

# CONNECTING

EVERY HOME ON THE PLANET



**LEADER SPEAK**  
From the Chairman's Desk

**FINANCIAL HIGHLIGHTS**  
Delivering Growth through Excellence

**REGISTERED OFFICE:**

Survey No. 68/1, Rakholi Village, Madhuban  
Dam Road 396 230, Union Territory of Dadra &  
Nagar Haveli, India.

**LOCATIONS:**

Brazil, China, India, Netherlands, Russia, South Africa,  
Turkey, United Arab Emirates, United Kingdom.

**BOARD OF DIRECTORS:**

Anil Agarwal, Pravin Agarwal, A. R. Narayanaswamy,  
Arun Tadarwal, C. V. Krishnan, Haigreve Khaitan,  
Anand Agarwal, Pratik Agarwal.

**CHIEF FINANCIAL OFFICER:** Anupam Jindal

**COMPANY SECRETARY:** Amit Deshpande

**MANAGEMENT COMMITTEE:**

Pravin Agarwal (Whole-time Director), Anand Agarwal  
(CEO & Whole-time Director), Anupam Jindal  
(CFO), K. S. Rao (COO – Telecom Business & Power  
Conductors), Pratik Agarwal (Head – Infrastructure  
Business), Ajay Bhardwaj (COO – Grid Business),  
Vijay Jain (COO – Networks Business), Ankit Agarwal  
(Global Head-Telecom Business), Prasanth Puliakottu  
(CIO), Pankaj Priyadarshi (CCO), Kamal Sehgal  
(Leader – Business Excellence), Vimal Malhotra  
(Head – Human Resources), Rajendra Mishra (COO – Power Cables), Ravindra Utgikar (Head – Communication Services).

**AUDITORS:** S. R. Batliboi & Co. LLP

**BANKERS:**

Axis Bank, Bank of Baroda, Bank of Maharashtra,  
Citibank, Corporation Bank, EXIM Bank, HDFC Bank,  
ICICI Bank, Kotak Mahindra Bank, Oriental Bank of  
Commerce, State Bank of India, Union Bank,  
Yes Bank, Deutsche Bank.

**REGISTRAR & TRANSFER AGENTS:**

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**FORWARD-LOOKING & CAUTIONARY STATEMENT:**

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

**COVER FEATURE**
**AN ERA OF SMART  
CONNECTIVITY**

&gt; PAGE 8

**LET'S TALK  
ABOUT NUMBERS**

&gt; PAGE 26

**LEADER SPEAK**

From the Chairman's Desk.....1

**BUSINESS HIGHLIGHTS**

Looking Back.....2

In the News .....3

**FINANCIAL HIGHLIGHTS**

Delivering Growth through Excellence.....4

**BUSINESS PERFORMANCE**

Letter to the Shareholders.....6

**EXPERT OPINION**

Optical Fiber: The urgent need  
for Deployment in India.....40

**CLIENT FEATURE**

Enabling concrete business results  
through Customer Centric Collaborative  
Approach.....42

Enabling India's Progress through Power:  
Sterlite's High Performance Conductors.....44

**INFRASTRUCTURE PERSPECTIVE**

Privatization of the Indian Transmission  
Industry & our role in strengthening  
the Grid.....48

Transformation through Broadband.....52

Fiber - Real Energy Saver.....54

**LEADERSHIP**

Board of Directors.....56

Executive Committee.....58

**REPORTS**

Director's Speak.....60

Corporate Governance Report.....67

Secretarial Audit Report.....80

Clearing the mist.....82

**FEATURE STORY**

Auditor's Report (Standalone).....85

Financials (Standalone).....88

Auditor's Report (Consolidated).....127

Financials (Consolidated).....128

**RESOURCES**

Sterlite Blog.....167

Book Review.....168

**CASE STUDY**
**WINNING THROUGH  
COLLABORATION &  
COMPETENCE**

&gt; PAGE 28

**THE STATE OF THE BUSINESS  
PROCESS & TECHNOLOGY**

&gt; PAGE 30

**DRIVING SUSTAINABILITY  
THROUGH  
WORLD-CLASS PARTNERSHIPS**

&gt; PAGE 32


**BUILDING A SUSTAINABLE  
FUTURE FOR WEAKER  
SECTIONS OF THE SOCIETY**

&gt; PAGE 34

**ENABLING A SAFE CULTURE**

&gt; PAGE 36

**ADVANCING OUR PORTFOLIO  
THROUGH INNOVATION**

&gt; PAGE 38

# FROM THE CHAIRMAN'S DESK



IMPROVED INFRASTRUCTURE AND CONNECTIVITY CAN PLAY A GREAT ROLE IN BUILDING A NATION. WE AT STERLITE, TAKE GREAT PRIDE IN DOING OUR BIT IN THIS REGARD. THE WORLD IS LOOKING AT US AND WE NEED TO DO A LOT FOR OUR PEOPLE BY EMPOWERING THEM WITH BETTER INFRASTRUCTURE AND DEEPER CONNECTIVITY.

2013 was continuation of another year where the GDP of developing economies continued to grow at about 5-7% whereas the developed economies grew at 1-2%. The year was also characterized by sudden upheavals of economic crisis across the world for instance the stalemate in US over a budget issue in October 2013 that led to a virtual shutdown. What follows such events is a short term or even long term uncertainty. Indian economy had held fort till 2011 with average GDP growth rate of about 8.5%. However, since last three years, it has been struggling to reverse the decline at about 5%.

While 2013 was another difficult year for Indian economy, marred by uncertainties due to policy logjams and government inactiveness, private enterprise continued its optimism to a large extent. While efforts are being made to keep our nation on growth trajectory, just like state run companies, private sector companies also have the onus of playing a major role.

Improved infrastructure and connectivity play a great role in building a nation. We at Sterlite, take great pride in doing our bit in this regard. The world is looking at us and we need to do a lot for our people by empowering them with better infrastructure and deeper connectivity. It is the opportunities in infrastructure that has attracted investment to India in past few years. With the advent of globalization, the rise of social media, and more recently with the increasing mobility of internet, the need to stay connected has been rising exponentially. It is an established correlation that deeper the internet penetration to the remotest areas of a country, the faster is the GDP growth. According to a recent United Nations report, fixed broadband penetration is about 28% in developed economies, 6% in developing countries and only 0.2% in the least developed countries. This is the reason many developing countries across the world, including India, are investing heavily into enabling rural broadband. India will soon see its ambitious National Optical Fiber Network project take shape as it endeavors to connect 250,000 rural nodes across the country. Power transmission infrastructure in India on the other hand needs to receive a larger focus and speedier project initiations. An emerging economy like India needs to plan its transmission infrastructure in an efficient way by setting up new transmission lines and uprating the current carrying capacity of the

existing choked transmission lines. Private sector is keen to participate and has started to play a big role in shaping India's data & power transmission segments. What is required is a perfect alignment and synchronization between public and private sector needs.

For a long time now, we have been talking about creating super-highways of data & electricity as a need for better future. In reality we have already crossed the stage and we are at a juncture where we can say that the need was yesterday. At Sterlite, we have vision of capacity building and have prepared ourselves over the years to meet demands of tomorrow. We have strengthened our Research & Development initiatives to roll-out transmission solutions. Our Center of Excellence facility at Aurangabad, India has an objective to accelerate Sterlite's vision of building national competence towards Terabit scale communications. We have also been focusing on enhancing our portfolio of offerings in power transmission segment that increases efficiency of the transmission infrastructure while reducing carbon foot print.

Along with infrastructure, we will continue our focus on education, environment and health. We continue to empower children by educating them through virtual classrooms.

Going forward, we will continue to be even stronger in our commitment to be a customer centric and process-driven organization with focus on discipline, motivation and optimal utilization of resources. Equipped with unique capabilities, we will continue to work in a direction to build nations with end-to-end connectivity of data & electricity. ■

## Anil Agarwal

Chairman, Board of Directors  
Sterlite Technologies Limited

# BUSINESS HIGHLIGHTS: LOOKING BACK



## BEST INNOVATION IN FIBER INFRASTRUCTURE 2013

Awarded by Amity University



## WEBWARDS 2013

for [sterlitechtechnologies.com](http://sterlitechtechnologies.com)



## MOST INNOVATIVE PRODUCT AWARD

for low loss medium voltage power cables at Elecrama 2014



## FROST & SULLIVAN – IMEA

Manufacturing Excellence Award;  
Silver Certification



## BEST IT USAGE

Awarded by  
Indian Merchant Chamber



## TOP TELECOM CABLE COMPANY 2013

Awarded by Voice & Data



## CISO 100

Awarded by CISO platform



## TOP TELECOM CABLE COMPANY 2013

Awarded by Amity University

Healthy Y-O-Y volumes growth in Optical Fiber, Optical Fiber Cables, Data Cables, OPGW & Power Cables Businesses

Purnea-Bihar Sharif power transmission line completion of ENICL project; Start of revenue from September 2013

130,000 homes connected with high speed broadband through our FTTH solutions

Stronger product portfolio with new products for maximum efficiency in data transmission; revenues from new products amounting to US\$ 30 Mn

Global market expansion with JV in Brazil for Optical Fiber Cable

Two new Grid Projects (RAPP and PKTCL)

About 25% of power conductor sale from international markets

## MAJOR DEVELOPMENTS IN THE COMPANY THAT KEPT US IN THE NEWS IN 2013-14

### STERLITE TECHNOLOGIES ENTERS INTO JOINT VENTURE WITH CONDUSPAR CONDUTORES ELETRICOS TO MANUFACTURE OPTICAL FIBER CABLE IN BRAZIL

**JULY 10, 2013**

Sterlite Technologies Limited has entered into a Joint Venture agreement with Conduspar Condutores Eletricos Limitada ("Conduspar"). Conduspar is one of the largest companies in Brazil specialized in providing copper and aluminium cables for low and medium voltage applications in Latin America. The 50-50 joint venture will be a greenfield facility in Curitiba within the state of Parana (Brazil), and produce optical fiber cables for the Latin American markets. One of the fastest growing markets for fiber cable, Latin America at present, has an annual demand of more than 10 million fiber kilometers. This venture would be a key milestone towards Sterlite's global expansion strategy of its telecommunications business.

### STERLITE TECHNOLOGIES LAUNCHES ENHANCED FAMILY OF BEND-INSENSITIVE FIBERS

**JULY 18, 2013**

Sterlite Technologies Limited announced the launch of three new products in its bend-insensitive BOW LITE family of fibers. These include the brand new BOW LITE SUPER (G.657.B3), and significantly improved BOW LITE PLUS (G.657.A1) and BOW LITE ENHANCED (G.657.A2, B2) fibers. All fibers have industry leading specifications for attenuation and macro-bend loss with tight geometry control making them particularly suitable for Fiber to the Home (FTTH) applications.

Additionally, since bandwidth demands of end consumers keep increasing at an exponential rate, carriers have to future proof their network assets, even as they are deploying current generation technology. With its significantly low macro bend loss and attenuation, Sterlite family of bend

insensitive fibers are the perfect solution to the carriers' FTTH needs, suited to all FTTH architectures and deployment conditions. The BOW LITE series complies or exceeds ITU Recommendations and IEC 60793-2-50 optical fiber specifications.

### STERLITE TECHNOLOGIES HELPS TATA POWER AUGMENT POWER CARRYING CAPACITY FOR A CRITICAL MUMBAI LINE

**AUGUST 13, 2013**

Sterlite Technologies Limited announced that it has completed installation and commissioning of a challenging project in the heart of Mumbai requiring significant upgrade in the power carrying capacity for a critical line of Tata Power. Sterlite executed this turnkey project for Tata Power – a leading T&D utility in India. The project involved rendering of services like design, supply and installation of high capacity, high strength carbon composite core conductors on an existing critical arterial 22 kV line delivering power to a number of industrial customers and a local college. This unique solution has resulted in an exponential increase in the power transmission capacity of the existing IIT Powai to Saki transmission line that criss-crossed over a thickly populated slum area comprising closely spaced hutments and hilly terrain. "The lines on which ACCC conductors have been installed are very old lines traversing through populated areas," says M. V. Deodhar, Assistant Engineer – Projects, Tata Power. "The idea was to go for light weight conductor so that we can retain our existing structures and augment the line capacity" Deodhar adds.

### STERLITE GRID SUCCESSFULLY COMMISSIONS INDIA'S FIRST ULTRA MEGA TRANSMISSION PROJECT

**SEPTEMBER 18, 2013**

Sterlite Grid Limited, a wholly owned subsidiary of Sterlite Technologies Limited has successfully commissioned a 231 km long, 400 kV double-circuit quad transmission line that connects Purnia and Bihar Sharif substations in the state of Bihar.

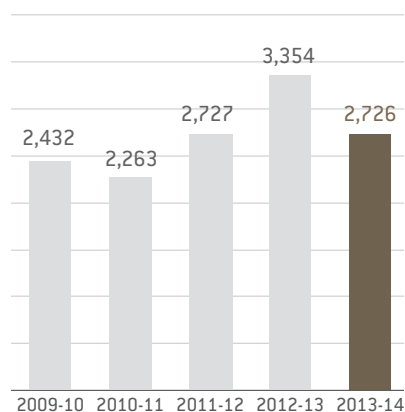
This line was identified as the highest priority line by Power System Operation Corporation Limited (POSOCO), India's national power grid operator. Sterlite was selected to build India's first Ultra Mega Transmission Project (UMTP) with two 400 kV transmission lines under tariff-based competitive bidding. The line provides critical connectivity for power transfer from the Hydro power plants in the North Eastern (NE) region. This will bring on-line enough transmission capacity to power more than 1 million homes in North East Bihar and Northern India. Sterlite is confident of commissioning all its subsequent lines and substations at regular intervals. With the completion of this Purnia - Bihar Sharif transmission line, Sterlite Grid has successfully completed installation of one transmission line in the East North Interconnection (ENICL) Transmission Project.

### STERLITE GRID WINS TWO MORE POWER TRANSMISSION PROJECTS

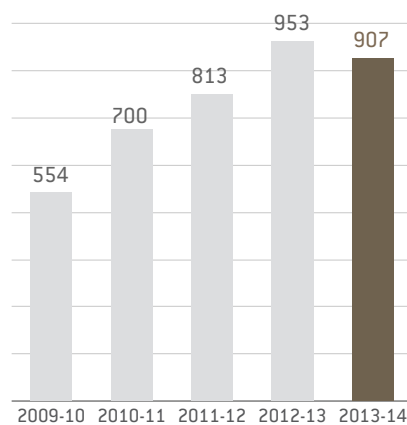
**SEPTEMBER 20, 2013:**

Sterlite Grid Limited, a subsidiary of Sterlite Technologies Limited, has secured two major projects. Both the transmission projects will be developed on BOOM basis, and has been awarded by Power Finance Corporation of India – the nodal agency. The first project – Rajasthan Atomic Power Project "RAPP-Unit 7, 8" transmission project – will transfer power from the atomic power plant near Kota in Rajasthan to Shujalpur in Madhya Pradesh. This line, when commissioned, will further strengthen power transfer capability from Northern Grid to Western Grid. The second project, namely "ERRS-7" will include establishment of two 400 kV double circuit lines between Ranchi & Chaibasa in Jharkhand; besides Kharagpur & Purulia in West Bengal. This is considered to be the first of its kind private sector transmission project in India. The project will further strengthen Sterlite's presence in the Eastern region after the recent commissioning of the Purnia-Bihar Sharif line in Bihar. ■

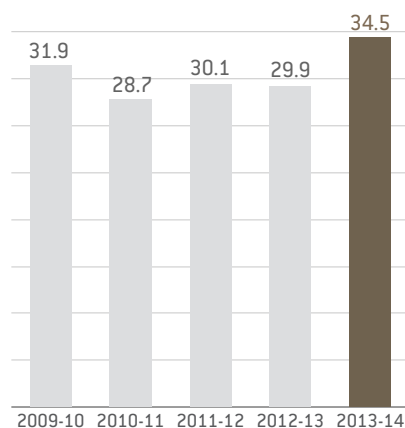
# DELIVERING GROWTH THROUGH EXCELLENCE



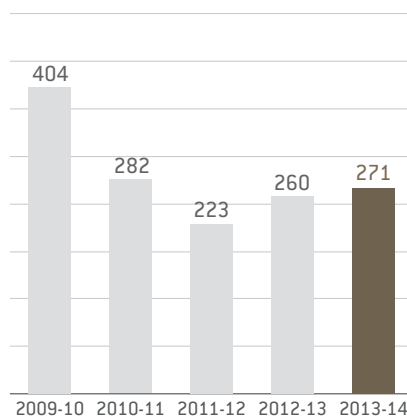
NET REVENUES (₹ IN CRORES)



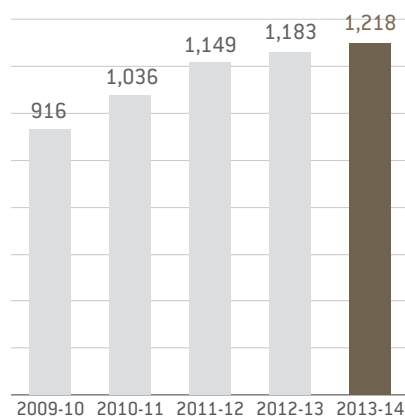
EXPORTS (₹ IN CRORES)



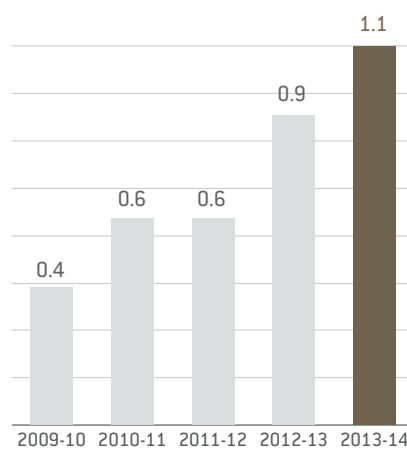
GROSS MARGIN (%)



EBITDA (₹ IN CRORES)



NET WORTH (₹ IN CRORES)



DEBT / EQUITY RATIO

|   | 2013-14      | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|---|--------------|---------|---------|---------|---------|
| <b>₹ IN CRORES</b>                      |              |         |         |         |         |
| Net Revenues                            | <b>2,726</b> | 3,354   | 2,727   | 2,263   | 2,432   |
| Growth%                                 | <b>-19</b>   | 23      | 21      | -7      | 6       |
| EBITDA                                  | <b>271</b>   | 260     | 223     | 282     | 404     |
| EBIT                                    | <b>168</b>   | 174     | 152     | 226     | 356     |
| PBDT                                    | <b>176</b>   | 155     | 128     | 234     | 366     |
| PAT                                     | <b>50</b>    | 47      | 44      | 141     | 246     |
| Diluted EPS (₹)                         | <b>1.27</b>  | 1.20    | 1.11    | 3.72    | 7.34    |
| <b>US\$ IN MILLION</b>                  |              |         |         |         |         |
| Net Revenues                            | <b>454.3</b> | 559.0   | 454.5   | 377.2   | 405.3   |
| EBITDA                                  | <b>45.2</b>  | 43.3    | 37.2    | 47.0    | 67.3    |
| EBIT                                    | <b>28.1</b>  | 29.1    | 25.3    | 37.6    | 59.3    |
| PBDT                                    | <b>29.3</b>  | 25.8    | 21.3    | 39.0    | 61.0    |
| PAT                                     | <b>8.3</b>   | 7.8     | 7.3     | 23.5    | 41.0    |
| <b>RATIOS</b>                           |              |         |         |         |         |
| EBITDA Margin                           | <b>9.9</b>   | 7.8     | 8.2     | 12.4    | 16.6    |
| EBIT                                    | <b>6.2</b>   | 5.2     | 5.6     | 10.0    | 14.6    |
| PBDT Margin                             | <b>6.5</b>   | 4.6     | 4.7     | 10.4    | 15.0    |
| PAT Margin                              | <b>1.8</b>   | 1.4     | 1.6     | 6.2     | 10.1    |
| Effective Tax Rate (%)                  | <b>31.3</b>  | 31.0    | 22.8    | 21.1    | 22.5    |
| Operating Capital Employed (INR Crores) | <b>1,528</b> | 1,474   | 1,489   | 1,615   | 1,334   |
| Return On Capital Employed (%)          | <b>11.0</b>  | 11.8    | 10.2    | 14.0    | 26.7    |
| Debt Equity Ratio                       | <b>1.1</b>   | 0.9     | 0.6     | 0.6     | 0.4     |

## NOTES:

ROCE = EBIT/ Operating Capital Employed | Debt Equity Ratio = Debt/Net Worth | Conversion Rate 1US\$ = ₹60

All numbers are for standalone financials



## NET REVENUES

2014 (in crores)  
**₹ 2,726**

# LETTER TO THE SHAREHOLDERS



## DEAR SHAREHOLDERS,

It gives us great pleasure to present our annual report for the financial year 2013-14. This year, we continued to maintain our unique position with strong presence in both power and telecommunication industries. We continue to remain true to our vision of “connecting every home on the planet”.

While the year did not see a great achievement in revenues compared to the last year, we have been successful in improving our profitability as a result of our conscious decisions in choosing our customers and partners and also due to our process driven approach throughout the year. Collaboration is the key to our success and we are continually working on enhancing our engagement with all stakeholders. As an organization we plan our work in time, set goals for ourselves and strive hard towards achieving them. We are pleased to share with you that we have made good progress in the year gone by.

In continuation to our strategy of increasing our presence in international markets, we have entered new geographies in Middle East, Europe and Latin America regions, where we are serving top global telecom operators and power utilities

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as our key customer accounts. With addition of three more projects in the power transmission infrastructure segment, we are now playing a major role in shaping India's power transmission network. Going forward, we will remain focused on expanding the business in new geographies backed by our experience in executing large national infrastructure projects

We closed our financial year with revenues of ₹ 2726 Crores and EBITDA of ₹ 271 Crores. Our profitability moved up 210 basis points compared to FY13. The Net Profit for FY14 stands at ₹ 50 Crores. Diluted EPS for the year is ₹ 1.27 and the Board of Directors of the Company has recommended a dividend of 15% for the year, subject to approval from shareholders. You will be pleased to note that we have started the current year (FY15) with a healthy order book of ₹ 2550 crores.

## HIGHLIGHTS OF THE YEAR

In Telecom segment, we added more global telecom operators as customer accounts and in domestic market, we booked a major order from Bharat Broadband Network Limited (BBNL) to supply the largest share of Optical Fiber Cables for India's prestigious National Optical Fiber

Network (NOFN) project. We also won few major orders from leading telecom operators in India and are partnering with them for their 4G rollout across the country. We continued to focus on research and development and released bend insensitive series of advanced optical fiber product range. With addition of another patent granted in this year, Sterlite's patent count has now stands at 47.

We have been focusing on growing international sales. This year, our export component of conductor sales stands at 25% with addition of many new global customer accounts.

Earlier, we had entered China market with a Joint Venture with Jiangsu Tongguang Communication and this year, we have expanded our business in Latin American region by entering into a JV with Conduspar Condutores Eletricos to manufacture optical fibre cable in Brazil.

As one of the most integrated Optical Fiber Companies in the world, we are also pioneering the Fibre To The Home (FTTH) deployment in the country having connected around 130,000 homes across cities in India with ultra-high speed broadband infrastructure.

In the power segment, we are developing several prestigious power transmission infrastructure projects spanning over 3000 Kms across India. We have successfully commissioned India's first Ultra Mega Transmission Project, Purnea-Bihar Sharif a 231 km long, 400 kv double-circuit quad transmission line. The line provides critical connectivity for power evacuation from the Hydro power plants in the North Eastern (NE) region. The line was commissioned in a record time under challenging working conditions.

The company expects to progressively commission other lines of East-North Interconnection (ENICL), Bhopal-Dhule Transmission (BDTCL) and Jabalpur Transmission (JTCL) projects including the substation during course of FY15. For the two new projects secured during the FY14, Rajasthan Atomic Power Project (RAPP) & ERRS - 7, the transfer of Special Purpose Vehicle from Power Finance Corporation has concluded and the financial closure will happen during the next financial year.

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AS WE MOVE FORWARD,  
WE WILL CONTINUE TO  
STRIVE HARDER TO GAIN  
PREMIER POSITION AS  
INDUSTRY LEADERS IN  
TRANSMISSION OF DATA  
AND ELECTRICITY. THROUGH  
OUR KNOWLEDGE  
OF NETWORKS, WE  
REINFORCED OUR STRONG  
RELATIONSHIP WITH  
GLOBAL CUSTOMERS.

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### FUTURE PROSPECTS

In the near future, a lot of investment in telecom and power infrastructure creation is going to create new business models. These business models offer a huge potential for companies like ours because of our unique capabilities in both

power and telecom segments. Continuation of 3G deployments and start of 4G deployments by major telecom operators in key geographies including India, WiFi enabled cities, Defense Network Deployment, National Fiber Network projects, Power Transmission Corridors, Re-conductoring of existing transmission lines, etc. are few examples of such projects. Globally, growth in mobile broadband data usage is driving revenue growth and helping to support investment for converged services. Europe is experiencing some large scale broadband investment initiatives. Spain in particular is putting high emphasis of FTTH, where all four major operators have entered into agreements to build out FTTH networks. Italy, Portugal and Germany are other markets showing good amount of traction by telecom operators pursuing FTTx initiatives. Domestically, for the power transmission business, we are witnessing signs of demand revival. As a company we are maintaining a strong focus on creating new global accounts and growing export markets.

Going forward, we will make efforts to further build key global accounts and reduce our dependency on domestic market. As we move forward, we will continue to strive harder to gain premier position as industry leaders in transmission of data and electricity. Through our knowledge of networks, we reinforced our strong relationship with global customers. We will be committed to delivering best in class value based solutions to our customers. We remain thankful for being given an opportunity to play a role towards creating great infrastructure and super-highways of data and electricity across the globe. ■

**Pravin Agarwal**  
Whole-time Director

**Anand Agarwal**  
Chief Executive Officer

# AN ERA OF SMART CONNECTIVITY

By Benoy Varghese & Jeetendra Bisht  
Business Analysts

