Sterlite Technologies Limited
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July 25, 2016

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

BSE Limited
Phirozee Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Sub: Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 – Standalone & Consolidated Financials

Ref.: Scrip ID - STRTECH/ Scrip Code - 532374

Dear Sirs,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 – Standalone & Consolidated Financials as approved in the Audit Committee meeting held on July 25, 2016

Thanking you.

Yours faithfully,

For **Sterlite Technologies Limited**

A.V. Deshpande

Amit Deshpande
Company Secretary
(ACS 17551)

Enclosures: As above

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 – Standalone Financials

[Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)*
	1.	Total income	2,052.53	NA
	2.	Total Expenditure	1,871,48	NA
	3.	Net Profit/ (Profit after Tax)	181.05	NA
	4.	Earnings Per Share (Basic)	4.59	NA
	5.	Total Assets	2,489.88	NA
	6.	Total Liabilities	1,674.92	NA
	7.	Net Worth	814.96	NA
	8.	Any other financial item(s) (as felt appropriate by the management)	-	NA
	*Based on merits of the case and the legal opinion obtained, the management believes that the Company has been carrying adequate provisions for contingencies in the Books of Account in this matter and does not require any further provisioning.			
II.	**Audit Qualification (each audit qualification separately):**			

a. Details of Audit Qualification:

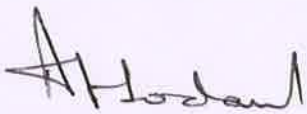
Basis for Qualified Opinion

As stated in Note no. 45(A) to the accompanying standalone financial statements, the Company had in an earlier year received an order of CESTAT upholding a demand of Rs.188 crores (including penalties and excluding interest) (Rs.188 crores as at March 31, 2015) in a pending excise/customs matter. The Company's appeal against this order with the Honourable Supreme Court has been admitted. Based on the current status and legal advice received, provision for liability as recorded and disclosed in Note no. 8 in the accompanying standalone financial statements is considered adequate by Management. In the event the decision of the Honourable Supreme Court goes against the Company on any of the grounds of appeal, additional provision against the said demand may be required. Pending disposal of the matter by the Honourable Supreme Court, we are unable to comment on the adequacy of the provisions made towards the amount of excise / customs duty payable. Our audit opinion on the standalone financial statements for the year ended March 31, 2015 was also qualified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair

	view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, of its profit and its cash flows for the year ended on that date.
	b. Type of Audit Qualification : Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. Frequency of qualification: ~~Whether appeared first time~~ / repetitive / since how long continuing: Appearing since Financial Year 2003-04.
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: **Management Views to the Qualification** The remark of Auditors at basis for Qualified Opinion paragraph of the Auditor's Report over Note No. 45(A) in Notes to Accounts to the Standalone financial statements of the Company regarding demand of excise duty and penalty amounting to Rs. 188 crores is self-explanatory and does not require further comment. In the year 2004-05 CESTAT upheld the demand of Rs. 188 crores and interest thereon for alleged breach of norms pertaining to Export Oriented Unit (EOU). The Company had filed an appeal before the Hon'ble High Court of Bombay against this order. The Department had also made an appeal against the same CESTAT order before the High Court of Bombay. The Company's appeal against this order was dismissed by the Hon'ble High Court on the grounds that appeal is not maintainable in High Court, however without prejudice to the rights of the Company. Subsequently, the Company had filed a Special Leave Petition (SLP) and appeal before the Supreme Court of India which was admitted by the Court. Hon'ble Supreme Court has also maintained the stay granted by Hon'ble High Court. The Hon'ble Supreme Court considering that the departmental appeal against the CESTAT order was still pending before the High Court, disposed of the Special Leave Petition of the Company and directed that the records of the departmental appeal be transferred to the Supreme Court and both the Appeals i.e. Departmental Appeal as well as Civil Appeal of the Company be heard together by the Supreme Court. Based on merits of the case and the legal opinion obtained, the management believes that the Company has a strong case and it has been carrying adequate provisions for contingencies in the Books of Account in this matter and does not require any further provisioning. The Company has obtained legal opinion from a leading Law firm in India having expertise on Indirect tax matters which states that the Company has a strong case in its favour and the provision made in respect of the above matter is adequate. The Audit Committee agrees to the view expressed by the Law firm that the Company has a strong case and that the current provisioning in the books is adequate.
	(i) Management's estimation on the impact of audit qualification: Based on merits of the case and the legal opinion obtained, the management believes that the Company

	has been carrying adequate provisions for contingencies in the Books of Account in this matter and does not require any further provisioning.
	(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
	(iii) Auditors' Comments on (i) or (ii) above: Since the matter is pending before the Honourable Supreme Court, we are unable to comment on the adequacy of the provisions made by the management in the books of account towards the amount of excise / customs duty payable and the related interest and penalties, if any.
III.	**Signatories:**
	 **Anand Agarwal** **CEO & Whole-time Director**
	 **Anupam Jindal** **Chief Financial Officer**
	 **Arun Todarwal** **Audit Committee Chairman**
	For S R B C & CO LLP **Chartered Accountants** **ICAI Firm Registration Number: 324982E/E300003**  **per Paul Alvares** **Partner** **Membership Number: 105754** **Statutory Auditor**
	Place: Pune
	Date: July 25, 2016

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 – Consolidated Financials [Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)*
	1.	Turnover / Total income	2,173.58	NA
	2.	Total Expenditure	2,016.44	NA
	3.	Net Profit/(Loss) (Profit after Tax)	157.14	NA
	4.	Earnings Per Share (Basic)	3.83	NA
	5.	Total Assets	2,640.41	NA
	6.	Total Liabilities (including minority interest)	1,941.56	NA
	7.	Net Worth	698.85	NA
	8.	Any other financial item(s) (as felt appropriate by the management)	-	NA
	*Based on merits of the case and the legal opinion obtained, the management believes that the Company has been carrying adequate provisions for contingencies in the Books of Account in this matter and does not require any further provisioning.			
II.	**Audit Qualification (each audit qualification separately):**			
	a. Details of Audit Qualification: **Basis for Qualified Opinion** As stated in Note no. 38(A) to the accompanying consolidated financial statements, the Company had in an earlier year received an order of CESTAT upholding a demand of Rs.188 crores (including penalties and excluding interest) (Rs.188 crores as at March 31, 2015) in a pending excise/customs matter. The Company's appeal against this order with the Honourable Supreme Court has been admitted. Based on the current status and legal advice received, provision for liability as recorded and disclosed in Note no. 9 in the accompanying consolidated financial statements is considered adequate by Management. In the event the decision of the Honourable Supreme Court goes against the Company on any of the grounds of appeal, additional provision against the said demand may be required. Pending disposal of the matter by the Honourable Supreme Court, we are unable to comment on the adequacy of the provisions made towards the amount of excise / customs duty payable. Our audit opinion on the consolidated financial statements for the year ended March 31, 2015 was also qualified in respect of this matter. **Qualified opinion** In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true			

	and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, of its profit and its cash flows for the year ended on that date.
	b. Type of Audit Qualification : Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. Frequency of qualification: ~~Whether appeared first time~~ / repetitive / since how long continuing: Appearing since Financial Year 2003-04.
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: **Management Views to the Qualification** The remark of Auditors at basis for Qualified Opinion paragraph of the Auditor's Report over Note No. 38(A) in Notes to Accounts to the Consolidated financial statements of the Company regarding demand of excise duty and penalty amounting to Rs. 188 crores is self-explanatory and does not require further comment. In the year 2004-05 CESTAT upheld the demand of Rs. 188 crores and interest thereon for alleged breach of norms pertaining to Export Oriented Unit (EOU). The Company had filed an appeal before the Hon'ble High Court of Bombay against this order. The Department had also made an appeal against the same CESTAT order before the High Court of Bombay. The Company's appeal against this order was dismissed by the Hon'ble High Court on the grounds that appeal is not maintainable in High Court, however without prejudice to the rights of the Company. Subsequently, the Company had filed a Special Leave Petition (SLP) and appeal before the Supreme Court of India which was admitted by the Court. Hon'ble Supreme Court has also maintained the stay granted by Hon'ble High Court. The Hon'ble Supreme Court considering that the departmental appeal against the CESTAT order was still pending before the High Court, disposed of the Special Leave Petition of the Company and directed that the records of the departmental appeal be transferred to the Supreme Court and both the Appeals i.e. Departmental Appeal as well as Civil Appeal of the Company be heard together by the Supreme Court. Based on merits of the case and the legal opinion obtained, the management believes that the Company has a strong case and it has been carrying adequate provisions for contingencies in the Books of Account in this matter and does not require any further provisioning. The Company has obtained legal opinion from a leading Law firm in India having expertise on Indirect tax matters which states that the Company has a strong case in its favour and the provision made in respect of the above matter is adequate. The Audit Committee agrees to the view expressed by the Law firm that the Company has a strong case and that the current provisioning in the books is adequate.
	(i) Management's estimation on the impact of audit qualification: Based on merits of the case and the legal opinion obtained, the management believes that the Company

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III.	**Signatories:**
	Anand Agarwal **CEO & Whole-time Director**
	Anupam Jindal **Chief Financial Officer**
	Arun Todarwal **Audit Committee Chairman**
	For S R B C & CO LLP **Chartered Accountants** **ICAI Firm Registration Number: 324982E/E300003** **per Paul Alvares** **Partner** **Membership Number: 105754** **Statutory Auditor**
	Place: Pune
	Date: July 25, 2016