38)	(0.67)	(1.60)	(0.37)	(0.31)	(1.70)	(37.75)
As at 31 March 2022	-	168.56	1,561.79	18.19	71.38	17.61	40.93	6.61	55.24	1,938.22
Net Book Value										
As at 31 March 2022	132.53	519.76	1,915.94	12.98	21.22	6.32	46.13	5.47	171.68	2,887.30
As at 31 March 2021	128.17	519.56	1,948.06	13.16	19.26	5.74	31.35	6.67	110.93	2,782.82

Movement in Capital work in progress	**31 March 2022**	**31 March 2021**
Opening balance	227.19	132.78
Additions during the year	209.99	257.11
Borrowing cost capitalised during the year (Refer Note 32)	4.92	2.75
Transfers during the year	(299.07)	(165.45)
Closing balance	143.03	227.19

Capital work in progress mainly comprises amounts pertaining to plant & machinery, building and Data processing equipments.

Buildings include those constructed on leasehold land:

	31 March 2022	31 March 2021
Gross Block	474.57	426.17
Depreciation for the year	21.51	15.83
Accumulated depreciation	98.47	76.96
Net Block	380.10	351.21

*The charge during the year also include amount of Rs. 1.79 crores (31 March 2021 : Rs. Nil) which is capitalised as directly attributable expenditure as per Ind AS 16.
Refer note 19 for information on property, plant and equipment pledged as security by the Group.
Refer note 38 for disclosure of capital commitments for the acquisition of property, plant & equipments.
No proceedings have been initiated or are pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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Capital work in progress ageing schedule

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Fiber cable project	79.95	-	-	-	79.95
Fiber project	10.15	-	-	-	10.15
Wireless solution project	30.00	3.60	-	-	33.60
Others	19.90	0.83	-	-	20.73
	140.00	7.43	-	-	147.43

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Fiber cable project	88.69	11.53	0.01	-	100.23
Fiber project	82.31	31.30	0.73	0.50	114.84
Wireless solution project	2.21	0.05	-	-	2.26
Others	7.36	1.76	0.70	0.77	9.84
	179.59	44.56	3.61	0.81	227.58

There are no material overdues compared to original plans as on 31 March 2022 and 31 March 2021. The reporting for the year ended 31 March 2021 is based on current status of the projects due to revision in the original plan date of the project on account of Covid-19 pandemic.
The group evaluates completion of the projects based on its original plan which includes certain projects relating to research and development monitored on an ongoing basis.

Details of Leases :
The note provides information for leases where the 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	Gross Book Value 31 March 2022	Gross Book Value 31 March 2021	Net Book Value 31 March 2022	Net Book Value 31 March 2021
Right of use assets				
Leasehold Land	27.67	22.34	13.08	27.79
Buildings	149.76	70.10	100.85	41.72
Plant & Machinery	49.13	49.18	37.08	41.47
Total	226.56	141.67	171.05	110.93

Additions to the right of use assets during the year is Rs 96.17 crore (31 March 2021 - Rs. 1.25 crores)

Particulars	31 March 2022	31 March 2021
Lease liabilities		
Current	35.27	25.90
Non-current	128.89	78.68
Total	164.16	104.58

Movement of lease liabilities

Particulars	31 March 2022	31 March 2021
Opening balance	104.58	129.36
Add: Created during the year	96.17	1.25
Less: Deleted during the year	(6.20)	(9.40)
Add: Interest accrued during the year	10.38	10.65
Less: Rent paid during the year	(31.01)	(28.35)
Addition/ FCTR	(9.67)	1.08
Closing balance	164.16	104.58

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(ii) Amount recognised in the statement of profit & loss

Particulars	31 March 2022	31 March 2021
Depreciation charge on right of use assets		
Leasehold land	9.06	[illegible]
Buildings	21.52	16.89
Plant & Machinery	4.03	4.58
Total (Note no. 33)	[illegible]	[illegible]

Particulars	Note no.	31 March 2022	31 March 2021
Interest expenses (included in finance cost)	32	10.28	10.93
Expenses related to short term leases, low value assets (disclosed as part of other expenses)	30	11.40	8.41

The total cash outflow for leases for the year ended 31 March 2022 was Rs 42.49 crores (March 31, 2021 : Rs 32.57 crores)

Extension and Termination option :

Extension and termination options are included in a number of property and equipment leases held by the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

NOTE 5: INTANGIBLE ASSETS

(Rs. in crores)

	Software/ licenses	Patents	Customer acquisition / Customer Relationships	Non-Compete	Indefeasible right of use	Goodwill (Refer note 6 and note 45)	Total
Cost							
As at 01 April 2020	**65.25**	**9.32**	**73.49**	**1.06**	**1.00**	**255.34**	**405.46**
Additions	14.29	-	2.08	-	-	-	16.37
Assets acquired under business combination	0.05	-	-	-	-	172.98	173.03
Disposals /adjustments	(0.46)	-	-	-	-	4.13	3.67
Translation adjustments	0.52	-	5.71	0.00 *	-	7.84	14.07
As at 31 March 2021	**79.65**	**9.32**	**81.28**	**1.06**	**1.00**	**440.29**	**612.60**
Additions	6.56	-	2.39	-	-	-	8.95
Assets acquired under business combination (Refer note 47)	-	36.68	88.38	3.79	-	92.53	221.38
Disposals /adjustments	(0.81)	-	-	-	-	(80.31)	(81.12)
Translation adjustments	0.07	-	(8.82)	-	-	(8.28)	(17.03)
As at 31 March 2022	**85.47**	**46.00**	**163.23**	**4.85**	**1.00**	**444.23**	**744.78**
Accumulated Amortization and Impairment							
As at 01 April 2020	**27.07**	**9.32**	**15.61**	**0.05**	**0.53**	**133.55**	**186.13**
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)
As at 31 March 2021	**36.26**	**9.32**	**26.91**	**0.10**	**0.60**	**148.20**	**221.39**
Charge for the year	11.76	4.43	24.00	1.27	0.07	-	41.53
Disposals /adjustments	(0.11)	-	-	-	-	-	(0.11)
Translation adjustments	0.03	-	(0.68)	-	-	-	(0.65)
As at 31 March 2022	**47.94**	**13.75**	**50.23**	**1.37**	**0.67**	**148.20**	**262.16**
Net Book Value							
As at 31 March 2022	37.53	32.25	113.00	3.48	0.33	296.03	482.62
As at 31 March 2021	43.38	-	54.37	0.96	0.39	292.08	391.19

* Amount is below the rounding off norm followed by the Group.

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NOTE 6: IMPAIRMENT TESTING OF GOODWILL

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Goodwill (refer note 5)	296.03	292.08

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

	31 March 2022	31 March 2021
Connectivity Solutions business in Europe Region	60.11	61.55
Network service Solutions business in Europe Region	57.10	57.55
Optical Inter connect Solutions business in Europe Region (refer note 47)	89.55	172.98
Network service Solutions business in UK Region (refer note 47)	89.27	-
	296.03	**292.08**

Key assumptions used in the value in use calculations

The following table provides the key assumptions for those CGUs that have goodwill allocated to them

	31 March 2022	31 March 2021
EBIDTA margins over the budgeted period	9.00%-19.00%	10.00%-19.00%
Long-term terminal Growth rate for Connectivity Solutions business	2.00%	2.00%
Long term terminal Growth rate for Network service Solutions in Europe	2.00%	2.00%
Long-term terminal Growth rate for Optical Inter connect Solutions in Europe	0.50%	-
Long term terminal Growth rate for Network service Solutions in UK	3.00%	-
Pre-tax discount rate for Connectivity Solutions business	12.75%	4.21%
Pre-tax discount rate for Network service Solutions in Europe	13.90%	16.00%
Pre-tax discount rate for Optical Inter connect Solutions in Europe	13.60%	-
Pre-tax discount rate for Network service Solutions in UK	8.99%	-

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 group has considered growth rate to extrapolate cash flows beyond the budget period, consistent with the industry forecasts

EBITDA margins

EBITDA margins are based on the actual EBITDA of the CGU based on the past trend and future expectations

Sensitivity to changes in assumptions - Network service Solutions business in Europe Region

Discount rates

A rise in pre-tax discount rate to 18% would result in impairment

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 6% would result in impairment

Sensitivity to changes in assumptions - Connectivity Solutions business in Europe Region

Discount rates

A rise in pre-tax discount rate to 21% would result in impairment

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 5.25% would result in impairment

Sensitivity to changes in assumptions - Optical Inter connect Solutions business in Europe Region

Discount rates

A rise in pre-tax discount rate to 14.62% would result in impairment

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 16.9% would result in impairment

Sensitivity to changes in assumptions - Network service Solutions in UK Region

Discount rates

A rise in pre-tax discount rate to 10.00% would result in impairment

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NOTE 7: NON-CURRENT INVESTMENTS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current investments (unquoted)		
Investment in Joint Venture		
58.05% Equity investment in Sterlite Conduspar Industrial Ltda	- *	- *
Investment in Joint venture at fair value through P&L		
Nil (31 March 2021: 511) Equity shares of Metis Eduventures Private Limited#	-	8.53
Investments - Other at fair value through OCI		
18,683 (31 March 2021: 18,683) Equity shares of Singularity Healthcare IT Systems Private Limited of Rs. 10 each fully paid up	- *	- *
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture at fair value through P&L		
Nil (31 March 2021: 17,600,000) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Private Limited#	-	17.60
Nil (31 March 2021: 5,000,000) 0.01% Cumulative Optionally Convertible Debentures of Metis Eduventures Private Limited#	-	5.00
Investment in preference shares - Joint Venture (at fair value through P&L)		
Nil (31 March 2021: 113) 0.01% Compulsorily Convertible Preference Shares of Metis Eduventures Private Limited#	-	3.74
Investment in Associate Companies		
40% stake in MB Maanshan Special Cable Limited	31.95	27.30
11.70% (31 March 2021: 12.5%) stake in ASOCS Ltd **	60.13	60.13
Total Investments	**92.08**	**122.30**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	92.08	122.30
Amount of impairment in the value of investments	-	-

* Amount is below the rounding off norm followed by the Group
**Investment in ASOCS Ltd. is classified as fair value through OCI
\# During the year, group has sold the investment in Metis Eduventures Private Limited for Rs. 44.88 crores. The gain on sale of Rs. 10.00 crores is disclosed in other income as profit on sale of investments.

The group has complied with the number of layers prescribed under the Companies Act, 2013
The group has not traded or invested in crypto currency or virtual currency during the current or previous year

NOTE 8: TRADE RECEIVABLES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current		
Trade receivables	1,813.88	1,435.49
Receivables from related parties (refer note 51)	41.90	74.55
Less: Loss allowance	(149.32)	(58.62)
	1,706.46	**1,451.42**
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,855.78	1,510.04
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	**1,855.78**	**1,510.04**
Less: Loss allowance	149.32	58.62
Total Current trade receivables	**1,706.46**	**1,451.42**

Trade receivable ageing (Amount in Rs Crores)

31 March 2022

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,027.18	145.37	240.83	169.22	153.70	119.48	1,855.78
Total	**1,027.18**	**145.37**	**240.83**	**169.22**	**153.70**	**119.48**	**1,855.78**

31 March 2021

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	716.87	347.68	83.55	128.68	233.26	-	1,510.04
Total	**716.87**	**347.68**	**83.55**	**128.68**	**233.26**	-	**1,510.04**

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

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NOTE 9: LOANS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current (Unsecured, considered good)		
Loans to related parties (Refer note 51)	4.19	14.63
Total non-current loans	**4.19**	**14.63**
Break-up for security details		
Loans Considered good - secured	-	-
Loans Considered good - Unsecured	4.19	14.61
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	**4.19**	**14.63**
Less : Loss allowance	-	-
Total	**4.19**	**14.63**
Current		
Loans to employees	0.26	0.17
Total current loans	**0.26**	**0.17**

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties:

Type of Borrower	Amount outstanding as at 31 March 2022	Percentage to the total Loans and Advances in the nature of loans
Amounts repayable on demand		
Other Related Parties		
Twin Star Technologies Limited	0.79	18.83%
Twinstar Disply Technologies Limited	0.48	11.48%
Sterlite Conduspar Industrial Ltda	2.79	66.59%
Maharashtra Transmission Communication Infrastructure Limited	0.13	3.10%
Total	**4.19**	**100.00%**

Type of Borrower	Amount outstanding as at 31 March 2021	Percentage to the total Loans and Advances in the nature of loans
Amounts repayable on demand		
Other Related Parties		
Twin Star Technologies Limited	0.45	3.05%
Twinstar Disply Technologies Limited	11.51	78.65%
Sterlite Conduspar Industrial Ltda	2.68	18.30%
Total	**14.64**	**100.00%**

NOTE 10: OTHER FINANCIAL ASSETS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	0.53	6.83
Others		
Security deposits	3.97	2.53
Others*	13.03	0.25
Total other non-current financial assets	**17.53**	**9.61**

*This amount includes Rs. 11.52 crores receivable from Sterlite Power Transmission Limited with respect to sale of investment in Maharashtra Transmission Communication Infrastructure Limited. (Refer note 16 for further details)

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	26.48	20.83
Currency/ Interest rate swaps	4.10	5.82
Others		
Security deposits	12.34	9.43
Interest accrued on investments/deposits	0.20	0.63
Government grants receivable	32.64	-
Others*	33.83	0.06
Total other current financial assets	**109.59**	**36.77**

*This includes Rs. 9.93 crores receivable from Sterlite Power Transmission Limited with respect to sale of investment in Maharashtra Transmission Communication Infrastructure Limited. (Refer note 16 for further details)

Refer note 19 for information on financial assets hypothecated as security by the Group

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NOTE 11: OTHER ASSETS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current (Unsecured, considered good)		
Capital advances	34.59	9.74
Advance income tax, including TDS (net of provision)	58.55	2.19
Prepaid expenses	1.64	2.21
Advance to suppliers	26.72	24.91
Total other non-current assets	**121.50**	**39.07**
Contract assets (Unsecured, considered good)	1,266.47	1,321.46
Less: Loss allowance	(11.18)	-
Total contract assets	**1,255.29**	**1,321.46**

Significant changes in Contract assets

Contract assets have decreased from previous year as entity has provided fewer services ahead of the agreed payment schedules for fixed price contracts.
During the year, loss allowance of 11.18 crores (31 March 2021: Rs. Nil) has been recognised for the contract assets.
During the year ended March 31, 2022, Rs. 1,156.77 crores (31 March 2021: Rs. 547.68 crores) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Refer note 19 for information on other assets hypothecated as security by the Company.

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current (unsecured, considered good)		
Prepaid expenses*	49.94	36.37
Balances with Government authorities	324.64	358.35
Advance to suppliers	65.72	23.71
Other advances	19.48	12.46
Total other current assets	**459.78**	**430.89**

* Includes cost to obtain a contract of Rs. 4.63 crores (March 31, 2021: Rs. 7.95 crores) which is being amortised to Statement of Profit and Loss on a systematic basis which is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current year is Rs. 1.12 crores (March 31, 2021: Rs. 1.84 crores).

NOTE 12: INVENTORIES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Raw materials [Includes stock in transit Rs 11.48 crores (31 March 2021: Rs. 26.14 crores)]	127.16	206.16
Work in progress	100.68	87.96
Finished goods	615.38	252.02
[Includes stock in transit Rs. 36.78 crores (31 March 2021: Rs. 21.33 crores)]		
Traded goods	2.91	4.02
Stores, spares, packing materials and others	74.04	76.19
Total	**920.17**	**626.35**

Amount recognised in Statement of Profit and Loss

Write-downs of inventories to net realisable value amounted to Rs. 60.24 crores (31 March 2021: Rs. 34.19 crores). These were recognised as an expense during the year and included in '(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods' in statement of profit and loss of respective year.

Refer note 19 for information on inventories hypothecated as security by the Group.

NOTE 13: CURRENT INVESTMENT

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
In mutual funds(at fair value through profit or loss) (quoted)		
Nil (31 March 2021: 248,357.27) units of SBI Liquid fund- Direct Growth Plan	-	80.00
Nil (31 March 2021: 99,370.95) units of Nippon India Liquid Fund - Direct growth plan growth option	-	50.00
Nil (31 March 2021: 1,640,871.05) units of ICICI Prudential Liquid Fund- Direct Plan- Growth Option	-	50.00
Investment in other short term liquid funds	0.04	0.90
Aggregate amount of quoted investments [Market Value: Rs. 0.04 Crores (March 31, 2021: Rs. 180.90 Crores)]	**0.04**	**180.90**
Aggregate amount of impairment in the value of investments	-	-

NOTE 14: CASH AND CASH EQUIVALENTS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Balances with banks:		
In current accounts (in INR)	130.27	65.10
In current accounts (in foreign currency)	180.39	127.67
Deposits with maturity of less than 3 months	100.00	-
Cash in hand	0.02	0.02
Total cash and cash equivalents	**410.68**	**192.79**

There are no repatriation restrictions with regards to cash and cash equivalents.

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NOTE 15: OTHER BANK BALANCES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Deposits with original maturity of more than 12 months*	1.26	0.47
Deposits with original maturity of more than 3 months but less than 12 months**	113.23	50.44
In unpaid dividend account	4.44	4.67
Total other bank balances	**118.93**	**55.58**

* Includes Rs. 1.26 crores (31 March 2021: Rs. 0.47 crores) held as lien by banks against bank guarantees
** Includes Rs. 1.40 crores (31 March 2021: Rs. 0.44 crores) held as lien by banks against bank guarantees

NOTE 16: ASSET CLASSIFIED AS HELD FOR SALE

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Assets classified as held for sale		
Property, plant and equipment	-	81.73
Capital work in progress	-	8.64
Intangible assets	-	2.93
Other non current assets	-	7.68
Trade receivables	-	62.71
Cash and cash equivalents	-	7.08
Other bank balances	-	0.25
Other current assets	-	0.66
Total assets of disposal group held for sale	**-**	**171.68**
Liabilities directly associated with assets classified as held for sale		
Borrowings	-	20.35
Trade payables	-	26.57
Employee benefit obligations	-	0.25
Other financial liabilities	-	1.02
Other liabilities	-	111.43
Total liabilities directly associated with assets classified as held for sale	**-**	**159.62**
Net assets of disposal group held for sale	**-**	**12.06**

1. Post demerger of the power business in the financial year ended March 31, 2017, the group 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.

During the year ended March 31, 2022, group has sold the investment in MTCIL. The gain on sale of investment in Maharashtra Transmission Communication Infrastructure Limited of Rs. 25.57 crores is disclosed in other income as profit on sale of subsidiaries.

Financial performance and cash flow information	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Revenue	27.65	10.27
Expenses	(13.73)	(13.86)
Profit / (loss) before income tax	**13.92**	**(3.59)**
Income tax	-	-
Profit / (loss) for the year	**13.92**	**(3.59)**
Other comprehensive income	-	-
Total comprehensive income	**13.92**	**(3.59)**
Net cash inflow / (outflow) from operating activities	111.45	24.38
Net cash inflow / (outflow) from investing activities	(89.31)	(10.95)
Net cash inflow / (outflow) from financing activities	(22.10)	(10.23)
Net (decrease) / increase in cash generated from discontinuing operation	**[illegible]**	**3.20**

Details of Sale of Subsidiary :	31 March 2022 (Rs. in crores)
Consideration received/receivable :	
Cash	**41.41**
Carrying amount of net assets sold	(15.86)
Gain on sale before income tax	**25.55**
Income tax expense on gain	0.68
Gain on sale after income tax	**24.87**

The carrying amounts of assets and liabilities as at the date of sale (29 March 2022) were as follows :

	29 March 2022 (Rs. in crores)
Property, plant and equipments	85.16
Other non current assets	6.29
Cash and Cash equivalents	7.12
Other bank balances	96.92
Other current assets	40.47
Total assets	**235.96**
Other current liabilities	(7.46)
Contract liabilities	(174.08)
Other liabilities	(31.11)
Total liabilities	**(212.65)**
Non-Controlling interest	(7.45)
Carrying value of net assets sold	**15.86**

2. The Group had decided to sell land and building at Hyderabad during the year ended 31 March 2021. Hence it was classified as held for sale during the year ended 31 March 2021 and measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the building was determined using the sales comparison approach. No write down was recognised as fair value of the assets is higher than cost. During the year ended March 31, 2022, company has sold the Land and building at Hyderabad. The gain of Rs. 67.00 crores is recognised as an exceptional item in the statement of profit and loss.

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Notes to consolidated financial statements for the year ended March 31, 2022
NOTE 17: SHARE CAPITAL

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2021: 75.00) equity shares of Rs 2 each	150.00	150.00
Issued, subscribed and fully paid-up shares (no. crores)		
39.77 (31 March 2021: 39.66) equity shares of Rs. 2 each fully paid - up	79.55	79.33
Total issued, subscribed and fully paid-up share capital	**79.55**	**79.33**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2022		31 March 2021	
	Nos in crores	Rs. in crores	Nos in crores	Rs. in crores
At the beginning of the year	39.66	79.33	40.39	80.79
Issued during the year against employee stock options	0.11	0.22	0.16	0.31
Shares bought back during the year	-	-	(0.89)	(1.77)
Outstanding at the end of the year	**39.77**	**79.55**	**39.66**	**79.33**

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 Rs. 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 Rs. 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 Rs. 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.

	31 March 2022		31 March 2021	
	No. in crores	% holding	No. in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company])	20.94	52.65%	20.94	52.80%
Vedanta Limited	0.48	1.20%	0.48	1.20%

d. Detail of shareholders holding more than 5 % of shares in the company

	31 March 2022		31 March 2021	
	No. in crores	% holding	No. in crores	% holding
Twin Star Overseas Limited, Mauritius (Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company])	20.94	52.65%	20.94	52.80%

e. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 34.

f. Details of shareholding of promoters:

Name of the promoter	Number of shares (No. in crores) as at 31 March 2022	Number of shares (No. in crores) as at 31 March 2021	Percentage of total number of shares as at 31 March 2022	Percentage of total number of shares as at 31 March 2021	Percentage of change during the year ended 31 March 2022	Percentage of change during the year ended 31 March 2021
Twin Star Overseas Limited, Mauritius	20.94	20.94	52.65%	52.80%	-0.15%	0.95%

'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013

NOTE 18: OTHER EQUITY

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
A. Securities Premium		
Opening balance	14.83	51.36
Add: Addition on ESOPs exercised	10.14	14.83
Less: Utilised for Buy-back of equity shares	-	(51.36)
Closing balance	**24.97**	**14.83**
B. Other Reserves		
Capital Reserve	**0.04**	**0.04**
Redemption Liability Reserve		
Opening balance	(18.67)	(15.22)
Add: Restatement of redemption liability	6.30	(3.45)
Add: Creation of redemption liability (refer note 47)	(34.93)	-
Closing balance	**(47.30)**	**(18.67)**
Employee Stock Option Outstanding		
Opening balance	23.42	26.83
Add: Employees stock option expenses for the year (refer note 34)	11.88	11.42
Less: Transferred to Securities premium account	(10.14)	(14.83)
Closing balance	**25.16**	**23.42**
Foreign Currency Translation Reserve		
Opening balance	51.02	6.79
Add: Exchange differences on translation of foreign operations for the year	1.21	38.32
Add / (less): Others	(0.98)	5.91
Closing balance	**51.25**	**51.02**
Debenture Redemption Reserve		
Opening balance	37.50	56.25
Less: Amount transferred to general reserve	(37.50)	(18.75)
Closing balance	-	**37.50**
Capital Redemption Reserve		
Opening balance	1.77	-
Add: Capital redemption reserve created during the year (refer note 17)	-	1.77
Closing balance	**1.77**	**1.77**
General Reserve		
Opening balance	101.58	131.25
Add: Amount transferred from debenture redemption reserve	37.50	18.75
Less: Utilised for Buy-back of shares	-	(48.42)
Closing balance	**139.08**	**101.58**
Cash Flow Hedge Reserve		
Opening balance	1.74	4.35
Add / (Less): Cash flow hedge reserve created on currency forward contracts	16.86	(0.32)
Add / (Less): Cash flow hedge reserve on swap contracts	(1.10)	(3.51)
Add / (Less): Amount reclassified to Statement of profit and loss	(14.49)	(3.07)
Add / (Less): Amount transferred to Statement of profit and loss	(1.34)	2.56
Add / (Less): Deferred tax	(0.24)	1.73
Closing balance	**1.43**	**1.74**
Total Other Reserves	**171.43**	**198.40**
C. Retained Earnings		
Opening balance	1,694.83	1,577.34
Add: Net profit for the year	61.95	275.47
Add / (Less): Remeasurement & defined employee benefit obligation (Net of tax)	3.32	2.46
Less: Equity dividend (refer note 49)	(79.36)	(138.28)
Less: Tax on Buy-back of shares	-	(22.16)
Total retained earnings	**1,680.74**	**1,694.83**
Total other equity (A+B+C)	**1,877.14**	**1,908.06**

Nature and Purpose of reserves, other than retained earnings

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

General Reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Cash Flow Hedge Reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedge reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee Stock Option Outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Group.

Redemption Liability Reserve

Redemption Liability reserve is created on account of redemption liability pertaining to acquisition of IDS group and Clearcomm Group Limited (Refer note 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 DRR in previous year was carried forward to the extent of outstanding amounts which have been repaid during the year.

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 ended 31 March 2021.

NOTE 19: BORROWINGS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current		
Debentures (Secured)		
Nil (31 March 2021: 1,500) 8.70% Non convertible debentures of Rs. 10 lacs each	-	150.00
2,900 (31 March 2021: 2,900) 8.25% Non convertible debentures of Rs. 10 lacs each	290.00	290.00
1,500 (31 March 2021: 1,500) 7.30% Non convertible debentures of Rs. 10 lacs each	150.00	150.00
Term loans		
Indian rupee loans from banks (secured)	347.00	249.00
Foreign currency loans from banks (secured)	408.63	521.72
Foreign currency loans from banks (unsecured)	277.16	224.91
Indian rupee loans from NBFC(unsecured)	25.49	19.45
Indian rupee loans from banks (unsecured)	400.00	-
	1,898.28	**1,605.08**
The above amount includes		
Secured borrowings	1,195.61	1,360.72
Unsecured borrowings	702.65	244.36
Total Non-current borrowings	**1,898.28**	**1,605.08**
Less: Current maturities of long term borrowings disclosed under the head "Current Borrowings"	362.13	349.36
Net Amount	**1,536.15**	**1,255.72**

Notes:

Sterlite Technologies Limited (STL)

a) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non convertible debentures has been repaid in the FY 2021-22. These non-convertible debentures were 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 hypothecation 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 Rs. 37.89 crores (31 March 2021: Rs. 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 Rs. 62.16 crores (31 March 2021: Rs. 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.

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f) Indian rupee term loan from bank amounting to Rs. 249.00 (31 March 2021: Rs. 249 crores) carries interest @ One Year MCLR +0.15% p.a. Loan amount is repayable in 12 quarterly instalments from October 21 of Rs. 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 bank amounting to Rs. 200.00 crores carries interest @ one month MCLR. Loan amount is repayable as a bullet repayment in the month of October 2023.

h) Unsecured Indian rupee term loan from bank amounting to Rs. 200.00 crores carries interest 6.6% p.a. Loan amount is repayable as a ballooning installments in FY 22-23 and FY 2023-24.

i) Unsecured Indian rupee term loan from NBFC amounting to Rs. 25.49 crores carries interest @ 5.5% p.a. Loan amount is repayable in FY 2022-23 & 2023-24.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTOFCL)

a) Foreign currency loan from bank of Rs. 6.21 crores (31 March 2021: Rs. 29.95 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) Unsecured foreign currency term loan from bank of Rs. 162.27 crores (31 March 2021: Rs. 185.97 crores) carries interest of EURIBOR + 1.90% p.a. Loan amount is repayable in 10 half yearly instalments starting from September 2020 to March 2025 (excluding interest).

b) Foreign currency term loan from bank of Rs. 100.79 crores (31 March 2021: Rs. 117.25 crores) carries interest of EURIBOR + 1.70% p.a. This loan is backed by SBLC issued by Citi Bank India which is further secured by first charge on entire movable fixed assets and charge on specified immovable fixed assets located at Silvassa of Sterlite Technologies Limited. Loan amount is repayable in 8 half yearly instalments of Euro 0.20 crores starting from July 2020 to January 2023 and thereafter Euro 0.40 crores for the period July 2023 to January 2024 (excluding interest).

c) Unsecured foreign currency loan from bank of Rs. 10.08 crores (31 March 2021: Rs. 13.72 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount is repayable in 1 annual installment and 9 half yearly instalments of Euro 0.02 crores starting from November 2019 to November 2024 (excluding interest).

d) Unsecured foreign currency loan from bank of Rs. 12.60 crores (31 March 2021: Rs. 18.01 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) Unsecured foreign currency loan from bank of Rs. Nil (31 March 2021: Rs. 5.15 crores) carries interest of EURIBOR + 1.55% p.a. Loan amount has been repaid in FY 2021-22.

f) Unsecured foreign currency loan from bank of Rs. Nil (31 March 2021: Rs. 2.06 crores) carries interest of EURIBOR + 1.25% p.a. Loan amount has been repaid in FY 2021-22.

STL Optical Interconnect S.p.A

a) Foreign currency loan from bank of Rs. 201.58 crores (31 March 2021: 205.86 crores) carries interest of 6 months EURIBOR + 1.7% p.a. This loan is backed by SBLC issued by SBI India which is further secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets located at Dadra & Nagar Haveli and Pune of Sterlite Technologies Limited. Loan amount is repayable in 9 half yearly instalments of Euro 0.24 crores starting from January 2023 to January 2025 and thereafter Euro 0.30 crores for the period July 2025 to January 2027 (excluding interest).

STL UK Holdco Limited, UK

a) Unsecured foreign currency loan from bank of Rs. 92.21 (31 March 2021: Nil) crores carries interest of overnight SONIA + 2.8% p.a. Loan amount is repayable in 2 half yearly instalments of GBP 0.06 crores starting from July 2023 to January 2024 and thereafter GBP 0.11 crores for the period July 2024 to July 2028 (excluding interest).

Sterlite Tech Cables Solutions Limited

a) Indian rupee term loan from bank of Rs. 98.00 crores carries interest of 6.75% p.a. Loan amount is repayable in 11 ballooning half yearly instalments starting from September 2022. This loan is secured by way of first charge on mortgage of leasehold land and building and entire Plant and Machinery both present and future of the company.

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current borrowings		
Working capital demand loans from banks (secured)	125.00	193.47
Commercial paper from bank (unsecured)	500.00	450.00
Foreign currency loan (unsecured)	51.54	76.94
Current Maturities of Long term borrowings (secured)	292.00	305.86
Current Maturities of Long term borrowings (unsecured)	70.13	43.50
Other loan from banks (secured)	423.00	317.68
Other loans (unsecured)	113.57	189.24
Loans from related party (unsecured)	-	6.66
	1,775.24	**1,583.35**
The above amount includes		
Secured borrowings	1,040.00	817.01
Unsecured borrowings	735.24	766.34
Net Amount	**1,775.24**	**1,583.35**

Note :

Sterlite Technologies Limited

(i) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the parent Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the parent Company. Working Capital Demand Loans have been taken for a period of 7 days to 180 days and carries interest @ 4.50 % to 7.00% p.a (31 March 2021: 5.11% to 8.15% p.a).

(ii) Commercial Papers are unsecured and are generally taken for a period from 60 Days to 180 days and carry interest @ 4.50% to 6.00% p.a (31 March 2021: 4.90% to 6.70% p.a).

(iii) Other loans include buyer's credit arrangements (secured) and export packing credit (secured and unsecured). These secured loans are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges from 4.00% - 6.50% p.a (31 March 2021: 5.00% to 8.11% p.a).

(iv) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand and the same has been repaid during the year.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)
a) Foreign currency loan from bank of Rs. 36.47 crores (31 March 2021: Rs. 14.72 crores) carries interest @ 3.20% - 4.60% p.a. (31 March 2021: 3.20% - 4.60% p.a.)

Metallurgica Bresciana S.p.A.
a) Foreign currency working capital loan from bank of Rs. 15.07 crores (31 March 2021: Rs. 42.22 crores) carries interest @ EURIBOR + 0.75% - 3.50% p.a. (31 March 2021: EURIBOR + 0.75% - 3.50% p.a.)

Borrowing secured against current assets :
The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts except as disclosed in Note no. 52

Utilisation of borrowed funds :
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or ,
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ,
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The borrowings obtained by the company during the year from banks and financial institutions have been applied for the purposes for which such loans were was taken

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority

<u>Net debt reconciliation</u>
This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Cash and cash equivalents*	410.68	199.87
Current investments **	111.87	230.90
Current Borrowings (including interest accrued but not due)***	(1,778.82)	(1,606.24)
Non-current borrowings	(1,536.15)	(1,255.72)
Net Debt	**(2,792.42)**	**(2,431.19)**

The amount of net debt considering the amount of lease liability of Rs. 164.16 crores (31 March 2021: Rs. 104.58 crores) and redemption liability of Rs. 47.30 crores (31 March 2021: Rs. 18.67 crores) is Rs. 3,003.88 crores (31 March 2021: Rs. 2,554.44 crores). Refer note 4 and 18 for movement in lease liability and redemption liability

*Includes cash and cash equivalents of Rs. Nil (31 March 2021: Rs. 7.08 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16)

** Includes other bank balance of Rs. 111.83 crores (31 March 2021: Rs. 50.00 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Group at any time without any major penalties

*** Includes current maturities of non current borrowing Rs. Nil (31 March 2021: Rs. 20.35 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16)

Non-current borrowings	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Opening balance	**1,255.72**	**999.27**
Cashflows	289.21	248.79
Interest expense	81.50	55.88
Interest paid	(81.50)	(55.88)
Forex adjustment	(8.78)	7.66
Closing balance	**1,536.15**	**1,255.72**

Current borrowings	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Opening balance	**1,606.24**	**1,480.03**
Cashflows	166.13	124.86
Interest expense	125.47	91.36
Interest paid	(125.70)	(90.01)
Forex adjustment	6.68	-
Closing balance	**1,778.82**	**1,606.24**

Cash and cash equivalent	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Opening balance	**199.87**	**153.48**
Cashflows	210.81	46.39
Closing balance	**410.68**	**199.87**

Current Investments	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Opening balance	**230.90**	**319.04**
Cashflows	(120.34)	(90.84)
Realised gain on current investments	1.31	2.70
Closing balance	**111.87**	**230.90**

NOTE 20: OTHER FINANCIAL LIABILITIES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	0.02	-
Others		
Payables for purchase of property, plant and equipment	1.19	0.45
Redemption liability (refer note 47)	11.70	18.67
Deposits from vendors	2.94	6.05
Total non-current financial liabilities	**15.85**	**25.17**
Current		
Derivative instruments		
Foreign exchange forward contracts	3.87	13.86
Currency / Interest Rate Swaps	0.07	-
	3.94	**13.86**
Other financial liabilities		
Interest accrued but not due on borrowings	3.58	2.54
Interest payable to related party	-	1.27
Unclaimed dividend*	4.44	4.67
Deposits from customers	0.25	0.26
Deposits from vendors	0.41	0.27
Payables for purchase of property, plant and equipment	163.10	453.04
Employee benefits payable	70.15	50.60
Redemption liability (refer note 47)	35.60	-
Others	12.82	32.59
	290.35	**545.24**
Total current financial liabilities	**294.29**	**559.10**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

NOTE 21: TRADE PAYABLES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Total outstanding dues of micro & small enterprises (refer note 40)	178.38	74.71
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 51)	29.96	-
Acceptances	307.00	153.91
Others	1,904.63	1,715.04
	2,241.59	**1,868.95**
Total Trade Payables	**2,419.97**	**1,943.66**

31 March 2022

Particulars			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	60.46	117.90	-	-	0.02	178.38
(ii) Others-undisputed	619.13	1,223.53	320.75	53.03	8.68	16.47	2,241.59
Total	**619.13**	**1,283.99**	**438.65**	**53.03**	**8.68**	**16.49**	**2,419.97**

31 March 2021

Particulars			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME-undisputed	-	37.62	37.09	-	-	-	74.71
(ii) Others-undisputed	600.44	957.21	256.38	26.75	19.32	8.85	1,868.95
Total	**600.44**	**994.83**	**293.47**	**26.75**	**19.32**	**8.85**	**1,943.66**

NOTE 22. PROVISIONS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non-current		
Provision for warranty	0.84	0.74
Total non-current provision	**0.84**	**0.74**
Current		
Provision for litigations / contingencies	23.75	9.50
Provision for warranty	0.70	0.73
Total current provision	**24.45**	**10.23**

Provision for litigations / contingencies

The provision of Rs. 23.75 crores as at 31 March 2022 (31 March 2021: Rs. 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.

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
At the beginning of the year	9.50	9.50
Arising during the year	14.25	-
Utilized during the year	-	-
At the end of the year	**23.75**	**9.50**
Current portion	23.75	9.50
Non-current portion	-	-

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Provision for warranty

The Group has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
At the beginning of the year	1.47	1.41
Arising during the year	0.07	0.06
Utilized during the year	-	-
At the end of the year	**1.54**	**1.47**
Current portion	0.70	0.73
Non-current portion	0.84	0.74

NOTE 23 OTHER CURRENT LIABILITIES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Contract Liabilities		
Unearned revenue	28.41	31.52
Advance from customers	157.35	39.75
Total contract liabilities	**185.76**	**71.27**

Significant changes in Contract liabilities

Contract liabilities have increased in current year mainly on account of advance received from customers during the year.

During the year ended 31 March 2022 , the group recognized revenue of Rs. 29.09 crores (March 31, 2021: Rs. 43.59 crores) arising from opening unearned revenue

Current		
Indirect taxes payable	41.92	5.85
Withholding taxes (TDS) payable	14.94	16.08
Others	57.20	51.88
Total other current liabilities	**116.06**	**73.81**

NOTE 24A. DEFERRED TAX LIABILITIES (NET)

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Deferred tax liability		
Property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	169.78	144.16
Impact of fair valuation of Land as at Ind AS transition date	11.44	11.44
Right to use assets	21.64	15.42
Net movement on cash flow hedges	7.10	4.59
Others	3.77	14.43
Total deferred tax liability (A)	**213.73**	**190.04**
Deferred tax assets		
Provision for doubtful debtors and other assets, allowed for tax purpose on payment basis	49.75	17.90
Expenditure allowed for tax purposes on payment basis	27.08	26.09
Provision for inventory	11.94	7.20
Provision for litigations / contingencies	7.01	1.42
Impact of fair valuation of Plant & Machinery	-	1.33
Lease Liability	21.79	19.70
Ind As 116 transition impact	1.40	2.80
Brought forward losses of subsidiaries	46.76	16.69
Others	13.82	9.40
Total deferred tax assets (B)	**181.55**	**104.53**
Net deferred tax liability (A-B)	**32.18**	**85.51**

Reconciliation of deferred tax liability / deferred tax asset

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Opening deferred tax liability, net	85.51	57.25
Deferred tax (credit) / charge recorded in statement of profit and loss	(85.53)	17.76
Deferred tax (credit) / charge recorded in OCI	1.36	(0.90)
Deferred tax impact on account of business combination (refer note 47)	34.79	-
Others	(3.94)	11.40
Closing deferred tax liability, net	**32.19**	**85.51**

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Profit or loss section		
Current Tax		
Current tax for the year	100.27	93.51
Deferred Tax		
Relating to origination and reversal of temporary differences	(85.53)	17.76
Income tax expenses reported in the statement of profit or loss	**14.74**	**111.27**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	0.24	(1.73)
Re-measurement loss of defined employee benefit plans	1.12	0.83
Income tax charged through OCI	**1.36**	**(0.90)**

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Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Profit before tax from continuing operations	48.16	380.22
Tax at India's statutory income tax rate of 25.17% (31 March 2021: 25.17%)	12.12	95.70
Tax at lower tax rate of subsidiaries	(3.15)	(1.86)
Adjustments in respect of income tax of previous years	3.36	1.23
Tax benefits available under various sections of income tax act	-	(2.76)
Income taxed at lower tax rate	(11.25)	-
Tax (DTA) at subsidiaries recognised on losses at lower rate (as per respective statutory tax rate)	12.45	-
Goodwill DTA written off	-	[illegible]
Other adjustments	1.21	10.11
Income tax expense	14.74	111.27
Income tax expense reported in the statement of profit and loss	14.74	111.27

NOTE 24B: CURRENT TAX LIABILITIES (NET)

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Opening Current tax liabilities/(assets)	27.62	(22.82)
Add: Current tax payable for the year	100.27	91.51
Less: Tax paid	(168.68)	(41.85)
Add/(less): Other adjustments	4.48	0.78
Total current tax liabilities / (assets)	(36.31)	27.62
Disclosed as current tax assets in note 11	58.55	2.19
Disclosed as current tax liability	(22.24)	(29.81)

Amounts recognised directly in equity

Amount of Rs. 22.16 Crores paid as tax on buy-back of equity shares in the year ended 31 March 2021 was directly recognized in equity

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NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Non Current		
Provision for gratuity	21.34	29.03
Provision for employee benefit obligations of Metallurgica Bresciana S p A	4.79	5.10
Provision for employee benefit obligations of Optotec S p A	5.41	-
Provision for compensated absences	18.62	19.29
Total non-current employee benefit obligations	**50.16**	**53.42**
Current		
Provision for gratuity	12.62	10.09
Provision for employee benefit obligations of Metallurgica Bresciana S p A	0.14	0.01
Provision for employee benefit obligations of Optotec S p A	0.01	-
Provision for employee benefit obligations of Other subsidiaries	0.08	-
Provision for compensated absences	4.34	3.27
Total current employee benefit obligations	**17.19**	**13.37**

i) Compensated Absences

The compensated absences cover The Group's liability for sick and privilege leave. The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

ii) Post employment benefit obligation - Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to fund managed by Life insurance Corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Defined benefit obligation at the beginning of the year	44.16	40.86
Current service cost	6.84	5.84
Interest cost	2.95	2.68
Actuarial (gain)/loss		
- Due to change in Demographic Assumptions	0.02	-
- Due to change in Financial Assumptions	(5.96)	(0.03)
- Due to Experience	1.26	(3.43)
Past service cost	-	-
Benefits paid	(11.12)	(1.76)
Defined benefit obligation at the end of the year	**38.15**	**44.16**

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Fair value of plan assets at the beginning of the year	5.04	5.32
Interest Income	0.33	0.35
Contribution by employer	2.08	1.30
Benefits paid	(3.02)	(1.76)
Return on Plan Assets, Excluding Interest Income	(0.24)	(0.17)
Fair value of plan assets at the end of the year	**4.19**	**5.04**

The parent company expects to contribute Rs. 11.76 crores (31 March 2021: Rs. 2.50 crores) to its gratuity plan in FY 2022-23.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2022 %	31 March 2021 %
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

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Notes to consolidated financial statements for the year ended March 31, 2022

NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

Details of defined benefit obligation

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Present value of defined benefit obligation	38.15	44.16
Fair value of plan assets	(4.19)	(5.04)
Net defined benefit liability	**33.96**	**39.12**

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Present value of funded obligations	38.15	44.16
Fair value of plan assets	(4.19)	(5.04)
Deficit of funded plan (A)	**33.96**	39.12
Unfunded plans (B)	-	-
Total net obligation (A+B)	**33.96**	**39.12**

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from LIC of India

Net employee benefit expense recognised in the statement of profit and loss:

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current service cost	6.84	5.84
Interest cost	2.95	2.68
Expected return on plan assets	(0.33)	(0.35)
Net benefit expense	9.46	8.17

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Actuarial (gains)/losses on Obligation For the Period	(4.68)	(3.46)
Return on Plan Assets, Excluding Interest Income	0.24	0.17
Net (income)/expense for the year recognized in OCI	(4.44)	(3.29)

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	6.90%	6.57%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	8.00%	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 2022	31 March 2021
+1% Change in discount rate	(2.21)	(2.82)
-1% Change in discount rate	2.50	3.22
+1% Change in rate of salary increase	2.45	3.09
-1% Change in rate of salary increase	(2.20)	(2.76)
+1% Change in rate of employee turnover	(0.30)	(0.76)
-1% Change in rate of employee turnover	0.32	0.85

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

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NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

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 (2021 - 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 2022	31 March 2021
	Funded	Funded
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	6.67	5.94
Between 1 to 2 years	2.82	3.24
Between 2 to 5 years	10.09	13.20
Over 5 years	45.76	55.13

(iii) Employer benefit obligations of Metallurgica Bresciana S.p.A. and Optotec S.p.A.

The provision for the staff leaving indemnity were calculated in accordance with the terms of article 2120 of the Italian Civil Code, taking into account legal provisions and the specific nature of the contracts and professional categories, and includes the annual amounts accrued and revaluations performed based on ISTAT coefficients. The amount of the provision is assessed net of advances paid and the amounts used for terminations of employment occurring during the fiscal year and represents the certain payable due to the employees on the fiscal year's closing date

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NOTE 26: REVENUE FROM OPERATIONS

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Revenue from contracts with customers		
Sale of products		
Finished goods	3,481.70	2,554.63
Traded goods	2.33	4.48
Revenue from sale of products	**3,484.03**	**2,559.11**
Revenue from sale of services	82.99	82.39
Revenue from network integration projects	1,978.87	2,028.34
Revenue from software products/licenses and implementation activities	116.41	105.24
	5,662.30	4,775.08
Other Operating income		
Scrap sales	38.16	25.88
Other operating income	10.35	-
Export incentives	43.45	24.22
Revenue from operation	**5,754.26**	**4,825.18**

Revenue disaggregation in terms of nature of goods and services has been included above.

The total contract price of Rs. 5,687.83 crores (31 March 2021: Rs. 4,808.86 crores) is reduced by the consideration of Rs. 25.53 crores (31 March 2021: Rs. 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 Rs. 4,126.76 crores (31 March 2021: Rs. 2,986.59 crores) which is expected to be recognised over a period of one to seven years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Group has applied the practical expedient in Ind AS 115.

During the year ended March 31, 2022, the group has recorded provision of Rs. 64.38 crores based on final settlement with the customer for supplies made in the previous years by an adjustment to revenue from operations.

NOTE 27: OTHER INCOME

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Management Fees	9.66	11.08
Rental Income	0.06	0.06
Profit on sale of assets, net	0.85	2.57
Profit on sale of subsidiaries and investment in joint venture	35.58	-
Gain on fair value of investment in joint venture (at fair value through profit and loss)	-	7.00
Miscellaneous Income	7.41	12.36
	53.56	**33.07**
Interest income on :		
- Bank deposits	4.09	5.61
- Loans to related parties (refer note 51)	0.30	0.84
- Others	0.06	0.75
Income from current investment	1.31	2.70
	5.76	**9.90**
Total Other Income	**59.32**	**42.97**

NOTE 28: COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Inventory at the beginning of the year (refer note 12)	206.16	174.57
Adjustment on account of business combination (refer note 47)	1.24	52.46
Add: Purchases	3,156.80	2,513.27
	3,364.20	**2,740.30**
Less: Inventory at the end of the year (refer note 12)	127.16	206.16
Cost of raw material & components consumed	**3,237.04**	**2,534.14**

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	4.02	2.94
Work-in-progress	87.96	66.05
Finished goods	252.02	135.11
	344.00	**204.10**
Closing inventories		
Traded goods	2.91	4.02
Work-in-progress	100.68	87.96
Finished goods	615.38	252.02
	718.97	**344.00**
(Increase) / decrease in inventories	**(374.97)**	**(139.90)**

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Salaries, wages and bonus	783.30	571.03
Contribution to provident fund (refer note below)	30.99	28.98
Gratuity expenses (refer note 25)	12.71	12.11
Employees stock option expense (refer note 34)	11.88	11.42
Staff welfare expenses	31.82	23.88
Total Employee benefits expense	**870.70**	**647.42**

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Defined Contribution Plans:

The Parent Company and its indian subsidiaries have a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government in India for employees at the rate of 12% of basic salary as per local regulations.

Metallurgica Bresciana S.p.A. has a social security fund which is a defined contribution plan. Contributions are made to social security fund administered by Italian 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 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Contribution to Employees Provident Fund	30.99	28.98
Total	**30.99**	**28.98**

NOTE 30: OTHER EXPENSES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Consumption of stores and spares	121.24	119.45
Consumption of packing materials	135.24	90.93
Power, fuel and water	143.11	142.43
Labour Charges	88.92	61.41
Repairs and maintenance		
Building	1.96	1.42
Plant & machinery	10.70	16.68
Others	33.34	25.17
Corporate Social Responsibility (CSR) expenses (refer note 44)	11.57	11.60
Sales commission	50.66	41.84
Sales promotion	1.64	13.78
Carriage outwards	290.86	108.19
Rent	11.48	4.41
Insurance	28.86	23.73
Legal and professional fees	114.63	70.90
Rates and taxes	14.07	11.40
Travelling and conveyance	56.82	23.39
Bad debts / advances written off	-	0.92
Provision for doubtful debts and advances	93.86	4.16
Provision for unbilled Revenue	11.18	-
Directors sitting fee and commission	1.98	1.55
Exchange difference (net)	0.03	0.01
Payment to auditor	1.72	1.20
Research and development expenses (refer note 41)		
Salaries, wages and bonus	106.11	66.29
Raw materials consumed	1.18	1.06
General expenses	87.04	45.80
Total Research and development expenses	**194.33**	**113.15**
Less: Amount transferred to individual expense line item	(194.33)	(113.15)
	-	-
Miscellaneous expenses	260.31	197.41
Total other expenses	**1,484.18**	**972.18**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Depreciation of property, plant & equipment	257.77	228.13
Depreciation of right of use assets	26.21	21.12
Amortisation of intangible assets	41.53	36.01
Total depreciation and amortisation expense	**325.51**	**285.26**

NOTE 32: FINANCE COST

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Interest on financial liabilities measured at amortised cost*	206.97	147.24
Interest on lease liabilities	10.38	10.01
Bank charges	14.71	29.30
Exchange difference to the extent considered as an adjustment to borrowing costs	9.29	16.45
Total finance cost	**241.35**	**203.00**

* During the year, the Group has capitalised borrowing costs of Rs. 4.92 crores (31 March 2021: Rs. 2.73 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings, in this case 7.25% p.a. (31 March 2021: 8.26% p.a.)

NOTE 33: TAX EXPENSE

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current tax*	100.27	93.51
Deferred tax#	(85.53)	17.76
Total tax expense	**14.74**	**111.27**
Unused tax losses for which no deferred tax asset has been recognised	16.23	21.61
Potential tax benefit @ 25.17% (31 March 2021: 25.17%)	4.09	5.44

Certain subsidiaries of the Group have undistributed earnings aggregating to Rs. 384.31 crores (31 March 2021: Rs. 372.12 crores). The Group plans to reinvest these undistributed earnings in the foreseeable future and consequently did not recognise a deferred tax liability on the same.

These undistributed earnings even if distributed by subsidiaries in the form of dividend will be eligible for tax deduction if it is utilised for further distribution of dividend to shareholders of the Parent company within timelines specified and as per the provisions of Income Tax Act, 1961.

*For current year, the current tax expense includes charge of Rs. 8.23 crores (31 March 2021: credit of Rs. 0.42 crores) pertaining to current tax of previous year.

#For current year, the deferred tax includes credit of Rs. 4.87 crores (31 March 2021: charge of Rs. 1.65 crores) for adjustment pertaining to deferred tax of previous year.

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NOTE 34: EMPLOYEE SHARE BASED PAYMENTS

The Group has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010 The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan The ESOP Scheme is administered by the Nomination and Remuneration committee Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Group has approved multiple grants with related vesting conditions Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest Such options would vest when the performance parameters are met

Once vested, the options remain exercisable for a period of maximum five year Options granted under the plan are for no consideration and carry no dividend or voting rights On exercise, each option is convertible into one equity share The exercise price is Rs 2 per option

The Group has charged Rs 11 88 crore (31 March 2021 Rs. 11 42 crores) to the statement of profit and loss in respect of options granted under ESOP schemes

a) Set Out Below is the summary of options granted under the plan.

	31 March 2022		31 March 2021	
	Average Exercise price per share option	Number of Options	Average Exercise price per share option	Number of Options
Opening Balance	2	35,68,463	2	39,33,890
Granted during the year	2	17,37,354	2	18,71,240
Exercised during the year	2	(11,28,407)	2	(15,32,391)
Expired/cancelled during the year	2	(11,75,245)	2	(7,04,276)
Closing Balance		**30,02,165**		**35,68,463**
Vested and Exercisable		7,24,205		7,20,421

Average share price for the year ended 31 March 2022 is 257 49 (31 March 2021 Rs 148.49).

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 2022	Share options outstanding on 31 March 2021
30 April 2014	01 June 2024	2	5,750	13,200
30 March 2015	01 June 2025	2	45,750	1,06,981
13 July 2016	01 June 2025	2	9,302	21,361
25 July 2016	01 August 2026	2	37,160	1,53,900
19 July 2017	01 August 2027	2	1,07,950	2,25,055
16 October 2017	16 October 2027	2	7,180	10,770
17 January 2018	17 January 2028	2	2,280	3,660
19 July 2018	01 August 2028	2	2,66,355	5,04,274
24 January 2019	25 January 2027	2	29,325	37,875
24 October 2019	24 October 2029	2	5,19,062	9,24,735
22 July 2020	31 July 2030	2	7,56,692	14,85,412
19 January 2021	19 January 2031	2	38,345	81,240
21 July 2021	31 July 2031	2	2,27,251	-
21 July 2021	31 July 2031	2	9,13,662	-
18 January 2022	18 January 2032	2	36,101	-
Total			**30,02,165**	**35,68,463**

Weighted Average remaining contractual life of the options outstanding at the end of the period	3 09	3.27

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NOTE 34: EMPLOYEE SHARE BASED PAYMENTS

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved three grants Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting

Date of Grant- July 21, 2021

The group has granted options under ESOP scheme based on following criteria and related assumptions
Vesting criteria - Continuous employment with the company
Fair Valuation Method- Black Scholes options Pricing Model

Variables	**Vest 1**	**Vest 2**	**Vest 3**	**Vest 4**
	01-Aug-22	**01-Aug-23**	**01-Aug-24**	**01-Aug-25**
Share price at Grant Date	295.80	295.80	295.80	295.80
Volatility	55.50%	55.50%	55.50%	55.50%
Risk Free rate	4.35%	4.35%	4.35%	4.35%
Exercise Price (Rs per Option)	2.00	2.00	2.00	2.00
Life of the Option	2.50	2.50	2.50	2.50
Dividend Yield	2.36%	2.36%	2.36%	2.36%
Outputs				
Option Fair value	276.80	276.80	276.80	276.80
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
Fair Value of the option (Black Scholes Model)				**276.80**

Date of Grant- July 21, 2021

The group has granted options under ESOP scheme based on following criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company
   Fair Valuation Method- Black Scholes options Pricing Model

Variables	**Vest 1**	**Vest 2**	**Vest 3**	**Vest 4**	**Vest 5**
	01-Aug-22	**01-Aug-23**	**01-Aug-24**	**01-Aug-25**	**01-Aug-26**
Share price at Grant Date	295.80	295.80	295.80	295.80	295.80
Volatility	55.80%	55.80%	55.80%	55.80%	55.80%
Risk Free rate	4.35%	4.35%	4.35%	4.35%	4.35%
Exercise Price (Rs per Option)	2.00	2.00	2.00	2.00	2.00
Life of the Option	2.10	2.10	2.10	2.10	2.10
Dividend Yield	2.36%	2.36%	2.36%	2.36%	2.36%
Outputs					
Option Fair value	279.50	279.50	279.50	279.50	279.50
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**279.50**

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
   - 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	
Share price at Grant Date	295.80
Volatility	37.81%
Risk Free rate	5.98%
Exercise Price (Rs per Option)	2.00
Life of the Option	0.82
Dividend Yield	2.36%
Fair Value of the option	**145.10**

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NOTE 34: EMPLOYEE SHARE BASED PAYMENTS

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' 2021-22 as per the criteria determined by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the group

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the company
- Dividend yield based on historical dividend payments
- Estimate of EBITDA as per approved business plan

Assumptions used are as follows:

Variables	
Share price at Grant Date	295.80
Volatility	37.81%
Risk Free rate	5.98%
Exercise Price (Rs per Option)	2.00
Life of the Option	0.82
Dividend Yield	2.36%
Fair Value of the option	**138.00**

Date of Grant- January 19, 2022

Vesting criteria - Continuous employment with the group.

Fair Valuation Method- Black Scholes options Pricing Model

Variables	**Vest 1**	**Vest 2**	**Vest 3**	**Vest 4**	**Vest 5**
	19-Jan-23	**19-Jan-24**	**19-Jan-25**	**19-Jan-26**	**19-Jan-27**
Share price at Grant Date	269.25	269.25	269.25	269.25	269.25
Expected volatility	49.50%	49.50%	49.50%	49.50%	49.50%
Risk Free rate	4.67%	4.67%	4.67%	4.67%	4.67%
Exercise Price (Rs 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	253.80	253.80	253.80	253.80	253.80
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**253.80**

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NOTE 35: EARNINGS PER SHARE (EPS)

The following table reflects the basic and diluted EPS	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Profit/(Loss) for the year from continuing operations attributable to owners of the company	52.91	277.83
Profit /(Loss) for the year from discontinued operations attributable to owners of the company	9.04	(2.36)
Weighted average number of equity shares in calculating basic EPS	39.71	39.82
Adjustments for classification of diluted EPS:		
Employee stock options outstanding during the year	0.39	0.46
Weighted average number of equity shares in calculating diluted EPS	40.10	40.28
Earnings/(loss) per share		
Basic		
From continuing operations	1.33	6.98
From discontinued operations	0.23	(0.05)
From continuing and discontinued operations	1.56	6.93
Diluted		
From continuing operations	1.32	6.90
From discontinued operations	0.23	(0.05)
From continuing and discontinued operations	1.55	6.85

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 34.

NOTE 36: THE LIST OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE GROUP'S EFFECTIVE HOLDING THEREIN

Name of the Group	Effective ownership as on 31 March 2022	Effective ownership as on 31 March 2021	Country of incorporation
List of subsidiaries			
Speedon Network Limited	100%	100%	India
Maharashtra Transmission Communication Infrastructure Limited	0%	64.98%	India
Sterlite Telesystems Limited	100%	100%	India
Sterlite Innovative Solutions Limited	100%	100%	India
STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited")	100%	100%	India
Sterlite Tech Cables Solutions Limited	100%	100%	India
STL Networks Limited	100%	100%	India
Sterlite Global Ventures (Mauritius) Limited	100%	100%	Mauritius
Jiangsu Sterlite and Tongguang Fiber Co. Limited	75%	75%	China
Sterlite (Shanghai) Trading Co. Limited	100%	100%	China
Metallurgica Bresciana S.p.A	100%	100%	Italy
Elitecore Technologies (Mauritius) Limited	100%	100%	Mauritius
Elitecore Technologies SDN. BHD	100%	100%	Malaysia
Sterlite Technologies UK Ventures Limited	100%	100%	United Kingdom
Sterlite Tech Holding Inc	100%	100%	USA
Sterlite Technologies Inc	100%	100%	USA
Impact Data Solutions Limited	80%	80%	United Kingdom
Impact Data Solutions B.V.	80%	80%	Netherlands
Vulcan Data Centre Solutions Limited	80%	80%	United Kingdom
PT Sterlite Technologies Indonesia	100%	100%	Indonesia
Sterlite Technologies DMCC	100%	100%	United Arab Emirates
Sterlite Technologies Pty. Ltd	100%	100%	Australia
STL Edge Networks Inc	100%	100%	USA
STL Optical Interconnect S.p.A	100%	100%	Italy
Optotec S.p.A.	100%	100%	Italy
Optotec International S.A	100%	100%	Switzerland
STL Tech Solutions Limited, UK	100%	-	United Kingdom
STL Digital Inc. (USA)	100%	-	USA
STL Tech GmbH	100%	-	Germany
STL Optical Tech Limited	100%	-	USA
STL Network Services Inc., US	100%	-	USA
STL Solutions Germany GmbH	100%	-	Germany
STL UK Holdco Limited, UK	100%	-	United Kingdom
Clearcomm Group Limited, UK	80%	-	United Kingdom
List of Associate companies			
MB Maanshan Special Cable Limited	40.00%	40.00%	China
ASOCS Ltd	11.71%	12.50%	Israel
List of joint venture			
Sterlite Conduspar Industries Ltda	58.05%	58.05%	Brazil

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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 group towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The group is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules that are notified become effective.

NOTE 38: CAPITAL AND OTHER COMMITMENTS

a] Estimated amount of contracts remaining to be executed on capital account and not recognized for (net of advances) are Rs. 98.33 crores (31 March 2021: Rs 129.58 crores)

b] The Group has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details

Year of Issue	Year upto which export obligation to be fulfilled	31 March 2022 (Rs in Crores)	31 March 2021 (Rs in Crores)
2017-18	2023-24	-	117.97
2018-19	2024-25	-	13.32
2019-20	2025-26	-	9.78
2020-21	2026-27	5.29	69.44
2021-22	2027-28	1.96	-

In this respect, the Group has given bonds of Rs 883.29 crores (31 March 2021: Rs 878.20 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

NOTE 39: CONTINGENT LIABILITIES

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
1. Disputed liabilities		
a) Excise and Customs duty	89.97	89.64
b) Goods and Service tax	0.69	0.69
c) Income tax	11.80	11.87
d) Claims lodged by a bank against the Group[4]	18.87	18.87
e) Claims against the Group not acknowledged as debt[5]	2.60	20.53

2. The group had issued Corporate guarantees amounting to INR 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.

[4] In an earlier year, one of the Bankers of the Group had wrongly paid an amount of Rs. 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.

[5] Claims against the group not acknowledged as debt mainly pertains to an order against the group with respect to claim made by a supplier of Rs. Nil (31 March 2021: Rs 14.80 crores) and Rs. 2.60 crores (31 March 2021: Rs. 4.62 crores) is related to claim made on one of the subsidiary by it's employees. In the current year, the group has provided for Rs. 14.25 crores in the books of account (refer note 46)

In the current year, the group has received show cause notices with respect to 4 Service tax registrations of Rs. 56.53 crores each demanding service tax on difference between value of services appearing in 26AS (at legal entity level) vis-a-vis respective service tax registrations for the period 2016-17. Management has assessed that the show-cause notice is not required to be disclosed as contingent liability as it is erroneous in nature and the probability of an unfavourable outcome is remote.

Further, Income tax orders for AY 2013-14, 2014-15 and 2017-18 were received with respect to Elitecore Technologies Private Limited (which is now a non-existent entity in these years since it had merged with the group with effect from 29 September 2016) with a demand of 55.67 crores mainly relating to addition on certain aspects like treatment of purchase of software/hardware. Management has assessed that based on principles arising from judicial precedents, including those passed by the Hon'ble Supreme Court and Jurisdictional Bombay High Court, the notices issued in the name of non-existent entity are not merely an irregularity but also suffer from jurisdictional defect which cannot be cured. On this primary ground and certain other strong grounds, including procedural defects, the group (on behalf of Elitecore Technologies Private Limited) is in the process of filing a writ before the Hon'ble High Court. Hence, management believes that the probability of an unfavourable outcome is remote and the demand is not disclosed as a contingent liability.

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NOTE 40: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier*	178.38	74.71
Interest amount due to supplier	0.96	0.54
(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	2.46	1.50
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers as Micro and Small enterprises.

NOTE 41: RESEARCH AND DEVELOPMENT EXPENDITURE

STL through its extensive research capabilities, constant innovation and unique capabilities at following R&D centres is able to provide customers end to end solutions from manufacturing of cable to system integration to providing software products required by telecom players:

- **Aurangabad** – R&D activities to manufacture cable which can cater most bandwidth demand
- **Gurgaon** - R&D activities to design, build, manage broadband network for global service providers, smart cities, rural broadband etc
- **Ahmedabad** – R&D activities to develop innovative telecom software products which can cater demand for business support system and operating support system
- **Pune** - R&D activities for Product Engineering towards Programmable Networking & Intelligence

(Rs. in crores)

Particulars	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Capital expenditure		
- Plants and machinery - capitalized during the year	18.11	9.03
- Software - capitalized during the year	7.03	0.42
- IT Equipments - capitalized during the year	3.90	0.63
- Furniture & Fixtures - capitalised during the year	1.23	-
- Office equipments and Electrical Installation - capitalised during the year	0.71	0.02
- Right of use assets - capitalised during the year	15.42	-
	46.40	**10.10**
Revenue expenditure		
- Salaries, wages and bonus	106.11	66.29
- Raw materials consumed	1.18	1.06
- General expenses	87.04	45.80
Total	**194.33**	**113.15**

The Group has four Research and Development Centres. Centre wise breakup of expenditure is as follows :

	31 March 2022	31 March 2021
Sterlite Technologies - Aurangabad		
- Capital Expenditure	2.83	3.78
- Revenue Expenditure	20.02	15.02
	22.85	**18.80**
Sterlite Technologies - Gurgaon		
- Capital Expenditure	37.95	6.24
- Revenue Expenditure	139.63	48.82
	177.58	**55.06**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	4.19	-
- Revenue Expenditure	30.74	20.44
	34.93	**20.44**
Sterlite Technologies - Pune		
- Capital Expenditure	1.43	0.07
- Revenue Expenditure	3.94	28.87
	5.37	**28.94**

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NOTE 42: IMPACT OF COVID-19 PANDEMIC

Management has made an assessment of the impact of COVID 19 in preparation of 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.

NOTE 43: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except as reported below

(Rs. in crores)

Name of the struck off company	Nature of transaction	Balance as on 31st March 2022	Balance as on 31st March 2021	Relationship with the struck off compay
Airosense India Private Limited	Payable for services	-	0.10	Not a related party
Cunnnov Services Private Limited	Payable for services	0.10	-	Not a related party
Yash Medical Sciences Private Limited	Payable for services	0.00	-	Not a related party

NOTE 44: CORPORATE SOCIAL RESPONSIBILITY

The Group has spent an amount of Rs. 11.57 crores (31 March 2021: Rs. 11.60 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, women empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of Rs 11.42 crores (refer note 51) and other Miscellaneous donations of Rs. 0.15 crores

(Rs. in crores)

Details of CSR expenditure:	31 March 2022	31 March 2021
A. Gross amount required to be spent by the Group	11.[illegible]	11.59
B. Amount spent during the year	11.57	11.60
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	11.57	11.60

NOTE 45: 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 was 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 Rs. Nil (31 March 2021: Rs 14.65 crores) for the year. The Goodwill attributable to ETPL has been completely amortized by the year ended 31 March 2021.

NOTE 46: EXCEPTIONAL GAIN/(LOSS) DURING THE YEAR

During the year ended March 31, 2022, the amount of Rs. 52.75 crores reported under exceptional items in the financial statements includes profit of Rs. 67 crores recognised on account of transfer of land situated at Hyderabad and provision of Rs 14.25 crores with respect to an order against the Company for a claim filed by a vendor for non-fulfilment of certain contractually agreed off take obligations The amount of exceptional items also includes a charge of Rs. 7.83 crores towards cancellation of a lease agreement by STL US (wholly owned subsidiary) and an impairment charge of Rs. 28.69 crores for the assets of JSTFCL (a subsidiary) basis the assessment of recoverable value of assets performed by Management.

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Note 47 : Business Combinations

Summary of acquisition FY 2021-22

The Group has acquired 80% of the shares of Clearcomm Group Limited for a purchase consideration of GBP 10.72 million subject to subsequent adjustment based on actual enterprise value calculated in accordance with the agreement The purchase price has been allocated to assets and liabilities on a provisional basis as per Ind AS 103 – Business Combinations resulting in provisional goodwill of EUR 8.95 million pending completion of purchase price allocation

The Group has an obligation to acquire the balance 20% by FY 2022-23 for a consideration based on an earn out model (multiple of EBITDA). Accordingly, the Company has recognised the liability with respect to the redemption amount of Rs. 34.93 Crores at the acquisition date. The liability outstanding as on 31 March 2022 is Rs. 24.98 Crores

The assets and liabilities recognised as a result of the acquisition are as follows

Particulars	Book Value Amount in GBP Crores	Book Value Amount in Rs. Crores
Tangible Assets	0.07	7.08
Inventories	0.01	1.24
Cash & Cash equivalents	0.05	4.90
Trade receivables	0.39	40.82
Other assets	0.11	11.81
Borrowings	(0.02)	(2.07)
Trade and other payables	(0.36)	(36.58)
Other liabilities	(0.04)	(4.34)
Net identifiable asset required	**0.21**	**22.86**
Non-controlling interest	0.04	4.57
Net identifiable asset required	**0.17**	**18.29**

Calculation of goodwill	**Amount GBP in Crores**	**Amount Rs. in Crores**
Consideration transferred for investment	1.07	110.82
Less: Net identifiable assets required	(0.17)	(18.29)
Goodwill	**0.90**	**92.53**

The goodwill is attributable to the synergies from combining operations with group and workforce

Revenue & Profit Contribution :

If the acquisitions had occurred on 1 April 2021, consolidated pro-forma revenue and profit for the year ended 31 March 2022 would have been Rs. 5,834.05 Crores and Rs. 44.47 Crores respectively. These amounts have been calculated using the subsidiary's results

	Revenue	**Profit**
	(Rs. in crores)	**(Rs. in crores)**
Total revenue and profit of group excluding Clearcomm Group	5,649.90	59.38
Revenue and profit of Clearcomm Group	184.15	(14.91)
Total	**5,834.05**	**44.47**

Purchase Consideration - cash outflow

The cash outflow for acquisition of Clearcomm is Rs. 109.95 crores, net of cash acquired including amount of Rs. 4.02 crores given as loan to Clearcomm Group Limited at the time of acquisition. Accordingly net cash outflow for investment is Rs. 105.93 crores

Acquisition related costs

Acquisition related costs of Rs. 4.36 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 or when the information required for computing the business combination accounting is obtained completely, whichever is earlier and accordingly has considered provisional amounts in the books of accounts as at 31 March 2022

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. including its wholly owned subsidiary, Optotec International S.A for a purchase consideration of EUR 31.77 million (Rs 279.73 crores) as per share purchase agreement dated November 02, 2020 as amended on January 8, 2021 and recognised a provisional goodwill of EUR 18.8 million (Rs 172.98 crores) in FY 2020-21 pending completion of purchase price allocation. During the year ended March 31, 2022, the Company has completed the allocation of purchase price to identified assets and liabilities as given below as at acquisition date fair value as per Ind AS 103 – Business Combinations. Accordingly, amount of goodwill has reduced to EUR 10.60 million (Rs. 95.51 crores) on account of increase in the value of tangible assets, inventories and identified intangible assets in consolidated balance sheet.

During the year, company has also paid additional consideration of EUR 1.25 million (Rs 11.55 crores) based on post closing adjustment basis share purchase agreement.

The profit of Optotec S.p.A. including its wholly owned subsidiary, Optotec International S.A consolidated for the current year is for 12 months whereas for the last year was from January 8, 2021 to March 31, 2021.

The measurement period adjustments were as follows:

Particulars	Provisional Amount as at March 31, 2021 (Euro in Crores)	Provisional Amount as at March 31, 2021 (INR in Crores)	Measurement Period adjustment (Euro in crores)	Measurement Period adjustment (INR in Crores)	As at March 31, 2022 (Euro in crores)	As at March 31, 2022 (INR in crores)
Tangible Assets	0.02	2.14	-	-	0.02	2.14
Intangible Assets	0.00	0.05	-	-	0.00	0.05
Intangible Assets: Customer Relationships & Contracts	-	-	0.99	88.19	0.99	88.19
Intangible Assets: Patents	-	-	0.41	36.68	0.41	36.68
Intangible Assets: Non-compete	-	-	0.04	3.79	0.04	3.79
Inventories	0.61	52.46	(0.03)	(3.28)	0.58	49.18
Current investment	0.01	0.86	-	-	0.01	0.86
Cash & Cash equivalents	0.38	32.59	-	-	0.38	32.59
Trade receivables	0.49	41.8[illegible]	(0.02)	(1.77)	0.47	40.0[illegible]
Other assets	0.23	20.15	-	-	0.23	20.15
Deferred tax liabilities	-	-	(0.3[illegible])	(34.79)	(0.3[illegible])	(34.79)
Borrowings	(0.04)	(3.38)	-	-	(0.04)	(3.38)
Trade and other payables	(0.48)	(41.79)	-	-	(0.48)	(41.79)
Other liabilities	(0.11)	(10.21)	-	-	(0.11)	(10.21)
Net identifiable asset required	**1.11**	**95.20**	**1.01**	**89.02**	**2.12**	**184.22**
Non-controlling interest	-	-	-	-	-	-
Net identifiable asset required	**1.11**	**95.20**	**1.01**	**89.02**	**2.12**	**184.22**

Calculation of goodwill	**Provisional Amount as at March 31, 2021 (Euro in Crores)**	**Provisional Amount as at March 31, 2021 (INR in Crores)**	**Measurement Period adjustment (Euro in crores)**	**Measurement Period adjustment (INR in Crores)**	**As at March 31, 2022 (Euro in crores)**	**As at March 31, 2022 (INR in crores)**
Consideration transferred	2.99	268.18	0.19	11.55	3.18	279.73
Less: Net identifiable assets required	(1.11)	(95.20)	(1.01)	(89.02)	(2.12)	(184.22)
Goodwill	**1.88**	**172.98**	**(0.82)**	**(77.47)**	**1.06**	**95.51**

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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 2022 and 31 March 2021.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2022 and 31 March 2021.

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 2022, after taking into account the effect of interest rate swaps, approximately 68% of the Group's borrowings are at a fixed rate of interest (31 March 2021: 67%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Variable rate borrowings	1,143.65	1,007.90
Fixed rate borrowings	2,167.75	1,831.17
Total borrowings	**3,311.39**	**2,839.07**

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 March 2022		31 March 2021	
	Balance (Rs. In crores)	% of total loans	Balance (Rs. In crores)	% of total loans
Variable rate borrowings	1,143.65	35%	1,007.90	36%
Interest rate swaps (notional principal amount)	100.05		73.11	
Net exposure to cash flow interest rate risk	1,043.60		934.79	

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:

(Rs. In crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/ (increase)
31 March 2022		
Base Rate	+50	5.22
Base Rate	-50	(5.22)
31 March 2021		
Base Rate	+50	4.67
Base Rate	-50	(4.67)

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NOTE 48: FINANCIAL RISK MANAGEMENT

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 15-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in foreign currency risk. During the years ended 31 March 2022 and 2021, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Group has hedged significant exposure as at March 31, 2022 and as at March 31, 2021. The Group's foreign currency exposure at the year end is as follows:

March 31, 2022 (Rs. in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	10.70	78.38	221.63	10.70
Bank Balances	1.47	33.74	16.34	-
Loans	-	-	2.79	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency*	525.43	120.39	218.87	10.68
Net Exposure to foreign currency risk (Assets)	[illegible]	(8.47)	[illegible]	0.02

*Includes forward contracts of Rs. 525.43 crores (for USD currency risk) and Rs. 51.07 crores (for EUR currency risk) on intragroup monetary items which result in exposure to foreign exchange rate gains or losses that are not fully eliminated on consolidation

March 31, 2022 (Rs. in crores)

Financial Liabilities	USD	EUR	GBP	AUD
Foreign currency				
Bank Loan	132.23	25.36	62.16	-
Payables for purchase of property, plant & equipments	90.42	38.57	-	-
Trade Payables	109.79	33.61	1.86	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	236.02	75.61	12.43	-
Principal Swap - Buy foreign currency	37.89	-	-	-
Net Exposure to foreign currency risk (Liabilities)	58.53	21.93	51.59	-

March 31, 2021 (Rs. 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	-	-	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	19.18	23.48	0.76

March 31, 2021 (Rs. in crores)

Financial Liabilities	USD	EUR	GBP	MYR
Foreign currency				
Bank Loan	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 - Buy foreign currency	73.11	-	-	-
Net Exposure to foreign currency risk (Liabilities)	83.68	5.94	75.75	-

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NOTE 48: FINANCIAL RISK MANAGEMENT

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-

(Rs. 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
March 31, 2022	+5%	0 37/15.03	+5%	1.03/12.67	+5%	(1.47)/20 06
	-5%	(0 37)/(15.03)	-5%	(1.03)/(12.67)	-5%	1 47/(20.06)
March 31, 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)

Commodity price risk

The Group is affected by the price volatility of certain commodities Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet these requirements the Group enters into contracts to purchase copper The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged Thus, there are no open unhedged exposures on the reporting dates.

Price risk

The Group's investment in non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was Rs 93 08 crores (31 March 2021: Rs 122.30 crores).

The group invests into highly liquid funds which are subject to price risk changes These investments are generally for short durations and therefore impact of price change is generally not significant

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments

Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management Credit quality of a customer is assessed 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 Nil (31 March 2021 : Rs 0.92 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).

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NOTE 48: FINANCIAL RISK MANAGEMENT

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2022			31 March 2021		
	less than 365 days	more than 365 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	2,668.68	442.39	3,111.07	2,469.56	361.94	2,831.50
Expected credit loss rate	1.04%	30.00%		0.47%	13.00%	
Expected credit loss provision	27.78	132.72	160.50	11.57	47.05	58.62
Carrying amount (net of provision)	**2,640.90**	**309.67**	**2,950.57**	**2,457.99**	**314.89**	**2,772.88**

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 2022 and 31 March 2021 is the carrying amounts of each class of financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Rs. 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, 2022						
Borrowings	0.46	1,330.90	443.88	1,215.45	320.70	3,311.39
Other financial liabilities	5.10	30.83	55.69	50.27	-	141.89
Trade payables	642.82	1,273.81	503.34	-	-	2,419.97
Payables for purchase of Property, plant and equipments	-	13.10	150.03	1.16	-	164.29
Derivatives	-	0.30	3.64	0.02	-	3.96
Lease liability	-	8.77	26.50	80.61	48.28	164.16
	648.38	**2,657.71**	**1,183.08**	**1,347.51**	**368.98**	**6,205.66**
As at March 31, 2021						
Borrowings	13.62	1,296.89	272.83	914.27	341.47	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
Lease liability	-	6.26	19.64	50.70	27.98	104.58
	281.99	**2,298.91**	**1,531.10**	**990.14**	**369.45**	**5,471.58**

NOTE 48: FINANCIAL RISK MANAGEMENT

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 2022 and 31 March 2021.

The cash flow hedges for such derivative contracts as at 31 March 2022 were assessed to be highly effective and a net unrealised gain of Rs. 1.50 crore, with a deferred tax liability of Rs. 0.38 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2021 were assessed to be highly effective and an unrealised gain of Rs. 2.03 crore, with a deferred tax liability of Rs. 0.51 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2022 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2023 and 31 March 2024.

At 31 March 2022, the Group has currency/interest rate swap agreements in place with a notional amount of USD 0.5 crores (Rs. 37.89 crores) and GBP 0.63 (Rs. 62.16 crores) crores (31 March 2021 : USD 1 crores, GBP Nil). The Group receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates.

The cash flow hedges for such derivative contracts as at 31 March 2022 were assessed to be highly effective and a net unrealised gain of Rs. 1.10 crore, with a deferred tax liability of Rs. 0.28 crore relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2021 were assessed to be highly effective and an unrealised loss of Rs. 3.51 crore, with a deferred tax asset of Rs. 0.88 crore was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2022 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2023.

Impact of hedging activities
(a) Disclosure of effects of hedge accounting on financial position

31 March 2022

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts-Assets	1,108.22	18.13	April 2022-Jun 2023	1:1	EUR:INR- 87.76, GBP:INR- 102.59, USD:INR- 77.53, AED:INR- 21.66	0.28	(0.28)
(ii) Foreign exchange forward contracts-Liabilities	171.19	(0.86)	April 2022 - Jun 2023	1:1	EUR:INR- 86.23, GBP:INR- 101.82, USD:INR- 76.73, AED:INR- 20.68, AUD INR- 56.92	1.22	(1.22)
(iii) Foreign Currency Loan	100.05	(0.45)	3-Jan-23	1:1	USD:INR 66.39 GBP:INR 99.69	(0.85)	0.85
Interest rate risk							
Interest rate swap	100.05	(0.07)	3-Jan-23	1:1	N/A	0.62	(0.62)

NOTE 48: FINANCIAL RISK MANAGEMENT

31 March 2021

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- Feb 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- Feb 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-Jan-23	1:1	USD:INR 66.39	(10.96)	10.96
Interest rate risk							
Interest rate swap	(73.11)	(0.69)	3-Jan-23	1:1	N/A	1.86	(1.86)

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.
The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.
The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2022 (Rs. 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	15.15	-	(14.49)	Revenue and COGS
Interest Risk	0.62	-	-	N/A

31 March 2021

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	(5.69)	-	(3.07)	Revenue and COGS
Interest Risk	1.86	-	-	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 31 March 2022 (Rs. in crores)	As at 31 March 2021 (Rs. in crores)
Interest bearing loans and borrowings	3,314.97	2,861.96
Less: Cash and cash equivalents & current investment*	(522.55)	(430.77)
Net debt	**2,792.42**	**2,431.19**
Equity share capital	79.55	79.33
Other equity	1,877.14	1,908.06
Total capital	**1,956.69**	**1,987.39**
Capital and net debt	**4,749.11**	**4,418.58**
Gearing ratio	58.80%	55.02%

*includes other bank balance of Rs 111.83 crores (31 March 2021: 50.00 crores) with respect to fixed deposit excluding deposits held as lien by banks against bank guarantees. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

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 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Sterlite Technologies Limited		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2021: Rs 2.00 per share (31 March 2020: Rs 3.5 per share)	79.36	138.28
	79.36	**138.28**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2022: Rs. 0.50 per share (31 March 2021: Rs 2.0 per share)	19.88	79.31
	19.88	**79.31**

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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 31 March 2022

(Amount in Rs. Crores)

	31 March 2022			31 March 2021		
	FVPL	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial assets						
Investments						
Equity instruments	-	60.13	-	8.53	60.13	-
Debentures	-	-	-	22.60	-	-
Preference shares	-	-	-	3.74	-	-
Mutual funds	0.04	-	-	180.90	-	-
Trade receivables	-	-	1,706.46	-	-	1,451.42
Loans	-	-	4.45	-	-	14.80
Cash and cash equivalents	-	-	410.68	-	-	192.79
Other bank balances	-	-	118.93	-	-	55.58
Derivative financial assets	13.95	17.16	-	5.23	28.25	-
Other financials assets	21.45	-	74.56	-	-	12.90
Total financial assets	**35.44**	**77.29**	**2,315.08**	**221.00**	**88.38**	**1,727.49**
Financial liabilities						
Borrowings	-	-	3,311.39	-	-	2,839.07
Trade Payables	-	-	2,419.97	-	-	1,943.66
Derivative financial liabilities	2.06	1.90	-	11.09	2.77	-
Payables for purchase of Property, plant and equipments	-	-	164.29	-	-	453.49
Deposits from vendors	-	-	3.35	-	-	6.32
Other Financial Liabilities	-	-	138.54	-	-	110.60
Total financial liabilities	**2.06**	**1.90**	**6,037.54**	**11.09**	**2.77**	**5,353.14**

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Amount**	**Fair value measurement using** 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 2022	-	-	-	-
As at 31 March 2021	8.53	-	-	8.53
Investments in Equity Shares of Associates				
As at 31 March 2022	60.13	-	-	60.13
As at 31 March 2021	60.13	-	-	60.13
Investments in Debentures				
As at 31 March 2022	-	-	-	-
As at 31 March 2021	22.60	-	-	22.60
Investments in Preference shares				
As at 31 March 2022	-	-	-	-
As at 31 March 2021	3.74	-	-	3.74
Investments in Mutual funds				
As at 31 March 2022	0.04	0.04	-	-
As at 31 March 2021	180.90	180.90	-	-
Other Financial Assets				
As at 31 March 2022	21.45	-	21.45	-
As at 31 March 2021	-	-	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at 31 March 2022	13.95	-	13.95	-
As at 31 March 2021	5.23	-	5.23	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at 31 March 2022	17.16	-	17.16	-
As at 31 March 2021	28.25	-	28.25	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at 31 March 2022	2.06	-	2.06	-
As at 31 March 2021	11.09	-	11.09	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at 31 March 2022	1.90	-	1.90	-
As at 31 March 2021	2.77	-	2.77	-

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NOTE 50: FAIR VALUES

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 and debentures.

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, 2022 and March 31, 2021.

Rs. 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 2021	**60.13**	**8.53**	**22.60**	**3.74**
Acquisitions	-	-	-	-
Deletion	-	(8.53)	(22.60)	(3.74)
As at 31 March 2022	**60.13**	-	-	-

e) Valuation inputs and relationships to fair value
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	**Valuation technique**	**Significant unobservable inputs**	**Range**	**Sensitivity of the input to fair value**
FVOCI assets in unquoted equity shares (31 March 2022)	Transaction multiple approach	Revenue multiple considered	31 March 2022: 3.6	5% increase/ (decrease) in the revenue multiple would result in increase /(decrease) in fair value by Rs 3.86/ (3.86) crore
FVPL assets in unquoted equity shares, preference shares and debentures	DCF method	Terminal Growth Rate	31 March 2022: NA 31 March 2021: 5.0%	NA (31 March 2021: 1%) increase/ (decrease) in the terminal growth rate would result in increase /(decrease) in fair value by Rs. Nil (31 March 2021: Rs. 3.23/ (2.85) crore)
		WACC (pre-tax)	31 March 2022: NA 31 March 2021: 21.50%	NA (31 March 2021: 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by Rs. Nil (31 March 2021: Rs 4.49/ (5.14))
		Long-term operating margin	31 March 2022: NA 31 March 2021: (113.6)% - 32.6%	NA (31 March 2021: 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by Rs. Nil (31 March 2021: Rs 2.62/ (2.62))
FVOCI assets in unquoted equity shares (31 March 2021)	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 Rs. 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 Rs 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 Rs 2.62/ (2.62) crore

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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NOTE 50: FAIR VALUES

f) Valuation processes

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case

The main level 3 inputs for used by the Group are derived and evaluated as follows
Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown above

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material

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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 (Upto October 31, 2021)

(iii) Key management personnel (KMP)
Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director till December 02, 2021)
Mr. A. R. Narayanaswamy (Non executive & Independent Director till March 31, 2021)
Mr. Arun Todarwal (Non executive & Independent Director till March 31, 2021)
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 from January 20, 2021 till October 07, 2021)
Mr. Ankit Agarwal (Managing Director w.e.f. October 08, 2021)

(iv) Relative of key management personnel (KMP)
Mr. Ankit Agarwal (till January 19, 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)
Runaya Private Limited

(vi) Associates
M B Maanshan Special Cables Co. Ltd
ASOCS Ltd

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)
Mr. 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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NOTE 51: RELATED PARTY TRANSACTIONS

(B) The transactions with related parties during the year and their outstanding balances are as follows:-

S. No.	Particulars	Joint Ventures / Associates		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/FKMP	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
1	Remuneration	-	-	-	-	30.91	24.79	-	2.47	-	-
2	Sitting Fees	-	-	-	-	0.40	0.51	-	-	-	-
3	Commission	-	-	-	-	1.58	1.13	-	-	-	-
4	Consultancy	-	-	-	-	0.60	0.55	-	-	-	-
5	Dividend (received)/paid	-	-	41.88	73.29	0.23	0.93	0.23	0.42	0.95	1.67
6	Sale of investments	-	-	-	-	-	-	-	-	43.00	-
7	Loans and advances given	0.13	0.28	-	-	-	-	-	-	-	0.85
8	Repayment of loans given	-	-	-	-	-	-	-	-	11.00	-
9	Loan repaid	-	-	-	-	-	-	-	-	9.77	0.08
10	Interest charged on loans	-	-	-	-	-	-	-	-	0.30	0.84
11	Interest expense on loans							-	-	1.35	-
12	Management fees received	-	-	-	-	-	-	-	-	9.66	11.08
13	Reimbursement of expenses	-	-	-	-	-	-	-	-	0.27	1.62
14	Purchase of goods & services	-	-	-	-	-	-	-	-	260.69	142.53
15	Sale of goods & services	12.88	26.18	-	-	-	-	-	-	8.67	16.22
16	Contributions made for CSR	-	-	-	-	-	-	-	-	11.42	11.60
17	Rental income	-	-	-	-	-	-	-	-	0.06	0.06
	Outstanding Balances										
1	Loans/advance receivables##	2.79	2.68	-	-	-	-	-	-	1.40	11.95
2	Loans/advance payables	-	-	-	-	-	-	-	-	-	6.66
3	Interest payable on loans	-	-	-	-	-	-	-	-	-	1.27
4	Trade receivables	41.90	61.26	-	-	-	-	-	-	-	13.29
5	Other receivables	-	-	-	-	-	-	-	-	22.78	-
6	Trade payables	-	-	-	-	-	-	-	-	29.96	-
7	Advance to vendors	-	-	-	-	-	-	-	-	-	0.79
8	Investment in equity shares, preference shares & debentures	92.08	122.30	-	-	-	-	-	-	-	-
9	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114.00	114.00

S. No.	Particulars	Relationship	31 March 2022	31 March 2021
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	10.17	9.96
	Dr. Anand Agarwal	KMP	13.63	10.95
	Mr. Ankit Agarwal	KMP	3.72	0.58
	Mr. Ankit Agarwal	Relatives of KMP	-	2.47
	Mr. Mihir Modi	KMP	2.67	0.86
	Mr. Anupam Jindal	KMP	-	1.73
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	-	0.14
	Mr. A. R. Narayanaswamy	KMP	-	0.11
	Mr. Sandip Das	KMP	0.10	0.12
	Ms. Kumud Srinivasan	KMP	0.11	0.10
	Mr. S. Madhavan	KMP	0.10	-
	Mr. B. J. Arun	KMP	0.09	-
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.30	0.23
	Mr. A. R. Narayanaswamy	KMP	0.30	0.23
	Ms. Kumud Srinivasan	KMP	0.30	0.23
	Mr. Sandip Das	KMP	0.30	0.23
	Mr. Pratik Agarwal	KMP	0.23	0.23
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.60	0.55
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding Company	41.88	73.29
6	**Sale of investments**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	43.00	-

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NOTE 31: RELATED PARTY TRANSACTIONS

S. No.	Particulars	Relationship	31 March 2022	31 March 2021
7	**Loans and advances given**			
	Twinstar Display Technologies Limited	Fellow Subsidiary	-	0.03
	Twin Star Technologies Ltd	Fellow Subsidiary	-	0.82
	Sterlite Conduspar Industrial Ltda	Joint Venture	0.13	0.28
8	**Repayment of loans given**			
	Twinstar Display Technologies Limited	Fellow Subsidiary	11.00	-
	Twin Star Technologies Ltd	Fellow Subsidiary	-	-
9	**Loan repaid**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	9.77	0.08
10	**Interest charged on loans**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	0.03	0.03
	Twin Star Technologies Ltd	Fellow Subsidiary	0.26	0.81
11	**Interest expense on loans**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	1.35	-
12	**Management fees received**			
	Cairn India Holdings Ltd	Fellow Subsidiary	9.66	11.08
13	**Reimbursement of expenses**			
	Cairn India Holdings Ltd	Fellow Subsidiary	-	1.62
	Sterlite Power Transmission Limited	Fellow Subsidiary	0.27	-
14	**Purchase of goods & services**			
	Vedanta Limited	Fellow Subsidiary	222.68	142.50
	Runaya Private Limited	EKMP	37.98	-
15	**Sale of goods & services**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	8.67	16.22
	Sterlite Conduspar Industrial Ltda	Joint Venture	12.78	17.19
	M B Maanshan Special Cables Co. Ltd	Associate	0.11	8.99
16	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	11.42	11.60
17	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.06

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2022	31 March 2021
Short term employee benefits	22.84	22.69
Long term & Post employment benefits	5.26	1.43
Share based payment transaction*	2.81	3.14
Total compensation paid to key managem	**30.91**	**27.26**

(E) Terms and Conditions

a) Transactions relating to dividends for equity shares were on the same terms and conditions that applied to other shareholders
b) All other transactions were made on normal commercial terms and conditions and at market rates
c) All outstanding balances are unsecured and repayable in cash

##Includes interest & expenses incurred and recoverable
$ Refer note 39 for details
*Share-based payments include the perquisite value of stock incentives excercised during the year,determined in accordance with the provisions of the Income-tax Act,1961

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Note 52 : Borrowing secured against current assets

List of banks to which stock statements are submitted:

S No	Bank Name
1	ICICI Bank Ltd
2	State Bank of India
3	Yes Bank Ltd
4	Axis Bank Ltd
5	IDFC FIRST Bank Ltd
6	Indusind Bank Limited
7	Bank of Baroda
8	RBL Bank Ltd
9	The Federal Bank Limited
10	IDBI Bank Limited
11	Deutsche Bank AG
12	Union Bank of India
13	HDFC Bank Ltd
14	Export Import Bank of India
15	Citi Bank
16	Shinhan Bank
17	CTBC Bank Co. Ltd
18	Qatar National Bank (Q P S C)
19	Axis Finance Ltd

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns of statements of current assets filed by the Company with banks are in agreement with the books of accounts, except for the following statements in the table below -

(Rs. in crores)

Quarter ended	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
March, 2022	Trade receivables and contract assets	3,066.52	3,066.52	-	
March, 2022	Inventories	444.61	444.61	-	
December, 2021	Trade receivables and contract assets	2,928.65	3,161.95	(233.30)	The difference is on account of period end closing entries
December, 2021	Inventories	457.07	348.80	108.27	The difference is on account of period end closing entries
September, 2021	Trade receivables and contract assets	2,991.15	3,124.31	(133.16)	The difference is on account of period end closing entries Rs (195.16) crores and non consideration of related party receivable Rs 62.00 crores
September, 2021	Inventories	373.59	340.76	32.83	The difference is on account of period end closing entries
June, 2021	Trade receivables and contract assets	3,204.41	3,079.12	125.09	The difference is on account of period end regroupings Rs 63.09 crores and non consideration of related party receivable Rs 62.00 crores
June, 2021	Inventories	448.50	351.22	97.28	The difference is on account of period end closing entries
March, 2021	Trade receivables and contract assets	2,687.28	2,687.28	-	
March, 2021	Inventories	363.36	363.36	-	
December, 2020	Trade receivables and contract assets	2,421.04	2,395.03	26.01	The difference is on account of period end closing entries Rs (34.99) crores and non consideration of related party receivable Rs 61.00 crores
December, 2020	Inventories	315.84	325.28	(9.44)	The difference is on account of period end closing entries
September, 2020	Trade receivables and contract assets	2,008.14	1,984.40	23.74	The difference is on account of period end closing entries Rs (24.26) crores and non consideration of related party receivable Rs 48.00 crores
September, 2020	Inventories	269.74	261.91	7.83	The difference is on account of period end closing entries
June, 2020	Trade receivables and contract assets	2,208.18	2,169.59	38.59	The difference is on account of period end closing entries Rs (1.41) crores and non consideration of related party receivable Rs 40.00 crores
June, 2020	Inventories	253.89	216.26	37.63	The difference is on account of period end closing entries

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NOTE 53: 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 2021: 58.05%) interest in Sterlite Conduspar Industrial Ltda, a joint venture engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda ('Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Current assets	36.59	32.92
Non-current assets	9.98	6.92
Total Asset (A)	46.57	**39.84**
Current liabilities	12.22	10.53
Non-current liabilities	45.26	34.79
Total Liabilities (B)	**57.48**	**45.32**
Net Assets (A+B)	(10.91)	(5.48)
Proportion of the Group's ownership	58.05%	58.05%
Carrying amount of the investment	-	-

Summarised statement of profit and loss of the Joint Venture:

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Revenue	56.37	65.80
Other Income	0.09	0.20
Cost of raw material and components consumed	39.16	44.25
Depreciation & amortization	0.93	0.96
Finance cost	2.00	1.00
Employee benefit	5.98	4.75
Other expense	9.62	12.46
Loss before tax	**(1.23)**	**2.58**
Income tax expense	-	-
Loss for the year	**(1.23)**	**2.58**
Other comprehensive income	-	-
Total comprehensive income for the year	**(1.23)**	**2.58**
Group's share of loss for the year	**(0.72)**	**1.50**
Unrecognised share of profit / (loss) of joint venture	**(0.72)**	**1.50**

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 2022 and 31 March 2021.

Associate Company - M.B Maanshan Special Cables Co. Ltd

	31 March 2022 (Rs. in crores)	31 March 2021 (Rs. in crores)
Aggregate carrying amount	**31.95**	**27.30**
Aggregate amounts of the group's share of:		
Profit/(loss) from continuing operations	4.65	14.86
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	**4.65**	**14.86**

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NOTE 54: 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 2022	Effective ownership as on 31 March 2021	Country of incorporation
Maharashtra Transmission Communication Infrastructure Limited (MTCIL) (refer note 16)	Data Transmission	-	35.02%	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
Clearcomm Group Limited#	Network integration services	20.00%	-	United Kingdom

*collectively referred as "IDS Group" and disclosed below
#The numbers for Clearcomm Group Limited for the year ended 31 March 2022 are reported from the acquisition date to balance sheet date

Summarised statement of profit and loss for the year ended 31 March 2022:

	31 March 2022				31 March 2021		
	MTCIL (Rs. in crores)	**Clearcomm (Rs. in crores)**	**JSTFCL (Rs. in crores)**	**IDS Group (Rs. in crores)**	**MTCIL (Rs. in crores)**	**JSTFCL (Rs. in crores)**	**IDS Group (Rs. in crores)**
Revenue	27.65	104.36	-	112.98	10.27	221.69	114.54
Profit / (loss) for the year	13.92	(12.04)	(73.74)	6.78	(3.59)	(42.45)	10.57
Total comprehensive income	**13.92**	**(12.63)**	**(52.15)**	**5.73**	**(3.59)**	**(25.66)**	**19.01**
Attributable to non-controlling interests	4.88	(2.53)	(13.04)	1.18	(1.23)	(6.42)	3.45
Dividends paid to non-controlling interests	-	-	-	-	-	-	-

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

	31 March 2022				31 March 2021		
	MTCIL (Rs. in crores)	**Clearcomm (Rs. in crores)**	**JSTFCL (Rs. in crores)**	**IDS Group (Rs. in crores)**	**MTCIL (Rs. in crores)**	**JSTFCL (Rs. in crores)**	**IDS Group (Rs. in crores)**
Non current assets	-	12.30	418.94	44.69	100.12	445.82	54.24
Current assets	-	56.62	41.26	75.92	70.70	72.76	56.71
Total Asset (A)	-	**68.92**	**460.20**	**120.61**	**170.82**	**518.58**	**110.95**
Non current liability	-	(24.33)	12.80	(13.08)	(54.07)	(4.89)	(19.06)
Current liability	-	(34.40)	(198.37)	(32.55)	(105.55)	(186.90)	(22.88)
Total Liability (B)	-	**(58.73)**	**(185.57)**	**(45.63)**	**(159.62)**	**(191.79)**	**(41.94)**
Net assets (A+B)	-	**10.19**	**274.63**	**74.99**	**11.20**	**326.79**	**69.01**
Accumulated NCI	-	**2.04**	**68.66**	**15.00**	**2.57**	**81.70**	**13.80**

Summarised cash flows

	31 March 2022				31 March 2021		
	MTCIL (Rs. in crores)	**Clearcomm (Rs. in crores)**	**JSTFCL (Rs. in crores)**	**IDS Group (Rs. in crores)**	**MTCIL (Rs. in crores)**	**JSTFCL (Rs. in crores)**	**IDS Group (Rs. in crores)**
Cash inflow / (outflow) from operating activities	111.45	(0.02)	29.65	10.18	24.38	59.10	9.78
Cash inflow / (outflow) from investing activities	(89.31)	(4.77)	(8.54)	(0.37)	(10.95)	(0.40)	(1.75)
Cash inflow / (outflow) from financing activities	(22.10)	1.66	(24.58)	(8.16)	(10.23)	(71.13)	(1.66)
Net increase /(decrease) in cash and cash equivalents	**0.04**	**(3.13)**	**(3.47)**	**1.65**	**3.20**	**(12.43)**	**6.37**

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NOTE 55 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 2022	39.10%	1,206.97	149.10%	70.57	-116.01%	(12.40)	100.36%	58.17
Balance as at 31 March 2021	59.97%	1,230.66	94.30%	351.01	26.35%	10.94	85.36%	281.95
Subsidiaries								
Indian								
1. Speedon Network limited								
Balance as at 31 March 2022	-0.70%	(14.32)	-20.73%	(9.81)	0.00%	-	-16.91%	(9.81)
Balance as at 31 March 2021	-0.22%	(4.51)	-3.02%	(8.02)	0.00%	-	-3.61%	(8.02)
2. [redacted] Communication Infrastructure Limited*								
Balance as at 31 March 2022	0.00%	-	19.10%	9.04	0.00%	-	15.58%	9.04
Balance as at 31 March 2021	0.33%	6.79	0.89%	(2.36)	0.00%	-	-0.77%	(2.36)
3. Sterlite Telesystems Limited								
Balance as at 31 March 2022	-0.01%	(0.21)	-0.13%	(0.06)	0.00%	-	-0.10%	(0.06)
Balance as at 31 March 2021	-0.01%	(0.16)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
4. STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")								
Balance as at 31 March 2022	-0.01%	(0.30)	-0.68%	(0.32)	0.00%	-	-0.55%	(0.32)
Balance as at 31 March 2021	0.00%	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
5. Sterlite Innovative Solutions Limited								
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2021	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
6. Sterlite Tech Cables Solutions Limited								
Balance as at 31 March 2022	0.85%	17.28	39.53%	18.71	2.99%	0.32	32.80%	19.03
Balance as at 31 March 2021	-0.08%	(1.75)	-0.67%	(1.79)	0.00%	-	-0.38%	(1.79)
7. STL Networks Limited								
Balance as at 31 March 2022	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
1. Sterlite Global Ventures (Mauritius) Limited								
Balance as at 31 March 2022	13.30%	271.63	-3.00%	(1.42)	0.00%	-	-2.45%	(1.42)
Balance as at 31 March 2021	13.09%	273.05	-0.11%	(0.30)	0.00%	-	-0.10%	(0.30)
2. Jiangsu Sterlite and Tongguang Fibre Co. Ltd.								
Balance as at 31 March 2022	10.09%	203.98	-116.85%	(55.31)	151.50%	16.19	-67.41%	(39.11)
Balance as at 31 March 2021	11.75%	245.10	-12.00%	(31.84)	30.33%	12.59	-6.27%	(19.25)
3. Sterlite (Shanghai) Trading Company Limited								
Balance as at 31 March 2022	0.16%	3.26	6.27%	2.97	0.00%	-	5.12%	2.97
Balance as at 31 March 2021	0.01%	0.30	0.86%	2.29	0.00%	-	0.75%	2.29
4. Metallurgica Bresciana S.p.A (Italy)								
Balance as at 31 March 2022	3.37%	68.90	46.37%	21.95	-9.08%	(0.97)	36.16%	20.98
Balance as at 31 March 2021	3.13%	65.33	13.65%	36.21	6.57%	2.73	12.69%	38.94
5. Sterlite Technologies UK Ventures Limited								
Balance as at 31 March 2022	-2.14%	(43.76)	81.28%	(38.47)	0.00%	-	-66.30%	(38.47)
Balance as at 31 March 2021	-0.25%	(5.28)	1.25%	(3.33)	0.00%	-	-1.09%	(3.33)
6. Elitecore Technologies (Mauritius) Limited								
Balance as at 31 March 2022	0.04%	0.76	0.17%	0.08	0.00%	-	0.14%	0.08
Balance as at 31 March 2021	0.03%	0.68	0.01%	0.02	0.00%	-	0.01%	0.02
7. Elitecore Technologies Sdn Bhd								
Balance as at 31 March 2022	0.33%	6.83	3.68%	1.74	0.00%	-	3.00%	1.74
Balance as at 31 March 2021	0.24%	5.05	0.67%	1.79	0.00%	-	0.58%	1.79

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NOTE 55: 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
8. Sterlite Tech Holding Inc								
Balance as at 31 March 2022	-0.12%	(2.44)	-1.16%	(0.55)	0.00%	-	-0.95%	(0.55)
Balance as at 31 March 2021	-0.09%	(1.89)	-0.19%	(0.48)	0.00%	-	-0.16%	(0.48)
9. Sterlite Technologies Inc								
Balance as at 31 March 2022	0.87%	17.67	56.54%	26.76	0.00%	-	46.12%	26.76
Balance as at 31 March 2021	0.44%	(9.09)	1.84%	4.88	0.00%	-	1.59%	4.88
10. Impact Data Solutions Limited								
Balance as at 31 March 2022	1.77%	36.16	23.33%	11.04	-5.17%	(0.55)	18.08%	10.49
Balance as at 31 March 2021	1.23%	25.67	4.41%	11.70	0.52%	0.69	4.04%	12.39
11. Vulcan Data Centre Solutions Limited								
Balance as at 31 March 2022	0.00%	0.03	-4.58%	(2.17)	0.15%	0.02	-3.71%	(2.15)
Balance as at 31 March 2021	0.10%	2.18	-0.06%	(0.15)	1.53%	0.16	0.00%	0.01
12. PT Sterlite Technologies Indonesia								
Balance as at 31 March 2022	0.05%	1.09	-2.87%	(1.36)	1.03%	0.11	-2.15%	(1.25)
Balance as at 31 March 2021	0.11%	2.34	0.09%	0.24	-0.29%	(0.12)	0.04%	0.12
13. Sterlite Technologies Pty Ltd								
Balance as at 31 March 2022	0.05%	0.97	1.82%	0.86	0.00%	-	1.48%	0.86
Balance as at 31 March 2021	0.01%	0.11	0.05%	0.12	-0.02%	(0.01)	0.04%	0.11
14. Sterlite Technologies DMCC								
Balance as at 31 March 2022	0.02%	0.41	6.23%	2.95	0.94%	0.10	5.26%	3.05
Balance as at 31 March 2021	-0.13%	(2.61)	-1.08%	(2.86)	0.36%	0.15	-0.88%	(2.71)
15. STL Optical Interconnect S.p.A								
Balance as at 31 March 2022	0.05%	1.10	-17.64%	(8.15)	26.57%	2.84	-9.50%	(5.51)
Balance as at 31 March 2021	0.12%	6.61	-1.08%	(2.80)	20.57%	8.54	1.87%	5.74
16. Optotec S.p.A $								
Balance as at 31 March 2022	5.29%	107.99	43.35%	20.52	-23.30%	(2.48)	31.09%	18.04
Balance as at 31 March 2021	4.87%	101.46	2.39%	6.33	-0.14%	(0.06)	2.04%	6.27
17. Optotec International S.A $								
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
18. STL Edge Networks Inc.								
Balance as at 31 March 2022	0.08%	1.56	3.30%	1.56	0.00%	-	2.69%	1.56
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
19. STL Tech UK								
Balance as at 31 March 2022	0.19%	3.89	0.00%	-	-2.23%	(0.24)	-0.41%	(0.24)
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
20. STL UK Holdco Limited, UK								
Balance as at 31 March 2022	1.28%	26.13	-5.73%	(2.71)	28.82%	3.08	0.64%	0.37
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
21. Clearcomm Group Limited, UK #								
Balance as at 31 March 2022	0.40%	8.13	-20.35%	(9.63)	-4.42%	(0.47)	-17.41%	(10.10)
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
22. STL Network Services Inc., US								
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
23. STL Solutions Germany GmbH								
Balance as at 31 March 2022	-0.05%	(1.05)	-2.75%	(1.30)	0.28%	0.03	-2.19%	(1.27)
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
24. Share of profit of Joint Venture/ Associate Company								
Balance as at 31 March 2022	1.56%	31.95	9.82%	4.65	0.00%	-	8.01%	4.65
Balance as at 31 March 2021	1.31%	27.30	5.60%	14.86	0.00%	-	4.84%	14.86
Non controlling interests in all subsidiaries								
Balance as at 31 March 2022	4.20%	85.68	-30.87%	(14.61)	47.81%	5.11	-16.37%	(9.50)
Balance as at 31 March 2021	4.70%	98.07	-3.81%	(10.11)	14.23%	5.91	-1.37%	(4.20)
Total								
Balance as at 31 March 2022	**100.00%**	**2,042.37**	**100.01%**	**47.33**	**100.00%**	**10.69**	**100.00%**	**58.02**
Balance as at 31 March 2021	**100.00%**	**2,085.43**	**100.00%**	**265.37**	**100.00%**	**41.52**	**100.00%**	**306.89**

All eliminations and adjustments are netted off against balances of parent company for disclosure purpose

The numbers for the year ended March 31, 2022 are reported from the acquisition date to balance sheet date

$ The numbers for the year ended March 31, 2021 are reported from the acquisition date to balance sheet date

* Refer note 16 for sale of investment in Maharashtra Transmission Communication Infrastructure Limited

ASOCS Ltd. (Associate company) is not considered for consolidation as the operations of the associate company is insignificant for the Group

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Notes to consolidated financial statements for the year ended March 31, 2022

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 2022 (Rs. in crores)	31 March 2021 (Rs. In crores)
(1) Revenue from external customers		
- Within India	2,431.43	2,791.90
- Outside India	3,322.83	2,033.28
Total revenue as per statement of profit and loss	**5,754.26**	**4,825.18**
(2) Non-current assets		
- Within India	2,350.64	2,442.49
- Outside India	1,129.79	958.71
Total	**3,480.43**	**3,401.20**

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 Rs. 761.68 crores (31 March 2021: Rs. 841.00 crores).

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NOTE 57: PREVIOUS YEAR FIGURES

Further, previous year figures have been reclassified to conform to this year's classification
The Ministry of Corporate Affairs (MCA) through a notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013, applicable for financial years commencing from April 1, 2021. Pursuant to such amendments, security deposits of Rs. 11.96 crores as at March 31, 2021 have been reclassified from 'Loans' to 'Other financial assets' and current maturities of long term debts of Rs. 349.36 crores as at March 31, 2021 have been reclassified from 'Other financial liabilities' to 'Current borrowings'.

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: 28 April 2022

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

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

Ankit Agarwal
Managing Director
DIN: 03344202

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Mumbai
Date: 28 April 2022

Independent Auditors' Report

To the Members of Sterlite Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity (refer Note 37 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 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 entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other 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.

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Independent Auditors' Report
To the Members of Sterlite Technologies Limited
Report on the Consolidated Financial Statements

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.

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.

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 entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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 entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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.

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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 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.

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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 Rs 518.58 crores and net assets of Rs 326.80 crores as at March 31, 2021, total revenue of Rs. 221.69 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of Rs (25.66) crores and net cash flows amounting to Rs (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 Rs. 1,869.33 crores and net assets of Rs. 491.15 crores as at March 31, 2021, total revenue of Rs. 903.17 crores, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 53.74 crores and net cash flows amounting to Rs. 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 Rs. 14.86 crores and Rs. 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

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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 and 40 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 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.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Pune

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

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021
(All amounts are in Rs crores, unless otherwise stated)

	Note	31 March 2021	31 March 2020
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 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
Place: Pune
Date: 29 April 2021

Amit Deshpande
Company Secretary

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. crores, unless otherwise stated)

	Note	31 March 2021	31 March 2020
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**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC - 5001
FRN 012754N/N500016
Pune

Sterlite Technologies Limited

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. crores, unless otherwise stated)

	Note	31 March 2021	31 March 2020
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

STERLITE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. crores, unless otherwise stated)

	31 March 2021	31 March 2020
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
Amortization & 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)
Unrealized 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**
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)	(221.33)
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	[illegible]	-
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:

	March 31, 2021 (Rs. in crores)	March 31, 2020 (Rs. in crores)
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

Sterlite Technologies Limited

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts are in Rs. crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL	Note	No. in Crs.	Amount
Equity shares of Rs. 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 acquisition (refer note 47)	-	-	-	-	-	-	-	-	-	-	-	11.70
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	2.50
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
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

STERLITE TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts are in Rs. crores, unless otherwise stated)

	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 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 acquisition (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

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Parent Company), its subsidiaries, joint ventures and associate companies (collectively, the Group) for the year ended 31 March 2021. The Parent Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Parent Company is located at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Group is primarily engaged in the business of Connectivity and Network solutions.

The Group is a global leader in end-to-end data network solutions. The group designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the group is the industry's leading integrated solutions provider for global data networks. The group partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share Based Payments
- Defined benefit plans- plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

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

2.2 Principles of consolidation and equity accounting

The consolidated Ind AS financial statements comprise the financial statements of the Group, its subsidiaries, joint ventures and associate companies as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2021 When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated changes of statement of equity and balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

The Group recognises a financial liability at the present value of the redemption amount for its obligation, if any, to pay cash in the future to purchase the minority's shares. The initial redemption liability and any subsequent adjustment to the liability is reduced from the parent's equity if the risks and rewards of ownership remain with the non-controlling interest and are not transferred to the group.

b) Investment in joint ventures and associate companies

The Group's investment in its joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Associate companies are all entities over which group has significant influence but not control. Investment in associate companies are accounted for using the equity method of accounting, after initially being recognised at cost.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income or profit and loss account.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference are classified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

e) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:
(i) identify contracts with customers
(ii) identify the separate performance obligation
(iii) determine the transaction price of the contract
(iv) allocate the transaction price to each of the separate performance obligations, and
(v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Group has following streams of revenue:

(i) Revenue from sale of goods
(ii) Revenue from sale of services
(iii) Revenue from network integration projects
(iv) Revenue from software products/licenses and implementation activities

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The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group identifies distinct performance obligations in each contract. For most of the network integration project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Group performs, or
(b) The customer controls the work-in-progress, or
(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network intergration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

The Group estimates variable consideration using the most likely amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

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 Group at every reporting period.

Financing components: The Company does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

f) Other Income

1. Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

2. Dividends
Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

3. Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

h) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation in the countries where the company and it's subsidiaries operate and generate taxable income is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts 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, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that taxable amounts will be available to utilise those temporary differences and losses

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such historical cost includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Group, based on technical assessments made by technical experts and management estimates, depreciates the certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provide the details of the useful life which are different from useful life prescribed under Schedule II of the Companies Act, 2013:

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 networks -6 Years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years

Asset Category	Useful Life considered#	Useful life (Schedule II)
Vehicles	4 - 5 Years *	8 Years

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

Residual value considered as 15% on the basis of management's estimation, supported by technical advice.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

The Group depreciates building using straight line method over 30 to 60 years from the date of original purchase.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The asset residual values and useful lives are reviewed at each financial year end and adjusted, if appropriate, at the end of each reporting period.

j) Intangible Assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, or is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

The Group does not have any intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortised over the period of the consent/permission on a straight line basis.

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All intangibles assets (other than Goodwill and Customer Relationships) are amortised on a straight line basis over a period of five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Customer relationships recognised as a part of business combination are amortised over period of five to ten years.

Research costs are expensed as incurred.

k) Leases

Group has adopted Ind AS 116 with effect from April 01, 2019.

As a Lessee:

The group 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 group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

As a Lessor:

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non¬financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit 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 an interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity and

(b) Defined contribution plans such as provident fund.

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Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

p) Share-based payments

The fair value of options granted under the Employee 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 boldings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

q) Investments and Other Financial assets

i) Classification & Recognition:

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commit to purchase or sale the financial asset.

ii) Measurement:

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when 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 Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries and joint venture are carried at historical cost as per the accounting policy choice given by Ind AS 27.

The Group makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

iii) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Lease receivables under Ind AS 116

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

iv)De-recognition of financial asset

A financial asset is derecognised only when the group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

r) Financial liabilities

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

s) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

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t) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the 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 interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

u) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the priciples 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.

v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

w) Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Presentation of EBITDA

The Group presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the group's financial position or performance.

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance income, finance costs, share of profit/ loss from joint ventures and tax expense.

z) 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 are significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

aa) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 56 for segment information presented.

bb) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

cc) 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.

dd) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 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 April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

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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.

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Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 4: PROPERTY, PLANT & EQUIPMENT

(Rs. 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	50.32	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	-	(28.38)	(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	-	21.05	126.41	[illegible]	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)	(16.40)	(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	3.54	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	4.80	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 [illegible] in current year and will also be there in future years.

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STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021
NOTE 4: PROPERTY, PLANT & EQUIPMENT

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	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 Rs.1.25 crores (March 31, 2020 - Rs 21.27 crores)

Particulars	31 March 2021	31 March 2020
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	31 March 2020
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	31 March 2020
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 Rs 28.16 crores (March 31, 2020 Rs 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.

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 5: INTANGIBLE ASSETS

(Rs in crores)

	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	-	17.40	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 Amortization 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	0.05	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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021	31 March 2020
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

Key assumptions used in the value in use calculations

The following table provides the key assumptions for those CGUs that have goodwill allocated to them.

	31 March 2021	31 March 2020
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

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Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 7: INVESTMENTS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 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
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 Rs. 7 crores (Previous year : Rs. NIL) has been recognised during the year

**Investment in ASOCS is classified as fair value through OCI

NOTE 8: TRADE RECEIVABLES

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

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NOTE 9: LOANS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

NOTE 11: OTHER ASSETS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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, Rs. 547.68 crores (March 31, 2020: Rs. 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.

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 7.95 crores (March 31, 2020: Rs. 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 Rs. 1.84 crores (March 31, 2020: Rs. Nil)

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NOTE 12: INVENTORIES	**31 March 2021 (Rs. in crores)**	**31 March 2020 (Rs. in crores)**
Raw materials	206.16	174.57
[Includes stock in transit Rs 26.14 crores (31 March 2020 Rs. 17.27 crores)]		
Work-in-progress	87.96	66.05
Finished goods	252.02	135.11
[Includes stock in transit Rs. 21.33 crores (31 March 2020: Rs. 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 Rs. 34.19 crores (31 March 2020: Rs. 36.16 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

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Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 13: CURRENT INVESTMENT

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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: Rs 180 90 Crores (March 31, 2020: Rs 233 04 Crores)]	180.90	233.04
Amount of impairment in the value of investments	-	-

NOTE 14: CASH AND CASH EQUIVALENTS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs 0 47 crores (31 March 2020: Rs 0 01 crores) held as lien by banks against bank guarantees.
** Rs 0 44 crores (31 March 2020: Rs 2 86 crores) held as lien by banks against bank guarantees

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NOTE 16: ASSET CLASSIFIED AS HELD FOR SALE

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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		
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	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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)**

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021
NOTE 17: SHARE CAPITAL

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2020: 75.00) equity shares of Rs 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 Rs. 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

	31 March 2021		31 March 2020	
	Nos in crores	Rs. in crores	Nos in crores	Rs. 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 March 24, 2020, the Board of Directors had approved the buyback of Equity Shares for a total amount not exceeding Rs. 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 Rs. 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 Rs. 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:

	31 March 2021		31 March 2020	
	No. in crores	% holding	No. 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

	31 March 2021		31 March 2020	
	No. in crores	% holding	No. 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.

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NOTE 18: OTHER EQUITY

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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**
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**

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Nature and Purpose of reserves, other than retained earnings

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee stock option outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Group.

Redemption liability reserve

Redemption liability reserve is created on account of redemption liability pertaining to acquisition of IDS group. Refer note 47.

Capital reserve

Capital reserve is not available for distribution as dividend.

Debenture redemption reserve

The Group had created a debenture redemption reserve (DRR) of 25% of the total oustanding debentures out of the profits which are available for the purpose of redemption of debentures as per provisions of the Companies Act, 2013. The existing DRR is carried forward to the extent of outstanding amounts.

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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. in crores)
Non-current		
Debentures (Secured)		
Nil (31 March 2020 : 750) 8.45% Non convertible debentures of Rs. 10 lacs each	-	75.00
1,500 (31 March 2020 : 1,500) 8.70% Non convertible debentures of Rs. 10 lacs each	150.00	150.00
2,900 (31 March 2020 : Nil) 8.25% Non convertible debentures of Rs. 10 lacs each	290.00	-
1,500 (31 March 2020 : Nil) 7.30% Non convertible debentures of Rs. 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 (secured)	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.

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 Rs. 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 Rs. 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 Rs. 249.00 crores carries interest @ One Year MCLR +15 Bps p.a. Loan amount is repayable in 12 quarterly instalments from October 21 of Rs. 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 Rs. 19.45 crores carries interest @ 5.5% p.a. Loan amount of Rs. 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: Rs. 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 Rs. 29.95 crores (31 March 2020: Rs. 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 Rs. 185.97 crores (31 March 2020: Rs. 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 Rs. 137.25 crores (31 March 2020: Rs. 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 Rs. 13.72 crores (31 March 2020: Rs. 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 Rs. 18.01 crores (31 March 2020: Rs. 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 Rs. 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).

f) Foreign currency loan from bank of Rs. 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 Rs. 205.86 crores carries interest of 6 months EURIBOR + [illegible] p.a. This loan is backed by corporate guarantee from Sterlite Technologies Limited. Loan amount is repayable in 9 half yearly instalments of Euro [illegible] crores starting from [illegible] to January 2025 and thereafter Euro 0.30 crores for the period July 2025 to January 2027 (excluding interest).

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Notes to consolidated financial statements for the year ended 31 March 2021

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 34.72 crores (31 March 2020 : Rs. 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 Rs. 42.22 crores (31 March 2020: Rs. 51.28 crores) carries interest @ EURIBOR + 0.75% - 3.50% p.a.

Net debt reconciliation
This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

Particulars	**31 March 2021 (Rs. in crores)**	**31 March 2020 (Rs. 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 Rs. 104.58 crores (31 March 2020 : Rs. 129.30 crores) is Rs. 2,535.77 crores (31 March 2020 : Rs. 2,134.39 crores)

*Includes cash and cash equivalents of Rs. 7.08 crores (March 31, 2020: Rs. 3.88 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16)

** Includes other bank balance of Rs. 50.00 crores (March 31, 2020 : Rs. 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 Rs. 20.35 crores (March 31, 2020: Rs. 29.28 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

(Rs. in crores)

Non-current borrowings	**31 March 2021**	**31 March 2020**
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

	31 March 2021	**31 March 2020**
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

	31 March 2021	**31 March 2020**
Opening balance	153.48	149.01
Cashflows	46.39	4.47
Closing balance	199.87	153.48

Current Investments

	31 March 2021	**31 March 2020**
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

NOTE 20: OTHER FINANCIAL LIABILITIES

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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	0.61
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 Rs. Nil (March 31, 2020: Rs. 31.26 crores) payable towards acquisition of an associate company

NOTE 21: TRADE PAYABLES

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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**

NOTE 22: PROVISIONS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 9.50 crores as at 31 March 2021 (March 31, 2020: Rs. 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

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Notes to consolidated financial statements for the year ended 31 March 2021
Provision for warranty

The Group has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. in crores)
At the beginning of the year	1.41	1.18
Arising during the year	0.06	0.23
Utilized 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 recognized revenue of Rs. 43.59 crores (March 31, 2020 Rs 87.78 crores) arising from opening unearned revenue

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

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NOTE 24: DEFERRED TAX LIABILITIES (NET)

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

Sterlite Technologies Limited
Notes to consolidated financial statements for the year ended 31 March 2021

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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)

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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)	-

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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.

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 (Rs. in crores)**	**31 March 2020 (Rs. 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 (Rs. in crores)**	**31 March 2020 (Rs. 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 Rs. 2.50 crores (31 March 2020: Rs. 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 (Rs. in crores)**	**31 March 2020 (Rs. 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**

NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

Net employee benefit expense recognised in the statement of profit and loss:

Particulars	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 (Rs. in crores)	31 March 2020 (Rs. 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 Recognized in OCI	(3.29)	(0.35)

Amounts for the current and previous periods are as follows:

Particulars	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. in crores)	31 March 2019 (Rs. in crores)	31 March 2018 (Rs. in crores)	31 March 2017 (Rs. 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	31 March 2020
+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

STERLITE TECHNOLOGIES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS

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

Sterlite Technologies Limited
Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 26: REVENUE FROM OPERATIONS

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 4,808.86 Crores is reduced by the consideration of Rs. 13.78 Crores towards variable components.
Refer note 2 and 3 for accounting polies 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 Rs. 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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**

Sterlite Technologies Limited
Notes to consolidated financial statements for the year ended 31 March 2021
NOTE 29: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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	2,542.31
	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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 (Rs. in crores)	31 March 2020 (Rs. in crores)
Contribution to Employees Provident Fund	28.98	25.62
Total	**28.98**	**25.62**

NOTE 31: OTHER EXPENSES

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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	66.79	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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 2.75 crores (31 March 2020: Rs. 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.).

NOTE 34: TAX EXPENSES

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 372.12 crores (March 31, 2020 : Rs. 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 Rs. 0.42 crores pertaining to current tax of previous year.
#For current year, the deferred tax includes Rs. 1.65 crores for adjustment pertaining to deferred tax expense of previous year.

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021

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 Rs 2 per option.

The Group has charged Rs. 11.42 crore (31 March 2020: Rs 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.

	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	3,933,890	2	4,614,478
Granted During the year	2	1,871,240	2	1,741,630
Forfeited During the year	2	-	2	-
Exercised During the year	2	(1,532,391)	2	(1,421,264)
Expired During the year	2	(704,276)	2	(1,000,954)
Closing Balance		**3,568,463**		**3,933,890**
Vested and Exercisable		720,421		423,130

Average share price for the year ended 31 March 2021 is 148.49 (31 March 2020: Rs 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 (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	106,981	438,500
13 July 2016	01 June 2025	2	21,361	85,521
25 July 2016	01 August 2026	2	153,900	293,290
19 July 2017	01 August 2027	2	225,055	390,470
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	504,274	1,013,749
24 January 2019	25 January 2027	2	37,875	44,600
24 October 2019	24 October 2029	2	924,735	1,608,800
22 July 2020	31 July 2030	2	1,485,412	-
19 January 2021	19 January 2031	2	81,240	-
Total			**3,568,463**	**3,933,890**

Weighted Average remaining contractual life of the options outstanding at the end of the period	3.27	3.11

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 35: EMPLOYEE SHARE BASED PAYMENTS

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 (Rs 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:

- 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 (Rs 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 (Rs per Option)	2.00
Dividend Yield	2.50%
Fair Value of the option	**22.30**

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Sterlite Technologies Limited

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Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 35: EMPLOYEE SHARE BASED PAYMENTS
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 (Rs 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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Notes to consolidated financial statements for the year ended 31 March 2021

NOTE 36: EARNINGS PER SHARE (EPS)

The following table reflects the basic and diluted EPS	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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
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 recognized for (net of advances) are Rs 129.58 crores (31 March 2020: Rs 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

Year of Issue	Year upto which export obligation to be fulfilled	31 March 2021 (Rs in Crores)	31 March 2020 (Rs 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 Rs 878.20 crores (31 March 2020: Rs 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	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

2. The Company had issued Corporate guarantees amounting to INR 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 Rs. 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 Rs. 14.80 crores pertaining to an order against the Parent Company with respect to claim made by a supplier and Rs. 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 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 33.32 Crore (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

(Rs. in crores)

Particulars	31 March 2021	31 March 2020
Capital expenditure		
Plants and machinery - purchased and capitalized during the year	9.03	24.83
- Plants and machinery - purchased during the year but pending for capitalization	2.21	2.95
- Software - capitalized during the year	0.42	4.33
- IT Equipments - capitalized 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 :

	31 March 2021	31 March 2020
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	30.77
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

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 COVID19 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 Rs. 0.07 crores and balance with LIC of Rs. 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 Rs. 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 Rs. 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 Rs. 11.60 crores (31 March 2020: Rs. 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 Rs. 11.60 crores.

(Rs. in crores)

Details of CSR expenditure:	31 March 2021	31 March 2020
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 Rs. 14.65 crores (31 March 2020: Rs 29.64 crores) for the year. The Goodwill attributable to ETPL has been completely amortized in the current year ended March 31, 2021.

Sterlite Technologies Limited
Notes to consolidated financial statements for the year ended 31 March 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 B.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 Rs. 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 Rs. 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

Sterlite Technologies Limited

Price Waterhouse Chartered Accountants LLP
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Pune

Note 47 : Business Combinations
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 Rs. 4,950.42 Crores and Rs. 279.89 Crores respectively. These amounts have been calculated using the subsidiary's results.

	Revenue	Profit
	(Rs. in crores)	(Rs. in crores)
Total revenue and profit of group excluding Optotech Group	4,785.60	259.03
Revenue and profit of Optotech Group	164.82	20.85
Total	**4,950.42**	**279.88**

Purchase Consideration - cash outflow
The cash outflow for acquisition of Optotec is Rs. 234.13 crores, net of cash acquired.

Acquisition related costs
Acquisition related costs of Rs. 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.

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 Rs. 18.67 crores with respect to the redemption liability.

In the current year, the group has received a refund of GBP 0.45 million (Rs. 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%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

	31 March 2021		31 March 2020	
	Balance (Rs. In crores)	% of total loans	Balance (Rs. 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:

(Rs. 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)

NOTE 48: FINANCIAL RISK MANAGEMENT

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.

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

March 31, 2021 (Rs. 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

March 31, 2021 (Rs. 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	-

March 31, 2020 (Rs. 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

March 31, 2020 (Rs. 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	-

NOTE 48: FINANCIAL RISK MANAGEMENT

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-

(Rs. 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
March 31, 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)
March 31, 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 Rs. 122.30 crores (31 March 2020: Rs. 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.

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 Rs 0.92 crores (31 March 2020 : Rs. 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).

NOTE 48: FINANCIAL RISK MANAGEMENT

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.

(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:

(Rs. 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**

NOTE 48: FINANCIAL RISK MANAGEMENT

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 Rs. 21.04 crore, with a deferred tax liability of Rs. 5.30 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 Rs. 18.83 crore, with a deferred tax liability of Rs. 4.75 crore 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 (Rs. 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.

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 Rs. 3.51 crore, with a deferred tax asset of Rs. 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 Rs. 9.49 crore, with a deferred tax liability of Rs. 2.39 crore 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

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-Feb 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-Feb 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-Jan-23	1:1	USD:INR 66.39	(10.96)	10.96
Interest rate risk							
Interest rate swap	(73.11)	(0.69)	3-Jan-23	1:1	N/A	1.86	(1.86)

31 March 2020

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets/(Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts Assets	342.60	22.67	April 2020 - December 2023	1:1	AED:INR- 20.29 AUD:INR- 46.65 EUR:INR- 90.25 GBP:INR- 97.19 USD:INR 73.84	(58.30)	58.30
(ii) Foreign exchange forward contracts-Liabilities	193.46	(3.83)	April 2020-January 2022	1:1	EUR:INR- 88.19 GBP:INR 94.13 USD:INR- 73.25 CNH:INR-10.73	(3.18)	3.18
(iii) Foreign Currency Loan	(182.89)	11.36	3-Jan-23	1:1	USD:INR 66.39	11.18	(11.18)
Interest rate risk							
Interest rate swap	(297.77)	(2.55)	3-Jan-23	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.

NOTE 48: FINANCIAL RISK MANAGEMENT

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2021 (Rs. 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

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.

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 (Rs. in crores)	As at March 31, 2020 (Rs. 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 Rs. 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 (Rs. in crores)	31 March 2020 (Rs. in crores)
Sterlite Technologies Limited		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2020: Rs. 3.5 per share (31 March 2019: Rs. 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 Rs. 2 per share (31 March 2020: Rs. 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 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.

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021
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:

(Amount in Rs. Crores)

	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**

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Amount**	**Fair value measurement using: 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	-

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021
NOTE 50: FAIR VALUES

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:

Rs. 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 Rs. 3.23/ (2.85) crore (31 March 2020: Rs. 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 Rs. 4.49/ (5.14) crore (31 March 2020: Rs. 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 Rs. 2.62/ (2.62) crore (31 March 2020: Rs. 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 Rs. 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 Rs. 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 Rs. 2.62/ (2.62) crore

*There were no significant inter-relationships between unobservable inputs that materially affect fair values

NOTE 50: FAIR VALUES

f) Valuation processes

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values

External valuers are involved for valuation of significant assets, such as unquoted financials assets Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case

The main level 3 inputs for used by the Group are derived and evaluated as follows:
Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2021 and 31 March 2020 are as shown above.

g) Financial assets and liabilities measured at amortised cost

	31 March 2021 (Rs. 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.

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Sterlite Technologies Limited

STERLITE TECHNOLOGIES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2021

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

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Pune

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(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	Joint Ventures / Associates		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	-	[illegible]	-	-	-	-	-	-	-	-
8	Loans and advances given	0.28	0.39	-	-	-	-	-	-	0.83	0.30
9	Repayment of loans	-	-	-	-	-	-	-	-	-	29.14
10	Loan taken	-	-	-	-	-	-	-	-	-	4.05
11	Loan repaid	-	-	-	-	-	-	-	-	0.08	5.59
12	Interest charged on loans	-	-	-	-	-	-	-	-	0.84	-
13	Interest expense on loans	-	-	-	-	-	-	-	-	-	0.57
14	Management fees received	-	-	-	-	-	-	-	-	11.08	10.74
15	Reimbursement of expenses	-	-	-	-	-	-	-	-	1.62	3.10
17	Purchase of fixed assets	-	-	-	-	-	-	-	-	-	0.42
18	Purchase of goods & services	-	-	-	-	-	-	-	-	142.53	2.31
19	Sale of goods & services	26.18	33.13	-	-	-	-	-	-	16.22	9.65
20	Contributions made for CSR	-	-	-	-	-	-	-	-	11.60	8.10
21	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*

STERLITE TECHNOLOGIES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2021

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
[illegible]	**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	5.39
11	**Interest charged on loans**			
	Twin Star Technologies Ltd	Fellow Subsidiary	0.81	-
12	**Interest expense on loans**			
	Sterlite 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
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 Maanthan 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**	**31 March 2020**
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

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:

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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	-	-

Summarised statement of profit and loss of the Joint Venture:

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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 & amortization	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

	31 March 2021 (Rs. in crores)	31 March 2020 (Rs. 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

Summarised statement of profit and loss for the year ended 31 March 2021:

	31 March 2021			31 March 2020		
	MTCIL (Rs. in crores)	JSTFCL (Rs. in crores)	IDS Group (Rs. in crores)	MTCIL (Rs. in crores)	JSTFCL (Rs. in crores)	IDS Group (Rs. 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 (Rs. in crores)	JSTFCL (Rs. in crores)	IDS Group (Rs. in crores)	MTCIL (Rs. in crores)	JSTFCL (Rs. in crores)	IDS Group (Rs. 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 (Rs. in crores)	JSTFCL (Rs. in crores)	IDS Group (Rs. in crores)	MTCIL (Rs. in crores)	JSTFCL (Rs. in crores)	IDS Group (Rs. 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**

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 Crore	As % of consolidated profit and loss	INR Crore	As % of consolidated other comprehensive income	INR Crore	As % of total comprehensive income	INR Crore
Parent								
Sterlite Technologies Limited								
Balance as at 31 March 2021	39.97%	1,250.66	94.39%	251.01	36.35%	10.94	85.36%	261.95
Balance as at 31 March 2020	54.44%	1,101.38	100.61%	460.99	108.29%	(39.70)	100.64%	[illegible]
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%	-	-1.80%	(7.22)
2. Maharashtra Transmission Communication Infrastructure Limited								
Balance as at 31 March 2021	0.33%	6.79	[illegible]	(2.36)	0.00%	-	-0.77%	(2.36)
Balance as at 31 March 2020	0.36%	7.10	-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	-0.06%	(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	[illegible]	(0.30)	0.00%	-	-0.10%	(0.30)
Balance as at 31 March 2020	11.90%	241.92	-0.07%	(0.30)	0.00%	-	-0.08%	(0.30)
2. Jiangsu Sterlite and Tongguang Fibre Co. Ltd.								
Balance as at 31 March 2021	11.75%	245.10	-12.00%	(31.84)	38.33%	12.59	-6.25%	(19.25)
Balance as at 31 March 2020	13.00%	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%	(9.65)	0.00%	-	-2.29%	(9.65)

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Sterlite Technologies Limited

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Notes to consolidated financial statements for the year ended 31 March 2021

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
5. Metallurgica Bresciana S.p.A (Italy)								
Balance as at 31 March 2021	[illegible]	65.33	13.65%	36.21	6.57%	2.73	12.69%	38.94
Balance as at 31 March 2020	13.92%	201.66	6.71%	20.49	0.00%	-	7.35%	20.49
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%	0.60	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%	2.29	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	-0.43%	(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	1.68%	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[2]								
Balance as at 31 March 2021	0.10%	2.10	-0.06%	(0.15)	0.39%	0.16	0.00%	0.01
Balance as at 31 March 2020	0.13%	2.72	0.09%	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%	0.23	0.29%	(0.12)	0.04%	0.12
Balance as at 31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
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	0.08%	(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.[3]								
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.[3]								
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%	-

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
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	0.61%	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%	2,022.94	100.00%	424.44	100.00%	(36.66)	100.00%	387.78

All eliminations and adjustments are netted off against balance 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.
ASPCS (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 2(ii))

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Notes to consolidated financial statements for the year ended 31 March 2021

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 (Rs. in Crores)
Balances in retained earnings	1,323.75
Less: Adjustment on account of leases as per IND AS 116 (net of tax of Rs. 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
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
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

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.

Price Waterhouse Chartered Accountants LLPIN AAC-5001 * Pune *

Sterlite Technologies Limited *

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 (Rs. in crores)	31 March 2020 (Rs. 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 Rs. 841.00 crores (31 March 2020: Rs. 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.

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

A.V. Deshpande

Mihir Modi
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: 29 April 2021

Sterlite Technologies Limited

PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^
1.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS INDIA EQUITY PORTFOLIO	2.00
2.	BNP PARIBAS FINANCIAL MARKETS	0.15
3.	360 ONE EQUITY OPPORTUNITY FUND	0.11
4.	TURNAROUND OPPORTUNITIES FUND	0.34
5.	ZUNO GENERAL INSURANCE LIMITED	0.23
6.	AUTHUM INVESTMENT AND INFRASTRUCTURE LIMITED	0.53
7.	ASTORNE CAPITAL VCC - ARVEN	0.22
8.	ACINTYO INVESTMENT FUND PCC- CELL 1	0.07
9.	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	0.43
10.	BOFA SECURITIES EUROPE SA - ODI	0.07
11.	MACQUARIE EMERGING MARKETS ASIAN TRADING PTE. LTD.	0.07
12.	GOLDMAN SACHS (SINGAPORE) PTE. - ODI	0.44
13.	AMPERSAND GROWTH OPPORTUNITIES FUND SCHEME- I	0.18
14.	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	0.18
15.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED - ODI	0.07
16.	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.36
17.	GOLDMAN SACHS (SINGAPORE) PTE	0.07
18.	FUTURE GENERALI INDIA INSURANCE CO LTD	0.06
19.	SILVER STALLION LIMITED	0.15
20.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	2.72
21.	VOLRADO VENTURE PARTNERS FUND - III - VOLRADO VENTURE PARTNERS FUND III - BETA	1.00
22.	WINRO COMMERCIAL (INDIA) LTD	0.36
23.	BRESCON SPECIAL SITUATIONS FUND	0.21
24.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	0.36
25.	NOMURA SINGAPORE LIMITED	0.18
26.	SOCIETE GENERALE - ODI	1.28
27.	FUTURE MIDCAP FUND - ULIF014010518FUTMIDCAP133	0.05
28.	FUTURE GENERALI INDIA LIFE INSURANCE CO. LTD-SHAREHOLDERS / NON UNIT LINKED	0.12
29.	HDFC TRUSTEE COMPANY LTD. A/C HDFC CAPITAL BUILDER VALUE FUND	1.72
30.	HDFC MUTUAL FUND - HDFC DIVIDEND YIELD FUND	1.03
31.	HDFC LARGE AND MID CAP FUND	0.69
32.	BANDHAN FLEXI CAP FUND	0.64
33.	BANDHAN MULTI CAP FUND	0.36
34.	BANDHAN ELSS TAX SAVER FUND	0.73
35.	BANDHAN SMALL CAP FUND	0.45
36.	CHARTERED FINANCE & LEASING LIMITED	0.85

^ *Based on beneficiary position as on April 5, 2024.*

Note: The post-Issue shareholding (in percentage terms) of the proposed Allottees have been disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

____

Name: Ankit Agarwal
Designation: Managing Director
DIN: 03344202

Date: April 12, 2024

Place: Mumbai

DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

____

Name: Ankit Agarwal
Designation: Managing Director
DIN: 03344202

Date: April 12, 2024

Place: Mumbai

I am authorized by the Authorization and Allotment Committee, a committee of the Board of the Company, *vide* resolution dated April 12, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

____

Name: Ankit Agarwal
Designation: Managing Director
DIN: 03344202

Date: April 12, 2024

Place: Mumbai

STERLITE TECHNOLOGIES LIMITED

Registered Office:
4th Floor, Godrej Millennium,
Koregaon Road 9, STS 12/1,
Pune – 411 001, Maharashtra.

Corporate Office:
Equinox Business Park, Unit 1&2,
Ground Floor, Tower 4,
LBS Marg, Kurla (West),
Mumbai – 400 070, Maharashtra.

Tel: +91 22 3015 0400
Email: secretarial@stl.tech **|** **Website**: www.stl.tech
CIN: L31300PN2000PLC202408

Contact Person:
Amit Deshpande
Designation: Company Secretary and Compliance Officer
Tel: +91 20 30514000; **E-mail**: secretarial@stl.tech
Address: 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune - 411001 Maharashtra, India

BOOK RUNNING LEAD MANAGERS

Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)
801 - 804, Wing A Building No 3
Inspire BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai – 400051
Maharashtra, India

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower,
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi Mumbai – 400 025,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

Price Waterhouse Chartered Accountants LLP
7th Floor, Tower A – Wing 1
Business Bay, Airport Road, Yerwada,
Pune – 411 006, Maharashtra, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Cyril Amarchand Mangaldas

Mumbai:
Peninsula Chambers,
Peninsula Corporate Park,
G K Marg, Lower Parel,
Mumbai – 400 013,
Maharashtra, India.

Noida:
Level 1 & 2, Max Towers,
Plot No. C-001/A/1,
Sector 16B, Gautam Buddha Nagar,
Noida – 201 301,
Uttar Pradesh, India.

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Khaitan & Co.
One World Centre,
10th and 13th Floor, Tower 1C,
841, Senapati Bapat Marg,
Mumbai – 400 013,
Maharashtra, India.

As to United States federal securities law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049 321

SAMPLE APPLICATION FORM

STERLITE TECHNOLOGIES LIMITED

APPLICATION FORM

Registered Office: 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra;
Corporate Office: Equinox Business Park, Unit 1&2, Ground Floor, Tower 4, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra **Telephone No.**: +91 22 3015 0400**Email:** secretarial@stl.tech**; Website:** www.stl.tech, **Corporate Identity Number:** L31300PN2000PLC202408

Form No.:

Date:

Name of the Bidder: ______________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] CRORES UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY STERLITE TECHNOLOGIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹119.00 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or securities laws any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" in the accompanying preliminary placement document dated April 8, 2024 (the "PPD"). See "*Transfer Restrictions*" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Sterlite Technologies Limited
4th Floor, Godrej Millennium,
Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra;
Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ______________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the Preliminary Placement Document.
**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme.

We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) and Motilal Oswal Investment Advisors Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Transfer Restrictions* " of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we hereby make all the applicable representations, warranties and agreements as set forth in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the PPD.**

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			

BIDDER DETAILS (In Block Letters)	
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.
FOR MF	SEBI MF REGISTRATION NO
FOR AIFs***	SEBI AIF REGISTRATION NO.
FOR VCFs***	SEBI VCF REGISTRATION NO.
FOR SI-NBFC	RBI REGISTRATION DETAILS
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS.

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID	I N			
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), April 12, 2024

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Sterlite Technologies Limited - QIP 24 - Escrow Account	**Account Type**	Current
Name of Bank	Axis Bank Limited	**Address of the Branch of the Bank**	201/D/1, Gr, 1st & 2nd Flr, Indra Pusti, Fergusson College Road, Pune, 411004
Account No.	924020019398252	**IFSC**	UTIB0000037
LEI Number	L31300PN2000PLC202408	**Email**	Vishal.Lade@axisbank.com

The Application Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of **Sterlite Technologies Limited - QIP 24 - Escrow Account**. Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Book Running Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____________ Email: ____________		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised	

ENCLOSURES ATTACHED
☐ Copy of PAN Card or PAN allotment letter**
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF

Signatory (may be signed either physically of digitally)		☐ Copy of the SEBI registration certificate as a VCF ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank ☐ Copy of the IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of the power of attorney ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.
Note 3: The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Bank, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)