Sterlite Power

Empowering Humanity

2 BILLION

2 DEGREE

FREEDOM FROM CARBON

Sterlite Power Transmission Limited

ANNUAL REPORT 2020-21

Inside this Report

EXCHANGE RATE

(As on March, 2021)

US$ 1 = ₹73.17

R$ 1 = ₹12.94

CAUTIONARY STATEMENT

Certain statements in this Annual Report relating to the Company's growth prospects are forward looking in nature, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Sterlite Power at a Glance

Who We Are

We are a leading private sector power transmission infrastructure developer and solutions provider, operating in India and Brazil.

According to CRISIL Research, we are the largest private player in terms of project portfolio under the inter-state tariff-based competitive bidding (TBCB) route, with a market share of the 26% of transmission projects awarded through the TBCB route. Further, according to data from the Brazilian Electricity Regulatory Authority (ANEEL), we have a 13% market share of the transmission projects auctioned by ANEEL in the period January 2017-June 2021.

We commenced operations in 2006 as the transmission grid business division of Sterlite Technologies Limited. The business division was demerged and transferred to our Company in 2016. We expanded internationally by commencing operations in Brazil in 2017.

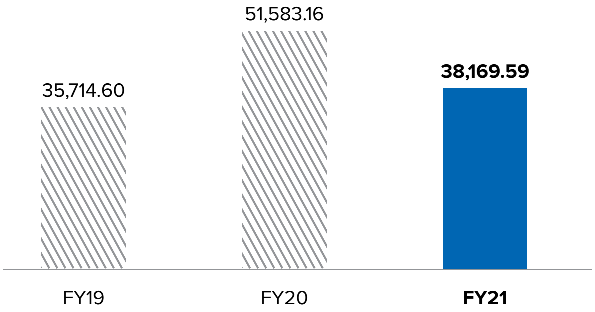
We develop integrated power transmission infrastructure and provide solution services through two business units: Global Infrastructure and Solutions. Our Global Infrastructure business unit has a global focus, with operations currently in India and Brazil. Our Solutions business unit consists of the products sub-unit, which manufactures and supplies a wide range of products including high-performance power conductors, optical ground wire (OPGW) and extra-high voltage (EHV) cables; and the Master System Integration (MSI) sub-unit, which provides bespoke solutions for the upgrade, uprate and fiberisation of existing transmission infrastructure projects. In addition, we also operate the Convergence business unit, which leverages existing power utility infrastructure for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks. While the contribution of the Convergence business unit to our overall business is currently minor, we believe it provides us an opportunity for future growth.

Key Performance Indicators (KPIs)

Our Robust Business Performance

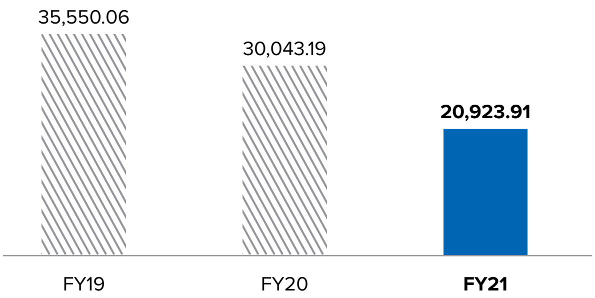
Total Income

(₹ in Million)



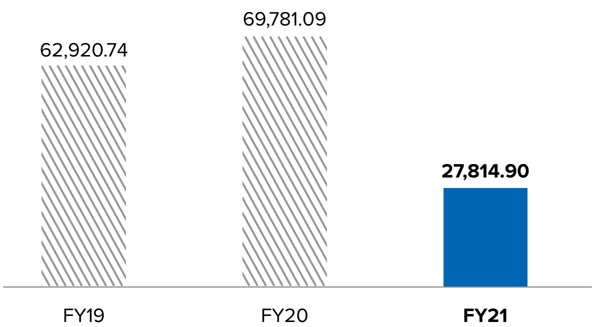
Revenue from Operations

(₹ in Million)



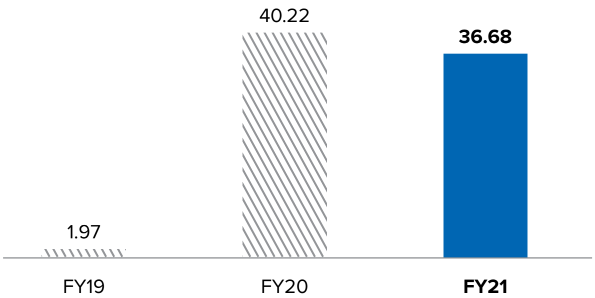
Total Borrowings

(₹ in Million)



ROCE[(1)]

(%)



Notes:

(1) ROCE, or returns on capital employed, is the ratio of our consolidated EBIT (which we calculate by adding back income tax expense and finance costs to our restated profit/(loss) for the year) to our average capital employed, for the periods indicated. We calculate capital employed as our total assets less our current liabilities. Average capital employed for a fiscal year is the simple average of the capital employed as of the last day of the prior fiscal year and the last day of the current fiscal year. The ROCE is calculated basis the restated financials for last 3 years.

Key Milestones

Our Growth Story

2015

Incorporation of our Company

2016

- Commissioned the RAPP Transmission Company Ltd. (RTCL) Project
- Commissioned the Jalandhar-Samba line, a section of our Northern Region Strengthening Scheme - XXIX (NRSS - XXIX) Project
- Invested in the Finland-based company, Sharper Shape Inc.
- Demerged from Sterlite Technologies Limited (STL)
- Won bids for the Arcoverde and Vineyards projects in Brazil
- Set up an infrastructure investment trust (IndiGrid) in accordance with the SEBI (Infrastructure Investment Trust) Regulations, 2014

2017

- Won bid for the Novo Estado Project in Brazil
- Transferred two projects (held by Bhopal Dhule Transmission Company Ltd. (BDTCL) and Jabalpur Transmission Company Ltd. (JTCL)) to IndiGrid
- The units of IndiGrid are listed on the Stock Exchanges

2018

- Acquired 28.41% stake in Sterlite Power Grid Ventures Limited (SPGVL) (now merged into our Company) from, amongst others, Standard Chartered Private Equity
- Won six new transmission projects in Brazil (Dunas, Borborema, Sao Francisco, Goyaz, Marituba and Solaris)
- Commissioned other elements of the NRSS-XXIX Project
- Won the Pampa Project, a transmission project in Brazil; taking the project count in Brazil to 10
- Entered into a Public Private Partnership (PPP) with Gurugram Smart City to build an intra city fiber network

2019

- Won an order of approximately US$ 46.7 Million for supply of ACCC (Aluminum Composite Core Conductor)
- Entered into agreements with IndiGrid for the sale of four transmission assets to IndiGrid

2020

- Received accreditation for our OPGW laboratory (17025:2017) from the National Accreditation Board for Testing and Calibration Laboratories (NABL)
- Addition of three Inter-State Transmission System (ISTS) projects to our portfolio (Western Region Strengthening Scheme - XIX (WRSS-XIX), North Eastern Region Strengthening Scheme – IX (NERSS-IX) and Western Region Strengthening Scheme – XXI (WRSS-XXI))
- Commissioned the Gurgaon Palwal Transmission Limited (GPTL) Project
- Concluded sale of three Brazilian assets: Arcoverde, Novo Estado and Pampa
- East-North Interconnection Company Limited (ENICL) flipped to IndiGrid

2021

- **NER and GPTL flipped to IndiGrid**
- **Investment by AMP Capital in the Investee HoldCos**

Board of Directors

Guided by Experts

Pravin Agarwal

**Chairman &
Non-Executive Director**

Pravin Agarwal is the Chairman and Non-executive Director of our Company. He holds a bachelor's degree in commerce from the Patna University. He has been associated with the Sterlite Power group since its inception and has significant experience in general management and commercial affairs. Previously, he has held directorship positions in Sterlite Technologies Limited, East-North Interconnection Company Limited and Speedon Network Limited and has an overall experience of 24 years as a director in overseeing and handling management of companies. He has been a Director on our Board since May 5, 2015.

Pratik Pravin Agarwal

Managing Director

Pratik Pravin Agarwal is the Managing Director of our Company. He holds a master's degree in business administration from the London Business School, University of London and a bachelor's of science degree in economics from the University of Pennsylvania. He has an overall experience of 10 years as a director in overseeing and handling management of companies. Previously, he has held directorship positions in Sterlite Technologies Limited, Sterlite Ports Limited, Vizag General Cargo Berth Limited, and Speedon Network Limited. In 2018, he was awarded the Economic Times 40 Under Forty award. He is a member of the National Committee on Power constituted by the Confederation of Indian Industry (CII) for Fiscal 2021, Co-Chairman of the Infrastructure and Real Estate Committee constituted by the IMC Chamber of Commerce and Industry, and President of Electric Power Transmission Association (EPTA) of India. He was also the Chairman of the Core Group on Transmission constituted by CII for fiscal 2019 and a part of the Task Force on Power Transmission constituted by the Federation of Indian Chambers of Commerce and Industry (FICCI) in 2013. He has been a Director on our Board since June 1, 2016.

Alampallam Ramakrishnan Narayanaswamy

Independent Director

Alampallam Ramakrishnan Narayanaswamy is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and is also a fellow member of the Institute of Chartered Accountants of India. He has an overall experience of 26 years as a director in overseeing and handling management of companies. Previously, he has held directorship positions in Hindustan Zinc Limited, Sterlite Technologies Limited, MALCO Energy Limited and IBIS Logistics Private Limited. He has been a Director on our Board since July 22, 2019.

Zhao Haixia

Independent Director

Zhao Haixia is an Independent Director of our Company. She holds bachelor's degree in engineering from Zhejiang University and a master's degree in science from the University of Maryland. She has experience in global energy and infrastructure and banking sectors. Previously, she has worked with BP Singapore Pte. Ltd., Singapore, and with AES Transpower Private Limited as Director, Business Development. She has been a Director on our Board since September 11, 2019.

Anoop Seth

Independent Director

Anoop Seth is an Independent Director of our Company. He holds a master's degree in management studies from The Birla Institute of Technology and Science, Pilani. He has an overall experience of 25 years as a director in overseeing and handling management of companies. Previously, he has held directorship positions in AMP Capital Advisors India Private Limited, GATI Limited, and IL&FS Energy Development Company Limited. He has been a Director on our Board since July 31, 2020.

Management Team

Our Efficient Leadership

KEY MANAGERIAL PERSONNEL

Pratik Pravin Agarwal
Managing Director

Anuraag Srivastava
Chief Financial Officer

Ashok Ganesan
Company Secretary

SENIOR MANAGERIAL PERSONNEL

Manish Agarwal
Chief Executive Officer (Infrastructure & Solutions Business)

Amitabh Prasad
Country Manager, Brazil

Awards and Recognition

Achieving Milestones

Our Company was awarded the 'Project of the Year Award' at the PMI Awards 2020, in the large category for the project NRSS-XXIX by the Project Management Institute, India.

Our Company was awarded the 'Process Innovation of the Year' at The Economic Times Innovation Awards 2020.

Our Company was awarded the 'Golden Peacock Occupational Health & Safety Award 2020' by the Institute of Directors, India.

Our Company was awarded The Year in Infrastructure 2020 Award, in the utilities and communications category by Bentley Systems, Inc.

Our Company was awarded 'Utility Deal of the Year' and 'Utility M&A Deal of the Year' at the Asset Triple A Asia Infrastructure Awards 2020.

Our Company was the Gold Winner at the IPMA Global Project Excellence Awards 2020, in the small/medium sized projects category for the 'Ganga River crossing for the 400 kV D/C quad conductor Purnia – Bihar Shariff transmission line restoration'.

Our Company was the Bronze Winner at the IPMA Global Project Excellence Awards 2020, in the large-sized project category for the GPTL Project

Our Company was certified as a great workplace by the Great Place to Work Institute, India

Technology Leadership

Powering Innovative Solutions

Set forth below are some of our key technology related initiatives:

TransAnalyst

We are developing TransAnalyst in-house as a geographic information system (GIS)-backed planning and analytics tool which is expected to aid us in the planning of power transmission lines. The platform suggests the least cost/ optimum route by considering all geological and regulatory constraints. This is of great importance to the project management team to avoid frequent manual interventions and corresponding delays. TransAnalyst provides benefits of reducing time, accuracy of digital data, iterative capability, minimising manual intervention and data driven decision making.

Hydrology Studies

Transmission lines are built with the objective of ensuring reliable power delivery to the consumers over lifespan of the lines. Major challenges are faced to ensure reliability of transmission towers in areas of river crossings, streams and water bodies because of continuous change in direction of river flow over a time-period. In order to ensure that transmission towers remain intact with river flow, scour protections are used on tower foundations.

Conventional method of identifying towers which are close to river path and to design scour protection is to use toposheets and Google imagery. Also, slope of terrain is calculated using manual calculations and toposheet. The conventional method is a manual process, is time consuming and prone to errors.

In order to eliminate challenges posed by conventional methods, we are using satellite imagery, digital elevation model and hydrology modelling tool to identify the pattern of river flow. The use of satellite imagery leads to accuracy in modelling river flow and identification of scour protection.

Building Information Modeling

For substation designing, we utilise 3D design and 4D construction methodologies, which provide the benefits of faster, data-driven decision making, avoiding project delays, better safety planning and better planning for regulatory clearances.

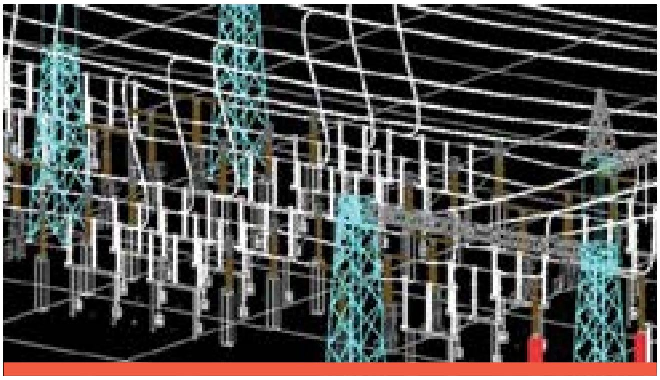
Satellite Imagery – Digital Terrain Model

One of challenges faced in the delivery of transmission projects is the variance in route profiles during the project construction stage due to non-availability of good resolution and accurate terrain data through conventional survey methods. Conventional survey methods typically require longer to collect terrain data for route profiling and are intensive manual processes. This may also lead to inaccurate terrain data and variance in route profile during project construction, leading to loss of time in project.

Owing to challenges faced in route profiling, we are moving towards utilising high resolution satellite imagery for creating terrain data for route profiling. Route profiles created using high resolution satellite imagery are generally more accurate and less time consuming, leading to saving of time in project.

CDC

Containerised Data Centres (CDC) is a plug-and-play edge data-centre solution for telcos, designed to allow them to accelerate their time to market, improve response time and uplift the overall customer experience.



Building Information Modeling

CDC with Fencing

Ster-Eco

This conductor has been specially designed for addressing the losses during renewable energy transmission. Also known as 'low-loss conductor', it contributes to lowering emission of greenhouse gases, has inherent strength and high concentration of aluminum in the define diameter. It can reduce I^2R losses in the transmission line by up to 30% compared to a same size conductor. This product is environment-friendly and helps in reducing carbon emissions.

PVT

DG Sets are one of the primary sources to power telecom antennas, especially in areas where uninterrupted power is unavailable. We have come up with the solution of using power voltage transformers (PVTs) to directly tap power from the extra high-voltage transmission lines and power telecom antennas hosted on transmission towers. This helps in reducing carbon-footprint in the environment.

Multi-Circuit

Implementation of multi-voltage multi-circuit towers is intended to enable us to minimize the physical footprint in the forest/wildlife areas.

NER - Helicopter use

We used lightweight helicopters to transport large volumes of materials across various locations. This allowed us to overcome hilly terrains, inaccessible remote locations and restrictions imposed due to the COVID-19 lockdown.

Information Technology

Our technology systems encompass digital platforms, enterprise applications, cyber security tools, all hosted over a hybrid infrastructure stack, including a private cloud for the core ERP and public cloud for our evolving digital footprint. Digitisation is one of our key pillars for IT and, with this in mind, we have invested in building multiple applications as part of an integrated ecosystem to bring about efficiency and optimisation. Few examples of core processes that have undergone digital transformation include business acquisition – the bidding stage in which our transmission routes are generated through an in-house developed digital platform for route prediction. Further, our "CanvasR" application is used for pre-bid surveys to capture and share in-field observations in real time to finalise the most efficient route.

Our "Right of Way" application aims to reduce the land acquisition turnaround time and support a documentation framework for land documents. Similarly, the Quality Audit application aims to track and monitor compliance of all CTQs during tower setup and ensure early identification and redressal of any non-compliance issues. Our core project execution is tracked on platforms to enable high performance project delivery.

Our sales processes are executed digitally on our Salesforce CRM platform, empowering the sales and commercial excellence teams to manage the sales pipeline and drive productivity with a digital channel available to them on both web and mobile app. We leverage SaaS based applications to run processes that support our core business.

Usage of Lightweight Helicopters in NER

Multi circuit towers

Business Overview

Growing a Future-Ready Business

Global Infrastructure

Our Global Infrastructure business unit develops power transmission infrastructure projects in India and Brazil. We are one of the leading developers of power transmission infrastructure in India, where we bid for, design, construct, own and operate power transmission assets. In India, we typically outsource the construction of our projects to external contractors. In Brazil, we partner with external construction companies to develop projects on a BOOT basis. Our EPC order book for Global Infrastructure business unit (which represents the contracted EPC revenues of our Company (at a standalone level) to be received upon the completion of ongoing projects in India) amounted to approximately ₹ 24,070 Million, ₹ 32,100 Million and ₹ 46,580 Million for fiscals 2019, 2020 and 2021, respectively.

Our assets are located in strategically important areas from the perspective of transmission connectivity, transferring power from generating centres to load centres to meet inter-regional power deficits. We believe this makes their existence critical and their high replacement cost makes the transmission assets indispensable.

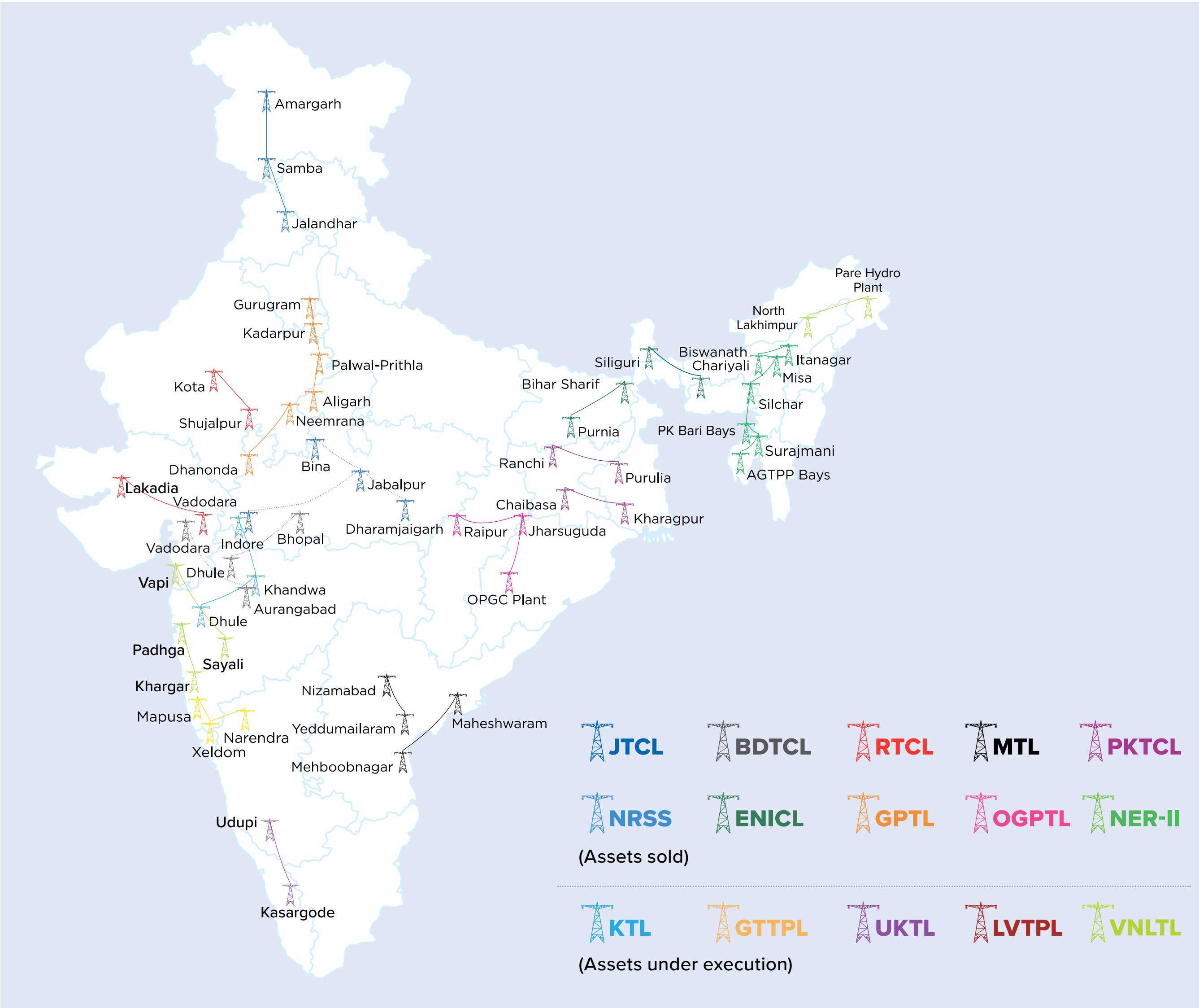
The following sets forth a summary description of our ongoing projects:

ONGOING PROJECTS IN INDIA

S. No.	Project Name	Transmission Line/ Substation	Configuration	Route Length (ckm)	Actual/ Scheduled Commission Date	Total transformation capacity (MVA)	Expiry of TSA	Capital Expenditure, as determined by CEA (₹ Million)	Levellised Tariff (₹ Million)
1	Khargone Transmission Limited	LILO of one ckt of Khandwa – Rajgarh line at Khargone TPP	400 kV D/C line	14	February 2018	-	November 2056	21,360	1,591.13
		Khargone TPP Switchyard – Khandwa Pool	400 kV D/C line	50	March 2020	-			
		Khandwa Pool – Indore	765 kV D/C line	180	March 2020	-			
		Khandwa Pool – Dhule	765 kV D/C line	383	July 2019*	-			
		Khandwa pooling station	765/400 kV	-	March 2020	3000 MVA			
		2 Nos. of 765 kV line bays and 7x80 MVAR Switchable line reactors (1 Unit as spare) along with 800 Ω NGR and its auxiliaries for Khandwa Pool – Dhule 765 kV D/C at Dhule 765/400 kV substation	765 kV line bays	-	July 2019*	-			
2	Lakadia Vadodara Transmission Project Limited	Lakadia-Vadodara Line	765 kV D/C line	658	December 2020	-	December 2055	21,000	1,788.66
		Lakadia-Bay along with switchable line reactors	765 kV, 2X330 MVA	-	December 2020	-			
		Vadodara Bay along with switchable line reactors	765 kV, 2X330 MVA	-	December 2020	-			
3	Udupi Kasargode Transmission Limited	Udupi-Kasargode Line	400 kV D/C line	231	November 2022	-	November 2057	7,550	847.44
		Kasargode Sub-station	400/220 kV	-	November 2022	2X500 MVA			
		Udupi Bay	2x400 kV line bays and bus bar extension	-	November 2022	-			
4	Goa-Tanmar Transmission Project Limited	Dharamjaigarh - Tamnar line	765 kV D/C line	137	July 2021	-	November 2056	15,310	1,647.75
		Xeldem - Narendra line	400 kV D/C line	187	November 2021	-			
		Xeldem -Mapusa line	400 kV D/C line	110	May 2021	-			
		Xeldem - Xeldem line	220 kV D/C line	41	May 2021	-			
		Xeldem Substation	400/220 kV	-	May 2021	2X500 MVA			

S. No.	Project Name	Transmission Line/ Substation	Configuration	Route Length (ckm)	Actual/ Scheduled Commission Date	Total transformation capacity (MVA)	Expiry of TSA	Capital Expenditure, as determined by CEA (₹ Million)	Levellised Tariff (₹ Million)
5	Vapi II- North Lakhimpur Transmission Limited	Part-A: LILO at Banaskantha	400 kV D/C line	35	October 2022	-	December 2058	20,000	2,565.92
		Part-B: Vapi-2 Sub-Station	400/220 kV	-	April 2023	2X500 MVA			
		Part-B: LILO at Vapi-2	400 kV D/C line	12	April 2023	-			
		Part-B: 125MVAR Bus Reactor		12	April 2023	-			
		Part-B: Vapi-2 to Sayali line	220 kV D/C line	44	April 2023	-			
		Part-C: Padghe to Kharghar Line	400 kV D/C line	140	December 2023	-			
		Part-C: LILO of Padghe Ghatkopar at Navi Mumbai	400 kV S/C line	19	December 2023	-			
		Part-C: LILO of Apta to Taloja/ Kalwa at Navi Mumbai	220 kV D/C line	6	December 2022	-			
		Part-D: Pare HEP to North Lakhimpur line	132 kV D/C line	59	June 2023	-			
		Part-D: 2nos. 132 kV line bays at North Lakhimpur end	132 kV	-	June 2023	-			
		Part-D: LILO of Pare HEP to North Lakhimpur Line at Nirjuli	132 kV D/C line	31	June 2023	-			
		Total							**8,440.90**

*Due to a delay in the completion of the Khandwa Pool – Dhule line, the anticipated COD of the transmission line/substation is November 2021.



This map is a graphical representation designed for general reference purposes only

ONGOING PROJECTS IN BRAZIL

S. No.	Project Name	Transmission Line/ Substation	Configuration	Route Length (ckm)	ANEEL COD	Total transformation capacity (MVA)	TSA Expiry	ANEEL Budgeted Capital Expenditure (BRL in Million)	Levellised RAP (BRL in Million)	ANEEL Budgeted Capital Expenditure (₹ Million)	Levellised RAP (₹ Million)*
1	Borborema Transmissao De Energia S.A	LT 500 kV Campina Grande III - João Pessoa II, com 123 km; SE 500/230/69 kV João Pessoa II - 500/230 kV Secc LT 230 kV Goianinha - Mussuré II na SE João Pessoa II - 2 x 0,5 km. Secc LT 230 kV Goianinha - Santa Rita II na SE João Pessoa II - 2 x 0,5 km. Secc LT 230 kV Santa Rita II - Mussuré II na SE João Pessoa II - 2x0,5 km. SE João Pessoa II (setores 230/69kV)	1 x 500 kV Transmission lines (127 km)	126	March 2023	750	30 Years from the date of signing of agreement, i.e. September 4, 2018	366.85	25.70	4,747.04	332.56
2	Sao Francisco Transmissao De Energia S.A	LT 500 kV Porto de Sergipe - Olindina C1, com 180 km; LT 500 kV Olindina - Sapeaçu C1, com 207 km; LT 230 kV Morro do Chapéu II - Irecê C2 e C3 - CD, com 65 km.	2 x 500kV Transmission line (387km)	454	September 2023	-	30 Years from the date of signing of agreement, i.e. September 4, 2018	773.0	52.51	10,002.62	679.48
3	Goyaz Transmissao De Energia S.A	LT 230 kV Edeia - Cachoeira Dourada - C1, com 150 km; SE Barro Alto 230 kV - Compensador Estático 230 kV - 1 x (-75/+150) Mvar; SE 345/230 kV Pirineus - (novo pátio) em 345 kV - (6+1 res.) x 100 MVA; Secc da LT 345 kV Samambaia - Bandeirantes - C2 na SE Pirineus, com 2 x 1 km.	1 x 230kV Transmission lines (150km)	150	September 2022 March 2023	600	30 Years from the date of signing of agreement, i.e.	322.00	25.32	4,166.68	327.64
4	Marituba Transmissao De Energia S.A	LT 230 kV Janaúba 3 - Jaíba - CD - C1 e C2 - 93 km;	1 x 345kV (112km) + 1 x 230kV Transmission Lines (93km)	373	March 2023	-	30 Years from the date of signing of agreement, i.e. September 4, 2018	560.00	61.63	7,246.40	797.49
5	SE Vineyards Transmissao De Energia S.A(1)	SE Lajeado, LT 230 kV Lajeado 2 - Lajeado 3, LT 23 kV Lajeado – Garibaldi SE Vinhedos (Seccionamento da TL 230 kV Monte Claro - Garibaldi CD LT 230 kV Candiota 2 - Bage 2	3 x 230kV Transmission Line (115km)	112.4	August 2022	496	30 Years from the date of signing of agreement, i.e. August 11, 2017	395.00	34.53	5,111.30	446.82

S. No.	Project Name	Transmission Line/ Substation	Configuration	Route Length (ckm)	ANEEL COD	Total transformation capacity (MVA)	TSA Expiry	ANEEL Budgeted Capital Expenditure (BRL in Million)	Levellised RAP (BRL in Million)	ANEEL Budgeted Capital Expenditure (₹ Million)	Levellised RAP (₹ Million)*
6	Solaris Transmissao De Energia S.A	LT 230 kV Janaúba 3 - Jaíba - CD - C1 e C2 - 93 km;	1 x 345kV (112km) + 1 x 230kV Transmission Lines (93km)	205.2	September 2022	800	30 Years from the date of signing of agreement, i.e. September 4, 2018	403.00	31.43	5,214.82	406.70
		SE 230/138 kV Jaíba - 230/138kV (6+1R) x 33,3 MVA;									
		LT 345 kV Pirapora 2 - Três Marias - C1 - 108 km;			January 2024						
		SE 500/230/138 kV Janaúba 3 - 500/230 kV (6+1R) x 100 MVA.			September 2022						
		Total						**2,819.85**	**231.12**	**36,599.12**	**2999.73**

*Converted from BRL to ₹ using the conversion rate as of March 31, 2021 of 1 BRL= ₹ 12.94

(1) We have entered into a sale agreement with Vinci Energeia Fundo De Investimento EM Participacoes Infraestrutura and Cymi Construcoes Participacoes S.A. to sell our stake in Vineyards with a long stop date of March 2022.

As of April 1, 2021, the total unexecuted project cost of all our ongoing projects in Brazil is ₹ 29,855 Million.

This map is a graphical representation designed for general reference purposes only

The table below sets forth the total equity investment estimated for our ongoing projects in India:

Ongoing Projects	Equity Investment (₹ Million)
GTTPL	3,000
NER	7,850
LVTPL	6,070
UKTL	1,930
KTL	4,410
Total	**23,270(1)(2)**

(1) Out of this total investment, AMP Capital's investment amounts to ₹ 9,500 Million

(2) VNLTL, UKTL, LVTPL and GTTPL have entered into EPC contracts with the Company on a lumpsum turnkey basis for supply and services of the associate companies. As per the AMP Framework Agreement, the profit on such contracts are earned entirely by our Company and the profit on sale of SGL13, SGL14, SGL18 and SGL29 will be shared between AMP and our Company

A summary of our Global Infrastructure operational model is set out below:

- **Planning and Conceptualisation:** We undertake project implementation through a plan that is prepared after identifying the potential major constraints that may impact the cost and schedule of the project. Accordingly, we endeavour to front-end critical activities along with identifying areas where technology interventions may enhance productivity. Further, the timely receipt of regulatory approvals is critical for us to meet the timelines of our projects. Accordingly, we identify areas where government support and intervention are required at the planning and conceptualisation stage.
- **Capital Expenditure and Investment Approvals:** During the bid stage itself, our project team prepares a detailed cost estimate for each bid based on the scope and technical requirements of the project. We also take inputs from our design and engineering and supply chain management teams for the preparation of the cost estimate. Our investment committee approves the cost estimate prior to the submission of the bid. Subsequently, after winning the bid, the investment committee prepares and approves a bid budget, based on the cost estimate, before we commence the execution of the project.
- **Design and Engineering:** We prepare optimised designs in compliance with the CEA regulations. Design optimisations for the transmission line are done using power line systems – computer-aided design and draft and for substation layout optimisation, 3D building information systems are used. In addition, we have a large library of tower, foundation and substation designs which are available for use in future projects.
- **Procurement Process and Award of Contracts:** We have developed healthy and reliable partnerships with reputed EPC suppliers/partners and substation OEMs in the transmission industry. These strong partnerships have played a major role in executing challenging projects and delivering them within the stipulated timeframe. We follow a transparent and competitive process of selecting the EPC and OEM suppliers for each project.
- **Detailed Engineering:** We refine and further optimise the designs considered during the bid for cost estimates so as to arrive at the perfect blend of cost and strength. The refinement and optimisations during detailed engineering are done based on the inputs received from the detailed survey.
- **Quality Assurance and Inspection:** Our QHSE policy is aimed at covering the expectations of stakeholders/ interested parties, continual improvements of industrial practices and the creation of good quality assets. We endeavour to optimise tower and substation foundation design to consume minimum land and natural resources. We also carry out field quality checks. We also

carry out workshops with our EPC partners, civil partners, design engineering, quality, safety and project teams in relation to quality assurance.

- **Project monitoring:** To monitor and analyse the performance of our projects, we utilise project management processes such as weekly/fortnightly/ monthly meetings at different levels within the organisation. These processes help us in avoiding construction errors during execution of work at site. We also have a central project management office which prepares project plans and tracks progress regularly (i.e. monthly, quarterly, semi-annually and annually). This team maintains close co-ordination with all the stakeholders responsible for project execution such as project director, quality and safety team, regulatory team and costing team and offers any catch up/ corrective measures to address any shortcomings.

Key Contractual Arrangements

TSAS AND RSAS

Our subsidiary KTL and the Investee SPVs have entered into transmission services agreements (TSAs) and revenue sharing agreements (RSAs), as required, the key terms of which are provided below.

TSA

In India, power transmissions projects are awarded to us under the TBCB mechanism on a BOOM basis. These projects earn revenue pursuant to TSAs and tariff orders passed by CERC in accordance with the Electricity Act, 2003.

We have entered into TSAs with long-term transmission customers to set up projects on a BOOM basis and to provide transmission services to such customers. The term of each TSA is 35 years from the scheduled commercial operation date of the respective project, unless terminated earlier in accordance with the terms of the TSA. The TSAs provide for, among other things, details and procedures for project execution, development and construction, operation and maintenance.

The inter-state transmission service customers and inter-state transmission service licensees are required to abide by the detailed billing, collection and disbursement procedure of the central transmission utility (CTU) and with the terms of the TSA. The CTU raises bills and also collects and disburses in accordance with the detailed billing, collection and disbursement procedures of the CTU, as approved by Central Electricity Regulatory Commission (CERC). The accounting and collection mechanism for the inter-state transmission charges and losses is governed through a TSA executed between the CTU and inter-state transmission service licensee and the disbursement mechanism is governed through an RSA between the CTU and inter-state transmission service licensee. Under the terms of the TSA, each inter-state transmission service customer has agreed to allow the CTU to enforce recovery of payment through a letter of credit on behalf of all the inter-state transmission service licensees in the event of default of payment. If payment by an inter-state transmission service customer against any invoice raised under the billing, collection and disbursement procedure, is outstanding beyond 30 days after the due date or in case the required letter of credit or any other agreed payment security mechanism is not maintained by the inter-state transmission service customer, the CTU is empowered to undertake regulation of power supply on behalf of all the inter-state transmission service licensees so as to recover charges under the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 (the “Power Supply Regulations”). In addition, the Sharing Regulations 2010 have been amended and replaced by the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, which have come into effect from November 1, 2020.

The TSA also provides for force majeure relief to the inter-state transmission service licensees and inter-state transmission service customers (the "Affected Parties") affected by the occurrence of a force majeure event. The TSA defines a force majeure event as an event or circumstance, or a combination thereof, that wholly or partly prevents or unavoidably delays the Affected Party in the performance of its obligations under such TSAs, but only if and to the extent that such event or circumstance is not within the reasonable control, directly or indirectly of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care, and includes, among others, an act of God, act of war, radioactive contamination, industry-wide strikes and labour disturbances having a nationwide impact in India. To the extent not prevented by a force majeure event, the Affected Party must continue to perform its obligations under the TSA and must use its efforts to mitigate the effect of such event, as soon as practicable. Neither the inter-state transmission service customer nor inter-state transmission service licensee will be in breach of its obligations under the TSA, except to the extent that the performance of its obligations was prevented, hindered or delayed due to a force majeure event. Each inter-state transmission service customer or inter-state transmission service licensee is entitled to claim relief for a force majeure event affecting its performance in relation to its obligations under the TSA. Computation of availability under outage due to a force majeure event must be in accordance to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 as amended from time to time and any subsequent enactment thereof.

The TSA also defines change in law as being, among other events, (i) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any law, including rules and regulations framed pursuant to such law, (ii) change in the interpretation or application of any law by the Government of India having the legal power to interpret or apply such law, or any competent court of law, (iii) the imposition of a requirement for obtaining any consents, clearances and permits which were not required earlier or a change in the terms and conditions prescribed for obtaining such consents, clearances and permits; (iv) any change in tax or the introduction of any tax made applicable for transmission service by the inter-state transmission service licensees, as per the terms of the TSA; (v) any change in the licensing regulations of the CERC under which the transmission licence for the respective project was granted. During the construction phase of a project, the impact of increase/decrease in the cost of the project in the transmission charges is to be governed by the formula set out in the TSA. During the operation period, any adjustment in the monthly transmission charges due to a change in law is to be determined and effective from such date as decided by the CERC, subject to rights of appeal provided under applicable law. Further, in case of ISTS awarded through the competitive bidding process under Section 63 of the Electricity Act, the reference date for determining the implications of change in law is seven days prior to the relevant bid due date for submission of a tariff bid.

In addition, the TSAs also identify events of default attributable to the inter-state transmission service licensee which, inter alia, includes failure of commissioning of any element of the relevant project within six months from the scheduled commercial operation date. On the occurrence of such events of default, the TSAs may be terminated in accordance with the procedure set out in the TSAs.

The TSAs also provide for dispute resolution by way of amicable settlement between the parties and where such dispute cannot be resolved amicably, recourse to the CERC is also available, which has the right to adjudicate disputes arising out of the TSAs.

RSA

Pursuant to the Sharing Regulations 2010, the transmission charges billed in accordance with the billing, collection and disbursement procedures set out in the TSAs are disbursed to the inter-state transmission system licensees by the CTU, pursuant to and in accordance with the RSAs entered into by some of our project companies. The Point of Connection (PoC) charges for use of inter-state transmission services by the inter-state transmission service customers are billed and collected by the CTU on behalf of all inter-state transmission service licensees. The CTU must disburse the collected transmission charges to the respective inter-state transmission service licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of the PoC charges in accordance with the billing, collection and disbursement procedure set out in the TSAs with the CTU. Delayed payment or partial payment by any inter-state transmission service customers results in a pro-rata reduction in the payouts to all the inter-state transmission service licensees and owners of deemed inter-state transmission service whose transmission charges have been considered for the purpose of calculation of PoC charges. The revenue sharing statements to be submitted to the CTU and the modality of disbursements by the CTU must be in accordance with the billing, collection and disbursement procedure. The inter-state transmission services licensee also has a right to dispute the contents of revenue sharing statements before the CERC. Each interstate transmission licensee, under the applicable RSA, empowers the CTU to enforce recovery of payment from the inter-state transmission service customers through payment security mechanisms in the event of default or partial payment by the interstate transmission service customer, in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee has further agreed and empowered the CTU to invoke the provisions of the Power Supply Regulations in accordance with the detailed billing, collection and disbursement procedure for any default by the inter-state transmission service customers.

SERVICE CONCESSION AGREEMENTS (BRAZIL)

In relation to our projects in Brazil, our subsidiaries enter into service concession agreements with ANEEL, which regulates the construction, operation and maintenance of transmission facilities. The term of the concession is 30 years. The agreements provide that upon the entry into operation of the transmission project, the project company will be entitled to annual permitted revenue (RAP), as set out in the agreement. Pursuant to the agreement, ANEEL periodically reviews the RAP every five years. In accordance with the service concession agreement, we are liable to pay penalty for unavailability of transmission facilities to ANEEL. Further, we are also eligible for additional RAP as an incentive for improving the availability of transmission facilities.

The forfeiture of the concession may be declared in case of (i) interruption of the public transmission service due to unavailability of the transmission function for a period exceeding 30 consecutive days; (ii) unjustified delay in the execution of authorised works in a period exceeding 180 days. The concession will be considered terminated when: (i) the contractual term ends; (ii) expropriation of the service; (iii) forfeiture; (iv) termination; (v) annulment resulting from defect or irregularity found in the procedure or in the act of granting it; or (vi) bankruptcy or extinction of the transmission company.

OPERATIONS AND MAINTENANCE OF OUR TRANSMISSION NETWORKS

The operation of our partially operational transmission systems is primarily our responsibility.

We are subject to the oversight of the Power System Operation Corporation Limited and CERC, which are responsible for system operation and control, including inter-state and intra-state power management, inter-state and inter-regional transfer of power, covering contingency analysis and operational planning on a real-time basis as well as the operation of regional and state-level unscheduled interchange pool accounts and regional and state-level reactive energy accounts.

Consequently, our operations and maintenance strategy focus on deploying prudent grid management practices to achieve the following objectives:

- to achieve the targeted system availability specified in the TSAs;
- to optimise the life cycle cost of transmission lines by preventive actions;
- to maximise excellence in quality, health, safety, security and environment; and
- to optimise operation and maintenance costs.

We deploy skilled employees and engage third party operation and maintenance agencies to operate and maintain our partially operational assets. We select outsourcing partners, implement sound technical solutions, develop activity charts and conduct scheduled maintenance. We also outsource specific maintenance, repair, supervision and security tasks by choosing capable vendors as well as finalising optimum work orders.

Solutions

Our Solutions business unit specialises in upgrading, uprating and strengthening existing power delivery networks and consists of Solutions (Products) and Solutions (MSI). Solutions (Products) manufactures and supplies a portfolio of overhead and underground products, including power conductors, EHV cables and OPGW. Solutions (MSI) is a full-service operation which provides bespoke solutions for the upgrade and uprate of existing transmission infrastructure projects. We also offer EHV turnkey services including cable laying and substation development.

Solutions (Products)

OUR PRODUCTS

We manufacture and sell a diversified portfolio of products, covering conductors, OPGW and power cables, to international customers (primarily in Europe and South America), including central and state electricity transmission companies, transmission developers and transmission engineering, procurement and construction (EPC) contractors.

Our order book for our Solutions (Products) business unit (which represents our contracted revenues to be received upon completion of our MSI projects) amounted to ₹ 22,940.68 Million, ₹ 21,927.21 Million and ₹ 19,801.64 Million for fiscals 2019, 2020 and 2021, respectively.

Conductors: We manufacture a range of power conductors ranging from aluminium conductor steel reinforced (ACSR) conductors to High Performance Conductors (HPC), such as composite core, INVAR, aluminium conductor steel supported (ACSS) and GAP-type conductors. Going forward, we intend to focus further on HPC, as these are premium products and provide better margins. We operate three NABL-accredited manufacturing facilities located in Rakholi, Piparia (Dadra and Nagar Haveli) and Jharsuguda (Odisha). In addition, our conductor manufacturing facilities in Rakholi and Piparia scored 94% and 97% respectively, in the Workplace Conditions Assessment audit conducted by Intertek in November 2018.

OPGW and OPGW Accessories: We are a fully integrated manufacturer and solutions provider of OPGW. We have the planning, application, design engineering and execution capabilities to manufacture OPGW for communication, protection and commercial purposes to the standards required by our power systems and utilities customers. We operate an NABL-accredited manufacturing facility in Silvassa (Dadra and Nagar Haveli). As of March 31, 2021, we supplied over 32,000 km of OPGW cable and hardware globally for up to 765 kV lines. In addition, we manufacture OPGW accessories (hardware support products) including tension assemblies, suspension assemblies, vibration dampers, down lead clamps and splice enclosures.

Power Cables: Power cables are electrical cables consisting of one or more electrical conductors, held together with an overall sheath. Power cables are mainly used for power transmission and distribution. We manufacture a wide range of power cables ranging from 6.6 kV to 400 kV. As of March 31, 2021, we have over 110 innovative cable designs in our portfolio, including EHV cables, 3-core cables, fibre-integrated power cables, high-ampacity low-loss cables and cables in co-extruded ducts. We manufacture our cables at a NABL-accredited manufacturing facility in Haridwar. Going forward, we intend to focus further on HPC, as these are premium products and provide better margins. Our power cables are fully type tested as per applicable BIS and International Electrotechnical Commission standards.

Our Manufacturing Facilities

The table below sets forth certain details in relation to our manufacturing facilities:

City	State/Union Territory	Leased/Owned	Annual Installed Capacity as of March 31, 2021	Volume Produced for the year ended March 31, 2021	Volume Produced for the year ended March 31, 2020
Silvassa (Rakholi)	Dadra and Nagar Haveli	Owned	25,000 MT per annum with Conventional & HPC product Mix	15,074 MT	17,254 MT
Silvassa (Piparia)	Dadra and Nagar Haveli	Owned	40,000 MT per annum with Conventional & HPC product Mix	14,799 MT	13,027 MT
Jharsuguda	Odisha	87 year lease	40,000 MT per annum with Conventional conductor	22,106 MT	31,005 MT
Silvassa (Piparia)	Dadra and Nagar Haveli	Owned	14,400 km per annum for OPGW	10,645 km	9,801 km
Haridwar	Uttarakhand	Owned	2,400 km per annum	557 km	2,399 km

Business Overview

KEY RAW MATERIALS

In our Products business, the primary raw materials and components we use are aluminium for our conductors and copper and PVC Compounds for cables. The prices of copper and aluminium are linked to the prices on the London Metal Exchange, and the price of PVC Compounds depends largely on the price of crude oil, each of which is generally quoted in US Dollars. Accordingly, the prices we pay for these raw materials can fluctuate due to volatility in the commodity markets or in foreign currency exchange rates.

CUSTOMER CONTRACTS

In our Products business, the vast majority of our customer contracts are fixed-price contracts, with back-to-back arrangements relating to the price of materials and components. For variable price orders, those are generally amendable for fluctuations in the price of materials and components. We also purchase forward-contracts to hedge our exposure to changes in materials and components. As a result, we believe that our Solutions business is generally hedged against fluctuations in materials and components, and our margins are generally not affected by changes in the prices of materials and components.

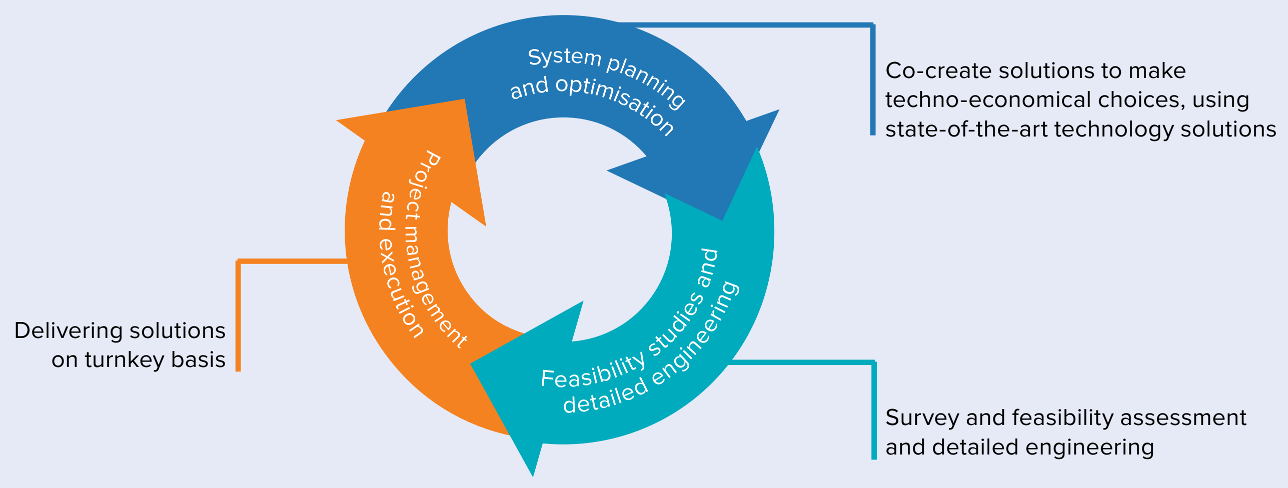
SOLUTIONS (MSI)

Our Solutions (MSI) business unit provides bespoke solutions for the upgrade and uprate of existing transmission infrastructure projects. We provide our customers, which include cities, power utilities, central and state electricity transmission companies and transmission developers, with custom-built solutions for their energy challenges.

Our Solutions (MSI) projects include upgrading existing infrastructure, increasing throughput, increasing uprate of overhead conductors, implementing OPGW-based reliable communication systems, connecting new HPC lines and installing EVH underground networks. For example, we transformed the Kerala Interstate Corridor through a massive uprate and upgrade exercise which increased throughput in the inter-state transmission network by 15-24 times. In addition, we developed a customised solution to restore a disrupted 400 kV transmission line across 1.1 km of the Ganga river (as a part of the ENICL project). The transmission line had been disrupted for almost two years and restoration efforts were challenged by site conditions of the Ganga River, including the lack of support structures in the middle of the river. To address this unique challenge, we worked on floating platforms and developed a unique carbon composite core ultra-low sag conductor as a long-span transmission solution.

Our order book for our Solutions (MSI) business unit (which represents our contracted revenues to be received upon completion of our MSI projects) amounted to ₹ 5,511.8 Million, ₹ 9,091.2 Million and ₹ 8,341.9 Million for fiscals 2019, 2020 and 2021, respectively.

The following diagram broadly illustrates the business model of Solutions (MSI):



System Planning and Forecasting: We leverage our in-house expertise on power systems to support our customers in their system planning, optimisation and forecasting needs. We help our customers specify their needs and co-create solutions that help them upgrade existing infrastructure in preparation for the future.

Engineering Assessment and Design: Our design and engineering assessment teams conduct surveys and feasibility studies and develop detailed engineering solutions that optimise our customers' space and time constraints. By using technologies such as monopoles and compact power designs, micro piling and GIS substations, we are able to design solutions that aim to minimise corridor footprint.

Uprate and Upgrade Existing Infrastructure: We leverage our technological and project management strengths to help our customers uprate, upgrade and strengthen their existing infrastructure with the aim of minimal outage and disruptions. We also employ various aerial technologies (such as drones) and robotics technologies (such as our Skyrob™ semi-autonomous robot) to string OPGW wires and power conductors safely and efficiently.

CONVERGENCE

Our Convergence business unit leverages existing power utility infrastructure (such as OPGW, transmission towers, distribution towers and substations) for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks. Our Convergence services include conducting EPC work in fibre roll-outs and leasing neutral dark fibre, co-location facilities and towers to our customers, who include internet service providers, telecommunications companies, multiple system operators, global wholesale carriers and other communication service providers, allowing them to deliver telecommunications, IoT and other services on the backbone of our utilities network.

We also partner with smart cities in an innovative public-private partnership (PPP) model to design, build, finance, operate and maintain fibre infrastructure on a long-term partnership model. This PPP model addresses cities' communication infrastructure challenges and provides them with an intracity fiber network, which then acts as the digital backbone for subsequent smart infrastructure in the city. For example, through our PPP with Gurugram Metropolitan Development Authority (GMDA), we have built a 133 km optical fiber network in Gurugram which we will manage and maintain for 21 years.

Health, Safety & Environment

Building a Safe Work Environment

We are committed to adhering to the highest standards of safety and quality. QHSE-related injuries, occupational illnesses and incidents can be prevented through safe work practices and quality control processes.

We operate our business with the aim of preventing incidents that may harm our employees, contractors or communities, or cause damage to our assets or adversely impact the environment.

We have developed a comprehensive framework designed to ensure the health and safety of our people, as well as the quality of our projects and products. We have also created a robust QHSE governance system with processes including: regular process audits, a QHSE Health Index Scorecard and a QHSE Committee review to ensure effective compliance at different levels.

Our QHSE systems are validated by external independent agencies and have received certifications including: ISO 45001 (Occupational Health & Safety Management System), ISO 14001 (Environment Management System) and ISO 9001 (Quality Management System). We have also received a number of external awards including the Golden Peacock Award for Occupational Health Safety (2020).

Corporate Social Responsibility

Impacting Lives

Our CSR initiatives are aligned with the requirements under the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

We strive to meet our commitment towards the community by committing our resources and energies to social development. We are involved in various corporate social responsibility (CSR) activities and are committed to making a difference to the communities in and around our project operations and plants. Our CSR projects include relief efforts relating to the COVID-19 pandemic, supporting EdIndia's efforts to leverage technology and data analytics to improve the quality of education at scale and promoting environmental sustainability and biodiversity preservation efforts.

COVID-19 Pandemic Relief: We undertook relief efforts and provided healthcare interventions to several villages in rural India. For example, we sourced and provided protective essentials such as masks, sanitizers and handwash to NC Hills Autonomous Council in Assam. We also provided ration and other essential items to the 'Maar' community near our NERSS project in Assam.

EdIndia's Project Pragyan: We provided support to the EdIndia Foundation, an entity to support innovative solutions for improving the quality of education.

Environmental Sustainability and Biodiversity: We are committed to expanding access to reliable power in a way that is environmentally sustainable and compatible with biodiversity preservation efforts. For example, during NER, our project spanning Assam, Tripura and Arunachal Pradesh, certain steps were taken to preserve the wildlife heritage of the region. We avoided the Borail Wildlife Sanctuary mapped active elephant-corridors, and ensured the transmission lines co-exist with wildlife by implementing initiatives such as bird deflectors and culverts.

//// Sterlite Power

Management Discussion and Analysis

Established in 2016, Sterlite Power is counted among the foremost integrated players in the energy transmission and distribution space globally. We seek to leverage our technology leadership, strategic collaborations, resource efficiencies, agile execution capabilities and economies of scale in order to address the three primary challenges in the power sector: space, time and capital.

INDUSTRY OVERVIEW

INDIA

INDIA MACROECONOMIC OVERVIEW

Review of India's GDP Growth

While the economy shrank as a whole in fiscal 2021, agriculture and allied activities and electricity, gas, water supply and other utility services were the outliers, expanded. India's gross domestic product rebounded in the second half of fiscal 2021, growing 0.5% and 1.6% in third and fourth quarters, on-year, respectively. India is likely to retain its position as the fastest-growing economy in the world in 2021 and will continue to occupy the top slot among major economies growing faster than the global average of 5.5% and also higher than other developing economies such as China & Brazil[1].

While per capita electricity consumption registered a CAGR of 2.6% over the past five years, it is estimated to have dipped to 1,100-1,130 kWh in fiscal 2021 as power demand slid, particularly from high-consuming industrial and commercial categories, on account of weak economic activity caused by COVID-19 outbreak. India's per capita electricity consumption is expected to grow at a healthy CAGR of 5-6% between fiscals 2021 and 2026 primarily due to the favourable lower base in fiscal 2021. Per capita consumption is expected to gradually improve in the long term as power demand picks up, due to improvement in access to electricity in terms of quality and reliability on account of intensive rural electrification and reduction in cost of power supply, resulting in realisation of latent demand from the residential segment.

[1]According to S&P Global's forecast

India's Environment Protection and Emission Target to Combat Climate Change

India has further committed to to have about 40% of cumulative installed capacity from non-fossil fuel-based energy resources by 2030, with the help of transfer of technology and low-cost international finance, including from Green Climate Fund. To this end , CRISIL Research expects an addition of ~15-17 GW in wind capacity over the next five years, entailing an investment of ~₹ 1 Trillion. Most of this will be tied up with relatively stronger buyers such as SECI and Power Trading Corporation (PTC), which also reduces risk compared with direct exposure to state discoms. In the solar segment, meanwhile, the capacity addition expected is a much higher at ~55-57 GW over fiscal 2021-25.

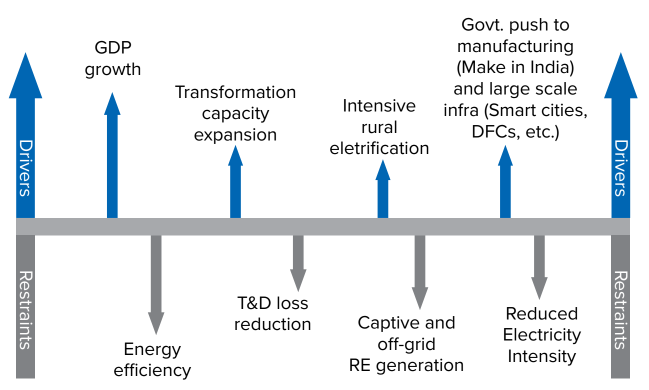
POWER SECTOR IN INDIA

Review of Power Demand-Supply Scenario in India

Long-Term Drivers and Constraints for Demand Growth

CRISIL Research estimates energy requirement to grow at a CAGR of 5-6% between fiscals 2022 to 2025 on account of following factors:

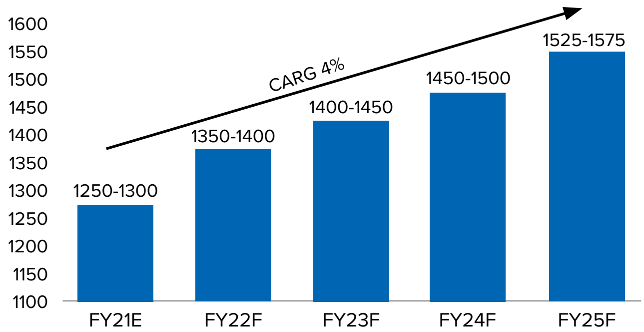
Factors influencing power



Note: DFC: Dedicated freight corridor
Source: CRISIL Research

India's economy is expected to recover slowly post fiscal 2021, with a gradual pick up in industrial growth over the subsequent 4 years. Trickle-down effect of the Aatma Nirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline (NIP), dedicated freight corridors (DFC) infrastructure, service industry expansion, rapid urbanization, and increased farm income from agri-related reforms are key macroeconomic factors which will aid a pickup.

Power Demand Outlook (fiscals 2021-2025)



Note: Data is approx.
Source: CRISIL Research

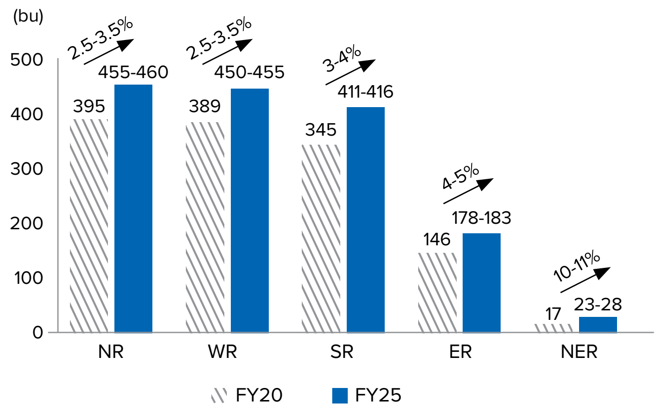
Power Demand: Gradual pick-up in GDP growth and infrastructure development to support power demand

CRISIL Research expects power demand to rise at a healthy pace of 4% CAGR over fiscals 2021 to 2025, after a minor decline of 1-2% in fiscal 2021 on account of economic downturn induced by the COVID-19 outbreak. Demand recovery will be driven by gradual uptick in economy, higher domestic demand due to rapid urbanisation, latent demand, and a strong recovery in fiscal 2022 over a lower base. Industrial demand, which forms the largest share in power demand, is expected to see an uptick owing to gradual recovery in industrial activity over the forecast period.

Various government initiatives such as Make in India, smart cities mission, dedicated freight corridors, metro rail projects, railway track electrification, etc. are expected to boost infrastructural development in the country, albeit in the medium to long term.

Regions and Sector that are Expected to Drive Demand

Region-wise projected demand growth



Notes: Figures in percentage CAGR over fiscals 2020-25; NR: Northern region; WR: Western region; SR: Southern region; ER: Eastern region; NER: North-eastern region

Source: CEA, CRISIL Research

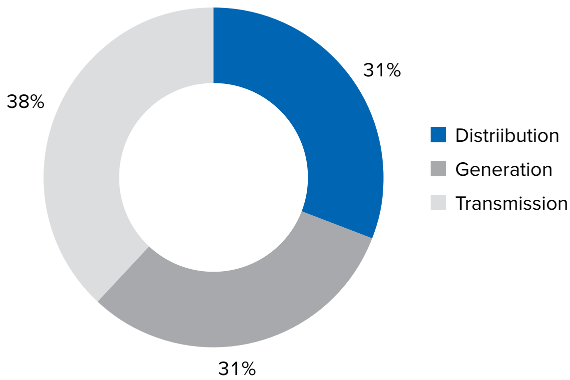
CRISIL Research expects the eastern and north-eastern regions to show higher growth in power demand over fiscals 2021-25 than the other regions. Demand in the eastern region is expected to log a healthy 4-5% CAGR, led by higher power availability on account of significant capacity additions over the next five years. However, despite financial restructuring, the financial health of utilities in states such as Bihar and Jharkhand continues to remain poor because of inadequate tariff revisions and high AT&C losses. Energy deficit in the north-eastern region stood at 3.7% in fiscal 2020, driven by high deficit of 5.3% in Assam. This indicates high potential for increasing electricity consumption in the region, although difficult terrain and rough weather could constrain transmission infrastructure.

Investments in the Transmission and Distribution Segments

Investments in Power sector

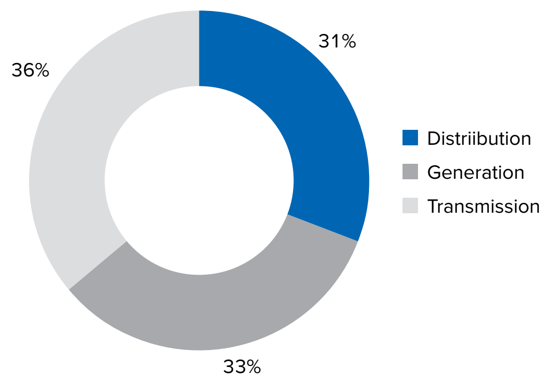
Share of investments across power sector value chain

FY17-21E



CRISIL Research projects investments of ₹ 10-11 Trillion in the power sector over the next five years. The share of generation, transmission, and distributions segments over the forecast period is expected to remain largely unchanged, with similar investments across the segments.

FY22-25F

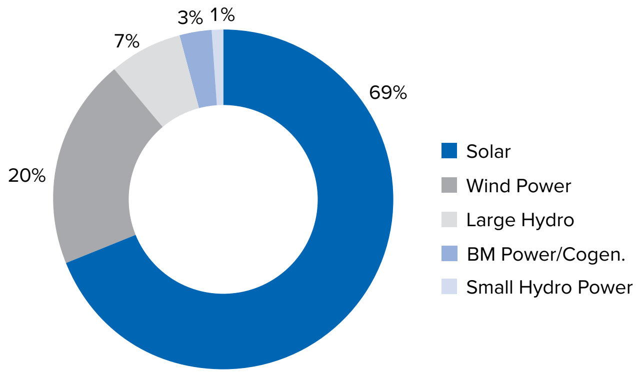


Note: E: estimates, F: forecast

Source: CRISIL Research

RENEWABLE ENERGY SECTOR IN INDIA

Renewable capacity addition was dominated by solar in fiscal 2021

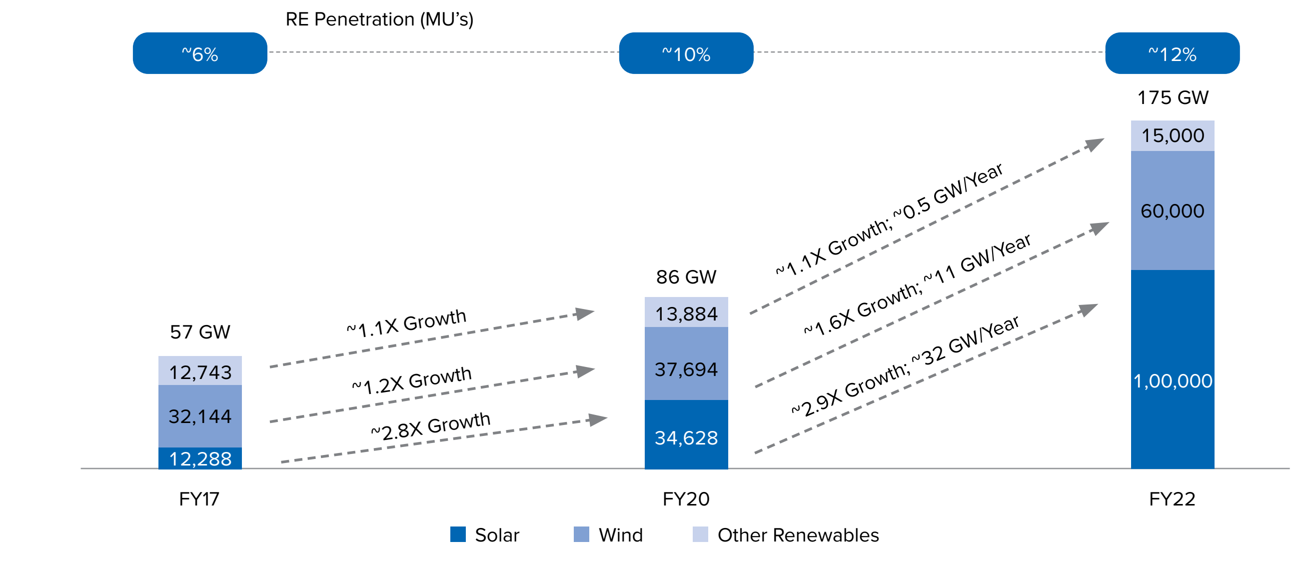


Source: CRISIL Research

The last five years (between fiscals 2016 and 2020) witnessed ~32 GW of capacity additions. Compared to last year, growth in capacity additions will be driven by government support with an aggressive tendering roadmap outlined and being followed by the government so far. Few external factors such as improvement in technology (floating solar, module efficiency) and low capital costs is also key to enabling additions.

The renewable capacity addition in the fiscal 2021 stood at 7,916 MW (including 510 MW of large hydro capacity addition), ~20% lower than the additions in the previous year.

Revised renewable energy capacity addition targets till fiscal 2022



CRISIL Research expects 55-57 GW of solar capacity additions over fiscals 2021 to 2025. This will be driven by additions under the following:

- The National Solar Mission (NSM) Phase II Batch IV, V and VI
- Other schemes launched by SECI (ISTS, floating solar tenders, newer structure tenders, state specific schemes etc.)
- Capacities tendered by distribution companies in various states to fulfil Renewable Purchase Obligations (RPO)
- Capacities tendered by cash rich public sector undertakings (PSU) such as National Thermal Power Corporation (NTPC), Neyveli Lignite Corporation (NLC), Coal India Limited (CIL) etc.
- Rooftop projects

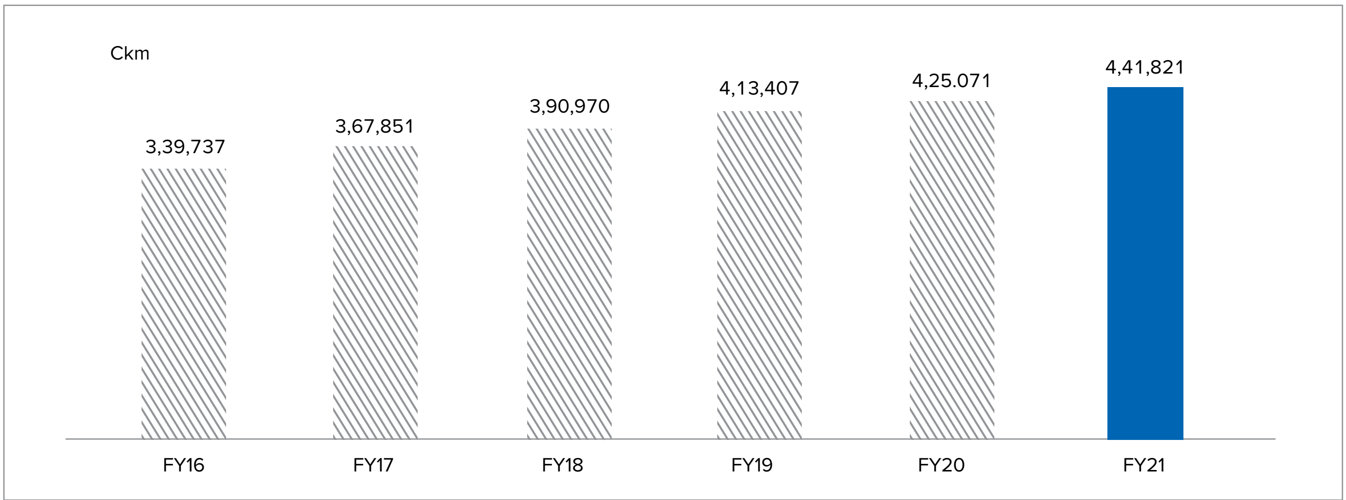
The RE market of India is one of the most attractive markets globally on account of large capacity additions, strong government support and a favourable policy regime. Further, India is the fourth largest in terms of installed wind energy capacity. Going forward, we believe 70-74 GW of RE capacities (solar and wind) will be added over fiscals 2021-2025.

TRANSMISSION SEGMENT IN INDIA

Market Review

Robust generation capacity addition over the years and government's focus on 100% rural electrification through last mile connectivity has led to extensive expansion of the transmission and distribution (T&D) system across the country. The total length of domestic transmission lines rose to 4,41,821 ckm in fiscal 2021.

Total transmission line network in the country (220 kV and above)

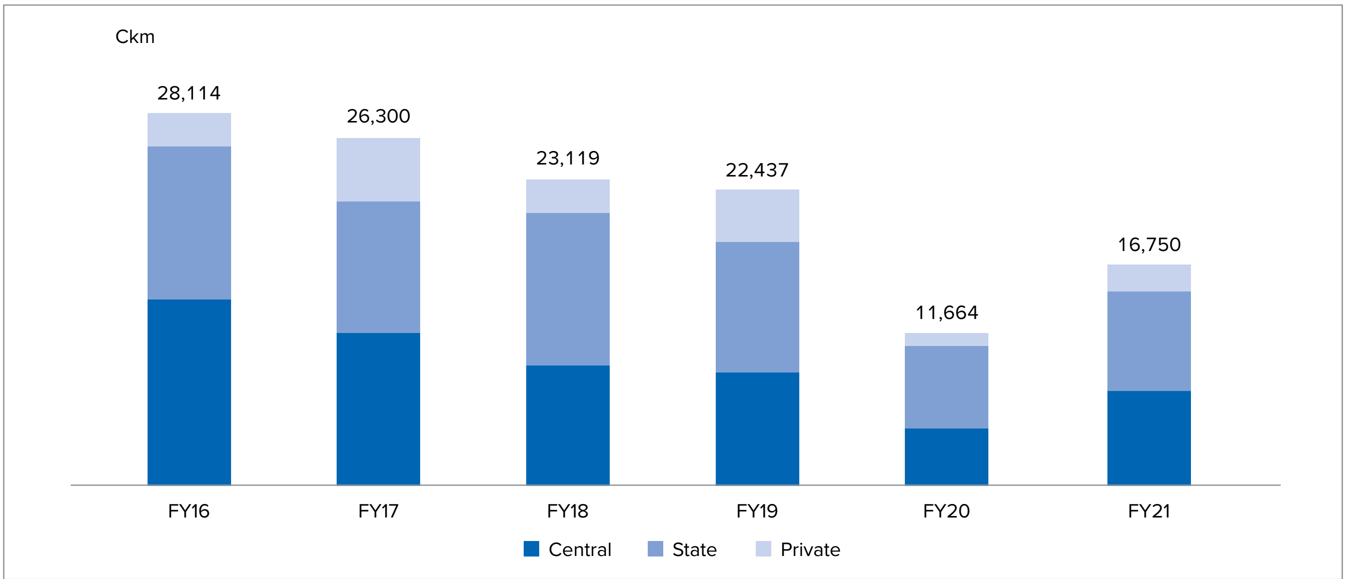


Source: CEA, CRISIL Research

There has been strong growth in the transmission system at higher voltage levels and substation capacities. This is a result of increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

The total transmission line length (above 220 kV) has increased at 5.4% CAGR from fiscal 2016 to fiscal 2021. This increase can also be attributed to an increase in the commissioning of the 765 kV lines, growing at a CAGR of 12.4% over the same time period. 765 kV lines have higher transfer capacity and lower technical losses thereby reducing the overall number of lines and rights of way required to deliver equivalent capacity. Performance in a transmission line improves as voltage increases and as 765 kV lines use one of the highest voltage levels, they experience comparatively lesser amount of line loss. 800 kV lines have also shown strong growth momentum, rising at 29.8% CAGR over the last five fiscals, majorly owing to strong investments by the central sector. Inter-regional power transmission capacity of the National Grid has grown strongly from 58,050 MW in fiscal 2016 to 105,055 MW in fiscal 2021, at a CAGR of 12.6%. Subsequently, transformation capacity rose from 6,58,949 MVA in fiscal 2016 to 10,25,468 MVA in fiscal 2021, growing at a CAGR of ~7.6%.

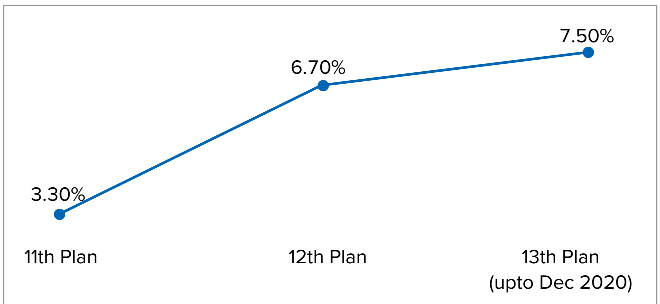
Sector-Wise share of transmission line additions



Source: CEA, CRISIL Research

Although private sector participation has been growing in the segment, with contribution reaching ~7.5% in fiscal 2021 (till Dec 2020) (from nil in fiscal 2007). However, private participation in the transmission segment still lags the generation segment, where private contribution has grown strongly from 39% in fiscal 2015 to 47% in fiscal 2021*.

Private sector participation in transmission sector



*Upto Dec 2020

Source: CEA, CRISIL Research

Although to encourage private-sector participation in building transmission capacity, the central government notified power transmission schemes to be undertaken through TBCB, but a lower base of private player penetration in the transmission sector necessitates higher allotment of transmission lines to private players by the central transmission utilities.

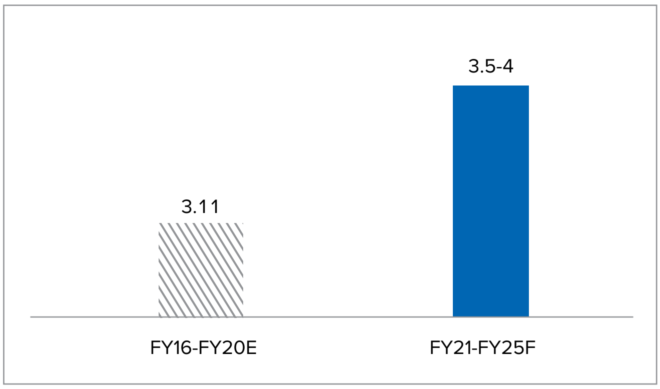
Transmission Segment Investments to Rise to ₹ ~3.5-4 Trillion Over Next Five Years

To service a large power generation installed base, the estimated investment in the transmission sector is expected to be ~₹ 3.5-4 Trillion over the next five years. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification.

Moreover, rising private sector participation with favourable risk-return profile of transmission projects will support growth in investments. Transmission investments could slow down slightly in fiscal 2021 due to COVID-19 outbreak, but are expected to rebound strongly in the subsequent year.

Expected investments in transmission segment (fiscals 2021-2025)

(₹ Trillion)



Source: CEA, CRISIL Research

With the introduction of TBCB and viability gap funding schemes for intra-state projects, the share of private sector players in the power transmission sector is expected to increase gradually over the next five years.

Key growth drivers for transmission sector include widening gap between interregional power demand-supply, limited short-term open access availability, strong RE capacity additions, conventional power generation addition, upgradation of existing lines, improving power scenario and measures to stabilize grid, and strong government support.

Other Key Trends

Key technology trends

To meet the long-term power transfer requirement by fiscal 2022 and beyond as well as for the optimal utilization of right of way, large power evacuation corridors are needed to be planned, which requires advancements in transmission voltage, conductor technology, substation equipment and infrastructure etc. Further, due to large geographical expanse of India and strongly growing power consumption need, there is requirement for transfer of large quantum of power from various generation complexes in Chhattisgarh, Jharkhand, Orissa to load centers in Northern and Western regions. However, major limitations to the erection of ultra-high voltage lines are: transportation of large equipment to remote places, dielectric design and short circuit withstand capability.

On the conductor front there have been many advancements such as usage of high temperature low sag, high surge impedance loading and gas insulated line conductors. These conductors have been used in recent 132 kV lines bid out by the Odisha Power Transmission Corporation limited, 400 kV Meerut-Kaithal D/C line and in the Naptha-Jhakri hydro project. Usage of these conductors increases the transfer capability of the transmission line and simultaneously reduces the line losses.

Further due to growing urbanization and high real estate prices in cities, newer technology-based Gas Insulated Switchgear (GIS) substations are used, which not only reduces the space requirement but also cuts down on the maintenance and improves reliability. Modern substations are also using highly automated components with digital communication facilities, to increase the reliability of operations and reduce system downtime. With the advent of smart grid networking infrastructure and communication solutions synchronous digital hierarchy is utilized to communicate between substations, which not only helps in quick addressal of the fault but also helps in maintaining the grid frequency.

There have also been new innovative techniques used in the construction of transmission lines. For instance, there have been use of Light Detection and Ranging (LIDAR) technology, which uses laser distance measuring technology to conduct topographic mapping with the help of aircrafts. Further, helicopters are used for stringing (heli stringing) of transmission lines. A helicopter pulls the rope through stringing wheels, which are attached to each arm of structure. Conductor is then pulled back through the stringing wheels using a machine located on the ground. Then the stringing wheels are removed from each arm while attachments including dampeners are used to minimize the vibration on the conductor. Other newer technologies which help in automated inspection and maintenance planning such as drones are used to monitor lines spread over long distances. Further preventive maintenance of transmission lines are also done by modern equipment's which includes thermo vision scanning, punctured insulator detector, corona measurement devices etc.

BRAZIL

BRAZIL MACROECONOMIC OVERVIEW

Risk Overview

Fitch Solutions forecasts that real GDP in Brazil will grow by 3.2% in 2021, after a 4.1% contraction in 2020, implying that Brazil will come close to recovering to pre-COVID levels. However, a worsening COVID-19 crisis will slow the pace of the rebound over the coming quarters, presenting significant downside risks to the forecast.

POWER AND TRANSMISSION INDUSTRY IN BRAZIL

Power Sector Overview

Brazil's power sector is set to see robust growth over the coming decade, in which Fitch forecasts total electricity capacity will increase from 181.6GW in year-end 2020 to 238.5GW in 2030. Subsequently, electricity generation will reach 785 TWh in 2030—up from 601 TWh in 2020.

Headline Power Forecasts (Brazil 2020-2025)

Indicator	2020e	2021f	2022f	2023f	2024f	2025f
Generation, Total, TWh	600.6	617.0	637.2	658.4	672.2	691.2
Consumption, Net Consumption, TWh	517.5	537.6	550.9	566.3	582.0	598.7
Capacity, Net, MW	181,601.0	189,896.4	197,235.7	206,055.5	210,224.4	217,285.5

e/f = Fitch Solutions estimate/forecast. Source: EIA, Fitch Solutions

Updates and Structural Trends

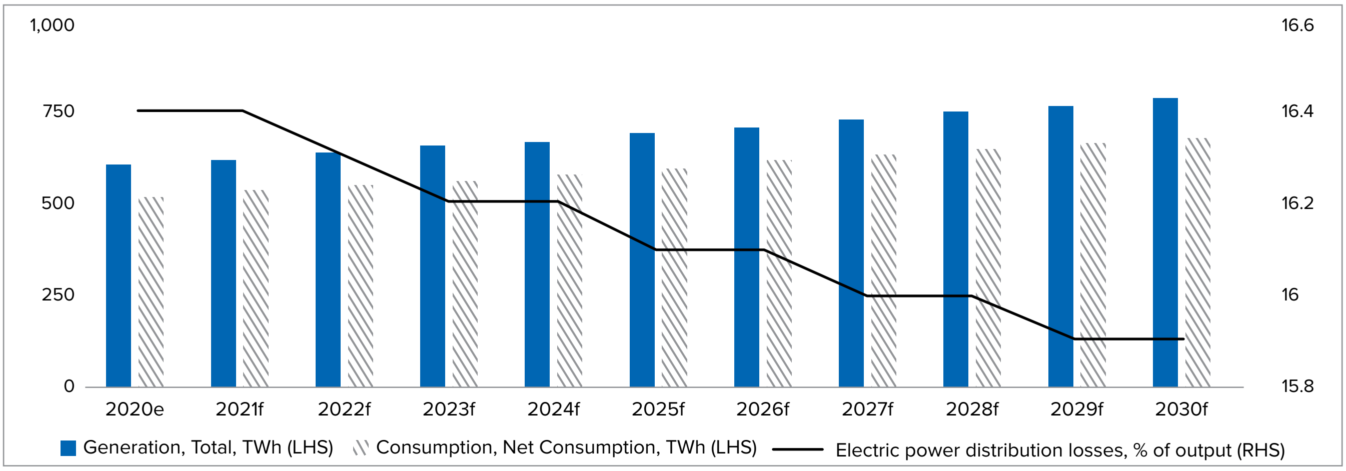
Brazil's power sector is expected to see significant growth over Fitch's 10-year forecast period. The non-hydro renewables sector will drive capacity and generation growth, accounting for 82% of forecasted capacity additions, resulting from extensive utility-scale wind and solar project pipelines, as well as robust growth in distributed generation solar systems. In addition to the non-hydro renewables sector, a handful of large-scale projects in the thermal and hydropower sectors will also support growth. As a result, Fitch forecasts Brazil's electricity generation to increase by an annual average of 2.7% between 2021 and 2030 - totalling 785 TWh by the end of the decade.

Electricity Consumption

Fitch estimates that electricity consumption declined by 2.6% in 2020 as a result of weakened commercial and industrial activity in H120 amid the COVID-19 pandemic. Fitch's estimated contraction remains unchanged from Q121, when Fitch revised up given a better-than-anticipated recovery in electricity consumption in H220. Looking forward, Fitch has slightly revised up electricity consumption for 2021 and forecast electricity consumption to rebound to 3.9% growth this year–up from 3.8% forecasted in Q221. This is the result of Fitch's Country Risks team's slight upward revision to real GDP growth, up from 3.2% to 3.5%, as well as strong electricity consumption figures from the Brazilian government through March 2021. From 2021 and beyond, Fitch expects growth to return and continue, and forecast power consumption to expand by an annual average of 2.8% between 2021 and 2030, when it will total 683.1 TWh.

In line with the strengthening of the country's power consumption growth over the long term, Fitch expects Brazil will remain a net importer of electricity over the coming decade. Among the factors causing power demand to outstrip supply are high electricity losses along the transmission and distribution infrastructure. Growing investment in increasing the efficiency of the power distribution infrastructure over the coming years, including by the deployment of a smarter grid, should help to gradually reduce losses.

Total Net Generation and Consumption Brazil (2020-2030)



c/f= Fitch Solution estimate/forecast. Source: EIA, EPE Fitch Solutions

Continued Growth in Power Transmission Infrastructure
Fitch believes the Brazilian government will be committed to ensuring power transmission infrastructure is available ahead of the development of new generation projects. Supporting this view, the government held a successful auction for power transmission lines in throughout 2017, 2019 and 2020. In March 2020, the government suspended all auctions, including the June and December 2020 transmission auctions. However, in August 2020, the government resumed planning future auctions and scheduled its next tender to take place in December 2020. The auction was held on December 17 and included projects worth an estimated BRL6.1bn in investments. ANEEL's next auction was held in June 2021.

PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE

High ROCE and an efficient capital structure with access to multiple funding sources
Our ROCE was 1.97%, 40.22% and 36.68% for FY19, FY20 and FY21 respectively, which we believe reflects the profitability and capital efficiency of our business. We seek to maintain an efficient capital structure by raising long-term project financing and having access to multiple sources of funding including financial institutions, public and private sector banks and non-bank financial companies (NBFCs) and the capital markets. Our borrowings include non-convertible debentures, long-term loans, short-term loans, cash credit from banks and working capital demand loans.

We have also received investments from global investment managers including Standard Chartered Private Equity and AMP Capital on behalf of its Global Infrastructure Fund II. In 2021, we entered into a framework agreement with AMP Capital for the development of four of our Ongoing Projects in India, pursuant to which both us and AMP Capital have invested 50% equity in these projects. Such investments provide us with increased capital to bid for newer and larger transmission projects.

Purpose driven organization, with a strong focus on ESG
We believe that access to electricity transforms society and acts as a platform for prosperity. Hence, we believe our business is purpose driven and has an immense social impact, which acts as a driving force for our employees and stakeholders. Further, our core purpose resonates even more strongly with our stakeholders in the "post-pandemic" era, as electricity has become critical for society and economy. For instance, virtual working, remote learning and uninterrupted access to healthcare all require access to reliable power. We take pride in playing a part in enabling this by creating reliable power transmission networks. Further, we are also proud of our focus on integrating renewable energy sources to transmission grids.

Since our inception, we have endeavoured to adopt a sustainable approach to developing power infrastructure. We have integrated ESG best practices to many of our business processes. Our ESG focus is demonstrated through sustainable practices adopted throughout our project life cycle, such as optimizing transmission routes to minimize the impact on environment and bio-diversity, innovations such as tree translocation and drone-stringing and adopting a "safety-first" culture.

EMPLOYEES

As of March 31, 2021, we had 715 employees in India, out of which 260 employees are in operations, 103 employees are in sales and growth functions, 61 employees are in research and development, technology and engineering functions, 58 employees are in quality, health and safety functions and the remaining are in other functions.

As of March 31, 2021, we had 68 employees in Brazil of which 20 employees are in operations, 9 employees are in research and development, technology and engineering functions, 8 employees are in quality, health and safety functions and the remaining employees are in other functions.

In addition to the above, as of March 31, 2021, we employed 912 temporary or contract workers.

Our operations require highly skilled and experienced management and technical personnel. We offer our employees comprehensive ongoing training in order to increase their competence and capabilities.

Our employees are not covered by any collective bargaining agreements. We have not experienced any material strikes, work stoppages, labor disputes or actions by or with our employees, and we consider our relationship with our employees to be stable.

We have multiple initiative that focus on building our employees' functional and leadership capabilities. These initiatives include:

Talent Review
We conduct a comprehensive assessment for all our mid- to senior-level employees. In addition to reviewing employees' performance, this process seeks to identify key actions for their professional development. Employees' progress on the identified key actions are then tracked regularly.

Leadership Development Framework
We identify the most crucial roles in our organization, which have the most impact on our overall organisation's vision and plan, and then map our talent development efforts against those critical roles. For example, we provided our entire leadership with a detailed executive assessment and individual development planning program including psychometric assessments, '360 reviews,' feedback as well as group and individual coaching opportunities.

PM Next Program for Mid-Level Leaders
This program was launched with the objective of creating a pipeline of future Project Managers, or individuals who will take on Project Manager responsibilities, from within the organization by training participants in the functional and leadership areas of cost, finance, contracts, supply chain management and design and engineering.

RISK MITIGATION

INTERNAL CONTROLS

We have an internal control system, commensurate with the size, scale and complexity of our operations. We have documented a comprehensive internal control system for all the major processes to ensure reliability of financial reporting and timely feedback on achievement of operational and strategic goals. It also includes compliance with the policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit function monitors and evaluates the efficacy and adequacy of our internal controls, its compliance with operating systems, accounting procedures and policies at all our locations. Based on this report, process owners undertake corrective and preventive actions in their respective areas and thereby strengthen the controls. Implementation is monitored on an ongoing basis with the help of an automated tool.

Significant audit observations, if any, and corrective actions thereon are presented to the Audit Committee of the Board. The Audit Committee also meets our Statutory Auditors to ascertain their views on the financial statements, including financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal controls and systems followed by us.

RISK MITIGATION FRAMEWORK

Sterlite Power has a Risk Management Committee constituting of Board Members. The Committee is responsible to review, identify, evaluate, and monitor both business and non-business-related risks and take requisite action to mitigate the same through a properly defined framework. The Company has framed a Risk Management Policy to identify and assess the risk areas, monitor, and report compliance and effectiveness of the policy. The scope and functions of the Risk Management Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 7, 2021.

Directors' Report

To,
The Members,
Sterlite Power Transmission Limited

Your Directors' are pleased to present their 6th Annual Report for the Financial Year 2020-21 (FY21), together with the audited financial statements of the Company for the year ended March 31,2021.

FINANCIAL SUMMARY/HIGHLIGHTS

The Company's financial performance on standalone and consolidated basis is as under:

(₹ in million)

Summary of Key Financial Parameters	Standalone		Consolidated	
Description	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue from operations	29,338.52	26,754.23	20,923.91	30,043.19
EBITDA	5,895.25	1,297.71	17,932.15	24,056.28
Less: Finance cost (net of finance income)	2,886.24	4,688.20	5,356.68	7,348.37
Less: Depreciation/Amortization/Impairment Expense	425.48	1,067.58	988.15	2,421.31
Share of Profit of Associate	-	-	5.75	8.74
Exceptional item	-	(925.87)	-	(925.87)
Profit/(Loss) Before Tax (PBT)	2,583.53	(5,383.93)	11,593.07	13,369.47
Less: Tax expense	(1,045.71)	(206.81)	2,895.33	3,952.86
Profit/(Loss) After Tax (PAT) (A)	3,629.24	(5,177.12)	8,697.74	9,416.61
Other Comprehensive Income/(loss) (OCI) (B)	(2,774.18)	(5,156.94)	1,521.37	(4,912.40)
Total Comprehensive Income/(loss) (A+B)	**855.06**	**(10,334.06)**	**10,219.11**	**4,504.21**

PERFORMANCE

Standalone

FY21 closed with Revenues of ₹ 29,338.52 Million, EBITDA of ₹ 5,895.25 Million, PAT of ₹ 3,629.24 Million.

Consolidated

FY21 closed with Revenues of ₹ 20,923.91 Million, EBITDA of ₹ 17,932.15 Million, PAT of ₹ 8,697.74 Million.

OPERATIONS

Highlights of your Company's operations and state of affairs for the FY21, including the Management Discussion and Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company's and its subsidiaries, wherever applicable, forms part of this Annual Report.

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the company during the year.

IMPACT OF COVID-19

Since late 2019, the outbreak of COVID-19 has resulted in a global health crisis and triggered a global economic downturn and contraction. The various restrictive measures implemented by the Government of India caused a slowdown in economic growth during much of Fiscal 2021. The Company's plants and offices in India ceased operations from March 25, 2020 to mid-April 2020, while the Company continued to incur fixed and semi-variable costs during that period. COVID-19 also made it more difficult for players in the industry (including our third-party contractors) to recruit labour. The Company faced situation of work stoppage at the transmission line, restriction in movement of goods, delay in permits and approvals. The government also postponed or delayed their tenders for power transmission projects, including construction projects and upgrade/uprate projects. As a result, the revenue from the Solutions business and revenue from concession assets for Fiscal 2021 were adversely impacted.

However, as electricity is considered as an essential commodity by the Government of India, the operations of the Company relating to manufacturing and supply of components for generation and supply of electricity and other transmissions construction sites resumed in a phased manner since then. In assessing the liquidity position for the next one year and recoverability of Group's assets such as investments, loans, property, plant and equipment, trade receivables, inventory etc. the Company considered internal and external information up to the date of approval of the Historical Audited Consolidated Financial Statements for the year ended March 31, 2021. The Reserve Bank of India also granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Company.

Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Management believes that it has taken all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Historical Audited Consolidated Financial Statements for the year ended March 31, 2021. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact.

Currently, all of the facilities of the Company are operating and the Company is proceeding with the construction of power transmission projects according to schedule but if the COVID-19 pandemic continues or worsens, Company could be required to implement restrictive measures at the facilities or some of the projects could be delayed, which could have a deleterious effect on the business and results of operations.

Further, Company has also taken various steps on the employee safety carried out at the projects and plant sites and various offices of the Company. The Company also took initiatives to have its maximum employees/ workers vaccinated and also to help out the families of the employees/workers who lost their lives to COVID-19.

DIVIDEND

The Board of Directors of your Company, through its resolution dated May 10, 2021, declared an interim dividend of 265% per Equity Share, being ₹ 5.30 per share for the FY21, aggregating up to approximately ₹ 324.26 Million to be paid out of the profits of the Company for the FY21. The dividend was paid to those shareholders of the Company whose names appeared on the Register of Members as on the record date being May 20, 2021, except those Equity Shares in respect of which the Shareholders have waived or forgone their right to receive the interim dividend for the FY21, in accordance with the Articles of Association of the Company.

Further, the Board of Directors do not recommend final dividend for the FY21. Therefore, the Interim Dividend paid during the year under review would become the final dividend for the FY21 and accordingly, the same is also being placed before the shareholders at the ensuing Annual General Meeting for the confirmation/approval of the shareholders.

KEY EVENTS DURING FY21

(i) Merger of Sterlite Power Grid Ventures Limited-wholly owned subsidiary, with the Company

The Company entered into a scheme of amalgamation with Sterlite Power Grid Ventures Limited ("SPGVL")-wholly owned subsidiary, and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, which was sanctioned by the National Company Law Tribunal ("NCLT"), Mumbai Bench by way of its order dated May 22, 2020 (the "Merger Scheme"). The Merger Scheme provided for, amongst other things, the amalgamation and vesting of the assets, liabilities and entire business of SPGVL, with the Company, on a going concern basis. The order of NCLT was filed with the Registrar of Companies, Pune and the Merger Scheme became effective from November 15, 2020. Further, pursuant to the order of NCLT, the Company had altered its main objects to include the main objects of SPGVL.

(ii) Merger of Sterlite Grid 4 Limited-wholly owned subsidiary, with the Company

The Company and Sterlite Grid 4 Limited ("SGL4")-another wholly owned subsidiary, have filed an application in March, 2021 before the National Company Law Tribunal, Mumbai Bench praying for, amongst other things, the sanction of a scheme of amalgamation between the Company and SGL4 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("SGL4 Merger Scheme"). The Board of Directors had approved the SGL4 Merger Scheme by way of its resolution dated March 22, 2021. The SGL4 Merger Scheme provides for the transfer and vesting of the assets, liabilities, and entire business of SGL4, on a going concern basis with the Company. The SGL4 Merger Scheme is not effective as on the date of this Report.

(iii) Disinvestment in Gurgaon-Palwal Transmission Limited, NER II Transmission Limited and East-North Interconnection Company Limited

Sterlite Power entered into a marquee deal with India Grid Trust for sale of its commissioned projects thereby transferring Gurgaon-Palwal Transmission Limited ("GPTL") and NER II Transmission Limited ("NER II") to India Grid Trust.

With the above disinvestment of 49% of the issued, subscribed and paid-up share capital (with 100% economic ownership) of GPTL and NER II, GPTL and NER II ceased to be the subsidiaries of the Company w.e.f. August 31, 2020 and March 26, 2021 respectively.

Also, during the year under report, the Company along with Sterlite Power Grid Ventures Limited *(now merged with the Company)* completed transfer of remaining 51 % of stake in East-North Interconnection Company Limited to India Grid Trust on May 26, 2020.

(iv) Status of holding units in India Grid Trust

Your Company is one of the two Sponsors of India Grid Trust and holds Units in it. The Company has sold some of its Units and has also subscribed to a Rights Issue. The following tables depict the detailed information:

Transactions during the year under review:

Particulars	Number of Units held	Percentage shareholding
Opening balance as on March 31, 2020	**87,548,026**	**15.00**
Issued during the year under review	0	Not applicable
Sold during the year under review	85,507,569	14.65
Closing balance as on March 31, 2021	**2,040,457**	**0.35**

Transactions after March 31, 2021 till the date of this report are as under:

Particulars	Number of Units held	Percentage shareholding
Opening balance as on March 31, 2021	**2,040,457**	**0.35**
Rights Issue allotment on April 22, 2021	406,539	0.35
Total	**2,446,996**	**0.35**
Sold till date	761,875	0.11
Closing balance as on date	**16,85,121**	**0.24**

(v) Introduction of AMP Capital as investment partners

During the year under review, the Company entered into a framework agreement, with AMP Capital ("AMP Capital Framework Agreement") for the development of four of the ongoing power transmission projects of the Company in India. Pursuant to the AMP Capital Framework Agreement read with the investment agreements, executed inter-alia between the Company, AMP Capital and the project special purpose vehicles ("AMP Capital Investment Agreements"), the Company and AMP Capital had agreed to invest in the said four projects being Sterlite Grid 13 Limited, Sterlite Grid 14 Limited, Sterlite Grid 18 Limited and Sterlite Grid 29 Limited (which were wholly owned subsidiaries of the Company prior to the investments made in terms of the AMP Capital Investment Agreements and the AMP Capital Framework Agreement), which are engaged in the business of developing, constructing, owning, operating and maintaining power transmission systems and providing project management services in relation to power transmission systems in India, in a manner wherein the Company and AMP Capital each are now owning 50% of the equity capital of these entities. Such investments provided the Company with increased capital for its business.

Pursuant to the above arrangement, as on March 31, 2021, the Company and AMP Capital had a joint ownership of 50% each in Sterlite Grid 13 Limited and indirectly in its wholly owned subsidiary namely Vapi II-North Lakhimpur Transmission Limited. Thereafter in April 06, 2021, the Company and AMP Capital invested in the remaining 3 (three) entities and indirectly held 50% in their respective subsidiaries as well, namely Sterlite Grid 14 Limited & Udupi Kasargode Transmission Limited, Sterlite Grid 18 Limited & Lakadia-Vadodara Transmission Project Limited and Sterlite Grid 29 Limited & Goa-Tamnar Transmission Project Limited.

(vi) Acquisition of Vapi -II North Lakhimpur Transmission Limited

The Company through its subsidiary on June 23, 2020 had acquired Vapi - II North Lakhimpur Transmission Limited, a Special Purpose Vehicle ("SPV") from PFC Consulting Limited. Through this SPV, the company is executing a large inter-state transmission system (ISTS) project - Western Region Strengthening Scheme-XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme-IX (NERSS-IX), which was won through a tariff-based competitive bidding process, under the Build, Own, Operate and Maintain model for 35 years.

However, as on March 31, 2021, Vapi II-North Lakhimpur Transmission Limited became Joint Venture of the Company and AMP Capital.

CORPORATE GOVERNANCE

A Report on Corporate Governance is presented in a separate section forming part of this Report and enclosed as Annexure A.

AMOUNT TRANSFERRED TO GENERAL RESERVE

No amount is being proposed to be transferred to the reserves out of profits for FY21.

CHANGES IN SHARE CAPITAL

Pursuant to approval of Scheme of Amalgamation of Sterlite Power Grid Ventures Limited- wholly owned subsidiary with the Company and their respective Shareholders by Hon'ble National Company Law Tribunal, Mumbai Bench from the effective date of merger i.e. November 15, 2020, the authorized share capital stood increase from ₹ 23,28,00,000 (Indian Rupees Twenty-Three Crores Twenty-Eight Lakhs only) divided into 8,00,00,000 (Eight Crores) equity shares of ₹ 2 each (Indian Rupees Two only) each and 3,64,00,000 (Three Crores Sixty-Four lakh) Redeemable Preference Shares of ₹ 2 each (Indian Rupees Two only) to ₹ 1753,28,00,000 (Indian Rupees One Thousand Seven Hundred and Fifty-Three Crore Twenty-Eight Lakh Only) divided into 638,00,00,000 (Six Hundred and Thirty-Eight Crore) Equity Shares of ₹ 2 each (Indian Rupees Two Only), 47,00,00,000 (Forty-Seven Crore) Optionally Convertible Redeemable Preference Shares of ₹ 10 each (Indian Rupees Ten Only) and 3,64,00,000 (Three Crore Sixty-Four Lakhs) Redeemable Preference Shares of ₹ 2 each (Indian Rupees Two Only).

The issued, subscribed and paid-up share capital of the Company as on March 31, 2021 was ₹ 12,23,63,804 (Indian Rupees Twelve Crores Twenty-Three Lakhs Sixty-Three Thousand Eight Hundred and Four only) divided into 6,11,81,902 (Six Crores Eleven Lakhs Eighty-One Thousand Nine Hundred and Two) equity shares of ₹ 2/- (Indian Rupees Two) each.

During the year under review, the Company redeemed 1,80,00,000 (One Crore Eighty Lakh) redeemable preference shares of face value of ₹ 2/- (Indian Rupees Two) each on December 31, 2020, subsequent to the date of maturity of the said redeemable preference shares. As on March 31, 2021, there were no outstanding preference shares in the Company.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 14 (Fourteen) meetings of the Board of Directors were held. Out of 14 meetings, 1 (one) meeting was adjourned and adjourned meeting was held one day after the date of the original meeting. The adjourned meeting and the original meeting have been counted as a single meeting for computing the number of meetings. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (hereinafter also referred to as "the Act") and Secretarial Standard 1 on Board meetings issued by the Institute of Company Secretaries of India read with MCA circulars, as issued from time to time. The dates on which these meetings were held are May 18, 2020, July 31, 2020, September 30, 2020, November 10, 2020, November 12, 2020, November 17, 2020, November 30, 2020, December 07, 2020, December 17, 2020, December 22, 2020 (Adjourned meeting: December 23, 2020), February 01, 2021, February 04, 2021, February 26, 2021, and March 22, 2021. Owing to the ongoing pandemic, all the board meetings were held through audio-visual facility.

The composition of Board and other details are provided in Corporate Governance Report which forms part of the Annual Report as Annexure A.

Further, the Company had entered into a scheme of amalgamation with Sterlite Power Grid Ventures Limited-wholly owned subsidiary of the Company ("SPGVL"), and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, which was sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020 which became effective from November 15, 2020, the details of meetings of the Board of SPGVL is also being reported herein-under.

During the period April 01, 2020, to November 15, 2020, the Board of Directors of SPGVL met 6 (six) times. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (hereinafter also referred to as "the Act") and Secretarial Standard 1 on Board meetings issued by the Institute of Company Secretaries of India read with MCA circulars, as issued from time to time. The dates on which these meetings were held are April 20, 2020, July 31, 2020, August 13, 2020, September 30, 2020, November 10, 2020, and November 12, 2020. Composition of Board and other details are provided in Corporate Governance Report which forms part of this Directors' Report as Annexure A.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Mr. A.R. Narayanaswamy, Independent Director and Chairman of the Committee, Mr. Anoop Seth, Independent Director and Mr. Pravin Agarwal, non-executive director. Mr. Arun Todarwal, former Chairman of the Committee ceased to be a member of the Committee due to completion of his tenure as Director on July 24, 2021.

Further details of the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of this Directors' Report as Annexure A. The Board of directors has accepted all the recommendations of the Audit Committee during FY21.

DIRECTORS

Currently the Board of Directors of the Company is validly constituted and comprise of 5 Directors. Changes in Directorships during the FY under review and post March 31, 2021 upto the date of this Report are as under:

a. Ms. Avaantika Kakkar, resigned as an Independent Director of the Company effective February 01, 2021, due to other pre-occupations. Your Directors' places on record their appreciation for the valuable contribution made by Ms. Kakkar during her tenure as director of the Company.

b. Mr. Anoop Seth was appointed as an Additional Director (Non-Executive, Independent) effective July 31, 2020, upon the recommendation of the Nomination and Remuneration Committee. Mr. Anoop Seth was holding such office upto the date of 5th Annual General Meeting of the Company and he being eligible and upon receipt of notice from a Member of the Company was appointed as Independent Director of the Company in the 5th Annual General Meeting of the Company for a period of 5 years i.e. from July 31, 2020 upto July 30, 2025.

c. Mr. Pratik Pravin Agarwal, Managing Director being a director liable to retire by rotation, and being eligible, was re-appointed as a director liable to retire by rotation in the Annual General Meeting held on December 31, 2020. Further, the term of Mr. Pratik Pravin Agarwal as a Managing Director of the Company was till May 31, 2021. Considering his rich knowledge on various aspects relating to the Company's affairs, leadership qualities and long business experience and for the smooth and efficient running of business, he was re-appointed as the Managing Director of the Company, for a further period of 3 (three) years commencing from June 01, 2021 in accordance with the provisions of Companies Act 2013 read with approval of shareholders in their meeting held on December 31, 2020.

d. Mr. Pravin Agarwal, Chairman, will retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment, pursuant to Section 149, read with Section 152 of the Companies Act, 2013. The Board recommends his re -appointment. Details of the aforesaid proposal for re-appointment of Mr. Pravin Agarwal are provided in the Annexure to the Notice of the AGM.

e. Mr. Arun Todarwal, Independent Director of the Company ceased to be a Director of the Company on July 24, 2021, pursuant to completion of his tenure of 5 years.

f. Except as mentioned above, there was no other change in the Board of Directors of the Company during FY21 and upto the date of this Report.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013. The Independent Directors of the Company have also registered themselves in the data bank with the Indian Institute of Corporate Affairs and confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. Further, the Independent Directors' also confirmed that they are independent of the management of the Company.

KEY MANAGERIAL PERSONNEL

Pursuant to the Section 203 of the Act, and the Rules made thereunder, following are the Key Managerial Personnel of the Company:

Sr. No	Name	Designation	Date of Appointment
1	Mr. Pratik Pravin Agarwal	Managing Director	June 01, 2016[1]
2	Mr. Anuraag Srivastava	Chief Financial Officer	August 10, 2018
3	Mr. Ashok Ganesan	Company Secretary	May 29, 2017

[1] *Mr. Pratik Pravin Agarwal has been re-appointed as Managing Director from June 01, 2021.*

There was no change in the KMP during the FY21

FRAMEWORK FOR THE PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board. Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually (including the Chairman and Independent Directors). Details of the evaluation mechanism are provided in the Corporate Governance Report enclosed as **Annexure A** to this Report.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration ('NRC Policy'). The NRC Policy of the Company includes criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration of Directors, Key Managerial Personnel and other employees and is framed with the object of attracting, retaining and motivating talent which is required to run the Company successfully. The Policy can also be accessed on Company's website at www.sterlitepower.com

Further, the Policy on Board Diversity also forms part of the NRC Policy of the Company and can be accessed at Company's website at www.sterlitepower.com

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year April 1, 2020 to March 31, 2021;

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

d. they have prepared the annual accounts on a going concern basis;

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts and arrangements with related parties, entered by the Company during the FY, were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act in the prescribed Form AOC 2 are enclosed as **Annexure-B** to the Directors' Report. Details regarding the policy, approval and review of Related Party Transactions are provided in the Corporate Governance Report enclosed as **Annexure A** to this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

a. Subsidiaries in Brazil

Borborema Participações S.A, was incorporated as a privately held company on April 16, 2021, under the laws of Brazil as a corporation registered within the Brazilian Revenue Service. Borborema Participações is engaged in the business of (i) implementation, operation and exploitation of electricity transmission projects; (ii) participation in the capital stock of other companies operating in the energy transmission sector in the capacity of partner, shareholder or quotaholder; and (iii) form consortia or any other type of business collaboration necessary for the achievement of the objects provided for in items "i" and "ii" above.

Further, Dunas Transmissão de Energia S.A ceased to be the subsidiary of the Company on June 02, 2021.

b. Joint Venture Companies

Post March 31, 2021, pursuant to the investment of AMP Capital and the Company in the ratio of 50% each, following companies ceased to be the wholly owned subsidiaries of the Company and became Joint Venture companies effective April 06, 2021:

a. Sterlite Grid 14 Limited

b. Sterlite Grid 18 Limited

c. Sterlite Grid 29 Limited

d. Udupi Kasargode Transmission Limited (wholly owned subsidiary of Sterlite Grid 14 Limited)

e. Lakadia-Vadodara Transmission Project Limited (wholly owned subsidiary of Sterlite Grid 18 Limited)

f. Goa-Tamnar Transmission Project Limited (wholly owned subsidiary of Sterlite Grid 29 Limited)

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company had 42 subsidiaries, 3 Associate companies and 2 Joint Ventures as on March 31, 2021. The list of subsidiaries, associates and joint ventures is enclosed as **Annexure-C**. In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary/associate and joint venture companies in Form AOC-1, is enclosed as **Annexure-D** to this report and is also provided as a part of consolidated financial statement.

During the year under review, following companies have become or ceased to be Company's subsidiary companies:

A. Companies that have become subsidiaries/associates/ joint ventures during the FY21:

- Vapi II- North Lakhimpur Transmission Limited (became subsidiary w.e.f. June 23, 2020 & continued to be a subsidiary upto March 30, 2021 and became a joint venture w.e.f. March 31, 2021
- Sterlite Grid 13 Limited (subsidiary upto March 30, 2021 and became a joint venture w.e.f. March 31, 2021)
- OneGrid Limited (subsidiary w.e.f. September 24, 2020)
- Vineyards Participacoes S.A. (subsidiary w.e.f. December 01, 2020)

B. Companies which have ceased to be subsidiaries/ associates during the FY21:

- Sterlite Power Grid Ventures Limited (SPGVL)[1]
- Gurgaon-Palwal Transmission Limited (subsidiary upto August 30, 2020)
- NER II Transmission Limited (subsidiary upto March 25, 2021 and associate w.e.f. March 26, 2021)
- Sterlite Grid 13 Limited (SGL 13)[2]
- Vapi II-North Lakhimpur Transmission Limited (Vapi-II)[2]
- Castelo Transmissao de Energia S.A (Subsidiary upto December 27, 2019)

[1] SPGVL merged with the Company w.e.f. November 15, 2020 pursuant to approval of Scheme of Merger of SPGVL with the Company and their respective Shareholders by Hon'ble National Company Law Tribunal, Mumbai Bench.

[2] SGL13 and Vapi-II were wholly owned subsidiaries of the Company upto March 30, 2021 and became the joint venture companies w.e.f. March 31, 2021.

Policy on material subsidiaries, as approved by the Board of Directors, may accessed at the Company's website at www.sterlitepower.com

The Audited Financial Statements of the subsidiary companies have not been included in the Annual Report. The financial statements of the subsidiary companies and the related information will be made available, upon request, to the members seeking such information at any point of time. These financial statements will also be kept open for electronic inspection by any member at the corporate office of the Company, and that of the respective subsidiary companies. The financials of material subsidiaries, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, will also be available on the website of the Company at www.sterlitepower.com.

FINANCIAL STATEMENTS

The Ministry of Corporate Affairs and SEBI has provided several relaxations, in view of difficulties faced by the Companies, on account of threat posed by COVID-19. Pursuant to General Circular No.20/2020, dated May 5, 2020, read with General Circular No.02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by SEBI, the Company shall not be dispatching physical copies of financial statements and the Annual Report shall be sent only by email to the members.

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

AUDITORS AND AUDITORS' REPORT

(a) Statutory Auditors

M/s. S R B C & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company from the conclusion of 1st Annual General Meeting held on August 17, 2016, for a period of 5 years upto the conclusion of 6th Annual General Meeting to be held in FY21. Hence the term of Statutory Auditors is completing on the date of ensuing Annual General Meeting and the Statutory Auditors being eligible have given their consent and have confirmed that their appointment, if made would be within the limits as prescribed under the Companies Act, 2013. The Board of Directors recommend to the shareholders, the re-appointment of M/s S R B C & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a term of 4 years starting from the conclusion of ensuing Annual General Meeting i.e. for the FY2021-22 to FY2024-25.

It is clarified that M/s. S R B C & Co LLP, Chartered Accountants were appointed as the first auditors of the Company on May 18, 2015 to hold office upto the date of first Annual General Meeting of the

Company. Thereafter, they were appointed as the Statutory Auditors of the Company for a term of 5 years from the conclusion of the first Annual General Meeting upto the conclusion of the sixth Annual General Meeting. Accordingly, the term of Statutory Auditors is completing on the conclusion of ensuing Annual General Meeting and they being eligible, have confirmed that their appointment, if made would be within the limits as prescribed under the Act. Further, in accordance with Section 139 of Companies Act, 2013 read with rules made thereunder, as amended, since the Statutory Auditors have already completed the tenure of 6 years (i.e. 1 year plus 5 years), their appointment is being recommended for a period of 4 years.

The Statutory Auditors Report does not contain any qualification or adverse remark hence does not require any clarification or explanation of the Board.

(b) Secretarial Auditors
Pursuant to Section 204 of the Act, M/s. DMK Associates, Practising Company Secretaries, were appointed to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2021. The Report of the Secretarial Auditors is annexed as **Annexure-E** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its power products are required to be audited. Mr. Kiran Naik, Cost Accountant, was appointed as the Cost Auditor to audit the cost accounts of the Company for the said products for FY21. The Cost Audit Report for FY21 is under preparation and Cost Audit Report for FY20 was filed with the Registrar of Companies, Pune, within the prescribed timelines, as extended by the Ministry of Corporate Affairs.

Further, Kiran Naik (FRN 010927) has also been appointed as the Cost Auditor for FY22, and he has confirmed that his appointment is within the prescribed limits. As required by the provisions of the Act, a resolution seeking Members' approval for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included in the Notice convening the ensuing AGM.

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company had documented a comprehensive Internal Control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with the policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The formalized system of control facilitates effective compliance as per relevant provisions of the Companies Act, 2013 and other applicable Law(s).

To maintain its objectivity and independence, the Internal Audit function reports to the Board of Directors. The Internal Audit function monitors and evaluates the efficacy and adequacy of Internal Control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations if any, and corrective actions thereon are presented to the Board. The Board of Directors regularly reviews the observation of the Statutory Auditors on the financial statements, including financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal controls and systems followed by the Company.

LEGAL COMPLIANCES MANAGEMENT

The Compliance function independently tracks, reviews and ensures compliance with regulatory guidelines and promotes a compliance culture in the Company. We track compliance details as well as timelines on our compliances portal which is updated in a timely manner. The compliance report is also provided independently to senior management by the compliance function. The compliance portal is a proprietary software to run an effective Compliance management that allows for keen monitoring of the compliance status with regard to applicable laws and regulations and captures alters that inform us of amendments, change in laws, regulations. The portal also provides a robust governance structure and a streamlined reporting system that ensures cohesive compliance reporting to the management. The regulatory compliance certificate is presented to the Board on a quarterly basis. Compliance certificates are regularly updated by the Compliance Department and independently reviewed by senior management, allowing for robust and effective oversight across compliance practices.

BUSINESS RISK MANAGEMENT

Risk can be viewed as a combination of the probability of an event occurring, the impact of its consequence and the current mitigation effectiveness. Events with a negative impact represent risks that can prevent value creation or erode existing value.

The Board has constituted a Risk Management Committee comprising of Ms. Haixia Zhao, Independent Director as Chairperson of the Committee, Mr. A.R. Narayanaswamy and Mr. Pratik Pravin Agarwal as Members, to review, identify, evaluate and monitor both business and non-business related risks and take requisite action to mitigate the same through a properly defined framework.

The Company has framed a Risk Management Policy to identify and assess the risk areas, monitor and report compliance and effectiveness of the policy. Copy of the Risk Management policy is also available on the website of the

Company at www.sterlitepower.com. A detailed exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risks. The policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The details of Vigil Mechanism/Whistle Blower Policy have been disclosed in the Corporate Governance Report which forms part of the Directors Report as Annexure A.

DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to encourage women professionals by creating proper policies to address issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment.

During the period under review, the Company had received 2 complaints of harassment, which have been resolved. No other complaint was pending as on March 31, 2021.

Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

Pursuant to Section 92(3) of the Act, the Annual Return of the Company for the FY21 ended March 31, 2021 shall be available on the website of the Company at www.sterlitepower.com.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Act, relevant amounts which remained unpaid or unclaimed for a period of seven years are to be transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed dividend lying with the Company as on March 31, 2021 shall be made available on the Company's website at www.sterlitepower.com.

TRANSFER OF SHARES LYING IN UNCLAIMED SUSPENSE ACCOUNT

In terms of provisions of the act, the shares lying in the Unclaimed Suspense Account for a period of seven consecutive years are to be transferred by the Company to the Investor Education and Protection Fund established by Central Government. Accordingly, shareholders are encouraged to claim the shares on or before March 31, 2023, if not yet claimed. Post March 31, 2023, shares lying in unclaimed Suspense Account for consecutive 7 years ending on March 31, 2023, shall be transferred to Investor Education and Protection Fund and shareholders will have to claim their shares from Investor Education and Protection Fund, established by the Central Government. Details of shares lying in Unclaimed Suspense Account are given in the Corporate Governance Report forming part of this Director' Report as **Annexure A**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments are provided in Note no. 5, 6, 16 & 38 to the Financial Statements forming part of this Annual Report for FY21.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of provisions of the Act and Rules made there under, the Directors Report and the Financial Statements are being sent to the Members of the Company excluding **Annexure-G** relating to the disclosures pertaining to remuneration under section 197(12) of the Act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. The said information is available for inspection through electronic mode. Any member interested in obtaining a copy of the said statement may write to the Company Secretary and the same will be furnished upon such request.

EMPLOYEE STOCK APPRECIATION SCHEME

The Board had adopted 'Sterlite Power Transmission Employee Stock Appreciation Rights Plan 2017' ("ESAR 2017"/"Plan") for the key employees of the Company. The scheme provided an opportunity to the key employees to have a share in the value they create for the Company.

The Board in order to provide strategic direction to the organization and ensuring achievement of aggressive growth targets, had formulated a separate ESAR Plan 'Sterlite Power Transmission Employee Stock Appreciation Rights Plan 2018' ("ESAR 2018"/"Plan") for the executive directors and 'MD & CEO' without impacting the transition from the existing Plan to the new one to ensure a continuous focus on value creation.

The Company's ESAR schemes were in line with Company's philosophy of sharing benefits of growth with its key growth drivers. The ESAR plans of the company have been concluded in May 2021.

NON-CONVERTIBLE DEBENTURES

The details of non-convertible debentures redeemed during the year under review have been disclosed in the Corporate Governance Report which forms part of the Directors' Report as **Annexure A.**

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility Committee ("CSR Committee") which comprises of Mr. Pravin Agarwal, Chairman and non-executive Director, Mr. Pratik Pravin Agarwal, Managing Director, Mr. A.R. Narayanaswamy and Ms. Haixia Zhao, both being Independent Directors, as Members of the Committee. Mr. Arun Todarwal, Independent Director and former Chairman of the Committee ceased to be a member of the Committee on completion of his term of 5 years, as Director on July 24, 2021.

The Board has also approved a CSR policy, which is available on the website of the Company at www.sterlitepower.com.

During the year under review the Company was not required to spend on CSR Activities covered under Schedule VII of the Act due to losses. However, pursuant to merger of Sterlite Power Grid Ventures Limited ("SPGVL")- wholly owned subsidiary with the Company, the CSR initiatives/ projects undertaken by/or on behalf of SPGVL have been disclosed in the Annual Report on CSR activities. The Annual Report on CSR activities pursuant to Section 135 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is enclosed as **Annexure-H** to this Report.

Litigation by the Company under Insolvency and Bankruptcy Code, 2016

The details of application made by the Company and proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with the status as at March 31, 2021 is as under:

Pursuant to certain purchase orders placed by Pan India Infraprojects Private Limited ("Pan India") for the purchase of ACSS aluminium conductors and OPGW Cables from the Company and a liquidation application filed before the National Company Law Tribunal against Pan India under the Insolvency and Bankruptcy Code, 2016 and the corresponding public announcement dated July 25, 2020, the Company has raised a claim of approximately ₹ 124.17 Million against Pan India for certain cancellation costs and dues towards the non-issuance of C form owed by Pan India to our Company. The matter is currently pending.

GENERAL

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

a. The Company has not accepted any deposits from the public or otherwise in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of Balance Sheet.

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

c. The Managing Director of the Company do not receive any remuneration or commission from any of its subsidiaries.

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

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

f. The Company has not made any one-time settlement in respect of any loan from Banks or Financial Institutions, hence, no details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, are required to be given.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors
Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN-00022096

Date: August 30, 2021
Place: Pune

ANNEXURE INDEX

Annexure	Content
A	Corporate Governance Report
B	The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC - 2 of Companies (Accounts) Rules, 2014.
C	List of subsidiaries, associates and joint ventures as on March 31, 2021.
D	Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC–1.
E	Secretarial Audit Report for FY ended on March 31, 2021.
F	The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014
G	Statement showing the names and other particulars of the employees drawing remuneration in terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
H	Report on Corporate Social Responsibility.

Annexure A

Corporate Governance Report

PHILOSOPHY OF THE COMPANY ON CODE OF GOVERNANCE

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only their capital is handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard. Your Company perceives good corporate governance practices as a key to sustainable corporate growth and long-term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and client satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as conform to the highest standards of corporate behaviour. Your Company is continuously striving to attain excellence in business backed by client service. Similar to our personal performance monitoring, wherein our focus is towards being outstanding or excellent, all our products and business processes need to be 'Excellent' - first in our own perception and then in our customers' perception.

Your company believes that an active, well informed independent Board is necessary to ensure the highest standard of Corporate Governance. Your company firmly believes that the Board's independence is essential to bring objectivity and transparency in the management and in the dealings of the Company.

Further, our governance structure, including our commitment to environment and sustainability, aim to reflect our corporate governance standards and practices. We have a three-tiered governance structure comprising our Board, Board Committees and Executive Management. Our Board Committees also play a vital role in ensuring sound corporate governance practices.

Strategic supervision	The Board of Directors occupies the top most tier in the governance structure. It plays a role of strategic supervision that is devoid of involvement in the task of strategic management of the Company. The Board lays down strategic goals and exercises control to ensure that the Company is progressing to fulfill stakeholders' aspirations.
Strategic management	The Executive Committee is composed of the senior management of the Company and operates upon the directions and supervision of the Board.
Executive management	The function of Management Committee is to execute and realize the goals that are laid down by the Board and the Executive Committee.

BOARD OF DIRECTORS

a. Composition of Board

As on March 31, 2021, the Board of Directors comprised of 6 (Six) directors, of which 4 (four) were Independent Directors:

Sr. No.	Name of the director(s)	Designation	Category
1	Mr. Pravin Agarwal	Chairman	Non-Executive
2	Mr. Arun Todarwal[1]	Independent Director	Non-Executive
3	Mr. A.R. Narayanaswamy	Independent Director	Non-Executive
4	Ms. Haixia Zhao	Independent Director	Non-Executive
5	Mr. Anoop Seth[2]	Independent Director	Non-Executive
6	Mr. Pratik Pravin Agarwal[3]	Managing Director	Executive

[1] Mr. Arun Todarwal ceased to be a Director of the Company upon completion of his term of 5 years on July 24, 2021.

[2] Mr. Anoop Seth was appointed as an Additional Independent Director w.e.f. July 31, 2020 and his appointment was approved by the shareholders in Annual General Meeting held on December 31, 2020.

[3] Mr. Pratik Pravin Agarwal was re-appointed as the Managing Director w.e.f. June 01, 2021 for a term of 3 years and his re-appointment was approved by the shareholders in Annual General Meeting held on December 31, 2020.

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned in the Companies Act, 2013. All the Directors have made necessary disclosures regarding Committee positions and directorships held by them in other companies. None of the directors on the Company's Board is a member in more than ten committees and Chairman in more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he/she is a director. Also, none of the Independent Directors' of the Company, served as an Independent Director in more than 7 listed companies. Further, in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended and are independent of the management.

Further, changes in Directorships during the year under review upto the date of this Report are already disclosed in the Directors' Report which is forming part of this Annual Report.

The current composition of Board of Directors of the Company is as under:

Sr. No.	Name of the director(s)	Designation	Category
1	Mr. Pravin Agarwal	Chairman	Non-Executive
2	Mr. A.R. Narayanaswamy	Independent Director	Non-Executive
3	Ms. Haixia Zhao	Independent Director	Non-Executive
4	Mr. Anoop Seth	Independent Director	Non-Executive
5	Mr. Pratik Pravin Agarwal	Managing Director	Executive

Relationship of Directors with other Directors/KMPs:
Members are informed that Mr. Pratik Pravin Agarwal, Managing Director is the son of Mr. Pravin Agarwal, Chairman of the Company.

b. Meetings of the Board of Directors

The details of meetings of the Board held during the FY21 have already been disclosed in the Directors' Report which is forming part of this Annual Report. Members are being informed that, owing to the ongoing pandemic, all the board meetings were held through video conferencing/other audio-video facilities.

The composition of the Board during FY21 and attendance of Directors in the meetings are as follows. Also given below is the attendance of Directors of the Company at the 5th Annual General Meeting of the Company held on December 31, 2020:

Sr. No.	Name of the Directors	Designation	Attendance at the last AGM held on December 31, 2020	No. of Board Meetings held during FY21		
				Held	Entitled to attend	Attended
1	Mr. Pravin Agarwal	Chairman	Yes	14[1]	14	5
2	Mr. Pratik Pravin Agarwal[2]	Managing Director	Yes	14[1]	14	7[3]
3	Mr. Arun Todarwal[4]	Independent Director	Yes	14[1]	14	14
4	Mr. A.R. Narayanaswamy	Independent Director	Yes	14[1]	14	14
5	Ms. Haixia Zhao	Independent Director	No	14[1]	14	14
6	Mr. Anoop Seth[5]	Independent Director	No	14[1]	13	13
7	Ms. Avaantika Kakkar[6]	Independent Director	No	14[1]	10	1

[1] *Excluding the adjourned meeting*

[2] *Mr. Pratik Pravin Agarwal was re-appointed as a Managing Director w.e.f. June 01, 2021.*

[3] *Mr. Pratik Pravin Agarwal was present in the original meeting held on December 22, 2021, however, was granted leave of absence in adjourned meeting held on December 23, 2021. Therefore, in number of meetings attended, his presence in original meeting has been counted.*

[4] *Mr. Arun Todarwal ceased to be a Director upon completion of his tenure of 5 years on July 24, 2021.*

[5] *Mr. Anoop Seth was appointed as Director effective from July 31, 2020.*

[6] *Ms. Avaantika Kakkar ceased to be a Director effective from February 1, 2021.*

Further, since the Company had entered into a scheme of amalgamation with Sterlite Power Grid Ventures Limited- wholly owned subsidiary of the Company ("SPGVL"), and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, which was sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020 which became effective from November 15, 2020, the details of meetings of the Board of SPGVL along with details of attendance at the meeting, also is given herein below:

During the period April 01, 2020 to November 15, 2020, the Board of Directors of SPGVL met 6 (six) times. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (hereinafter also referred to as "**the Act**") and Secretarial Standard 1 on Board meetings issued by the Institute of Company Secretaries of India read with MCA Circulars, as issued from time to time. The dates on which these meetings were held are April 20, 2020, July 31, 2020, August 13, 2020, September 30, 2020, November 10, 2020 and November 12, 2020.

The composition of the Board of SPGVL during FY21 and its attendance in the meetings are as follows:

Sr. No.	Name of the Directors	Designation	No. of Board Meetings of SPGVL held during FY21		
			Held	Entitled to attend	Attended
1	Mr. Pravin Agarwal	Chairman	6	6	2
2	Mr. Arun Todarwal	Independent Director	6	6	6
3	Mr. A.R. Narayanaswamy	Independent Director	6	6	6
4	Ms. Haixia Zhao	Independent Director	6	6	6
5	Ms. Avaantika Kakkar[1]	Independent Director	6	1	1
6	Mr. Pratik Pravin Agarwal	Managing Director	6	6	4

[1] *Ms. Avaantika Kakkar ceased to be a Director effective from April 21, 2020.*

c. Information provided to the Board

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

Further, the Managing Director and Chief Financial Officer have interactions with all Directors at the Board Meeting(s); Members of senior Management also attend the Board Meetings at times to provide detailed insight to the Board Members.

d. Separate meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Act, a separate meeting of the Independent Directors of the Company was held on March 30, 2021 for the FY21 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

e. Induction and training of Board Members

The Company has put a process in place for the Induction and Training of Board Members. Upon appointment, the concerned Director will be issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director will be taken through a formal induction program including the presentation from the Managing Director on the Company's business. The details of familiarization programs imparted to independent directors is forming part of the Nomination & Remuneration Policy and can be accessed at website of the Company at www.sterlitepower.com. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a director. On matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board Members. The familiarization program of directors' forms part of Company's Nomination and Remuneration Policy.

f. Evaluation of the Board, Committees, Chairman and Individual Directors

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual Directors is to be done.

The evaluation process includes circulation of questionnaires to all the directors for evaluation of the Board and its Committees, Board composition and its structure, its effectiveness, its functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all directors in their individual capacity shall be evaluated.

Accordingly, pursuant to the provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, the Chairman, the directors individually as well as the evaluation of the working of its Committees. The said structured evaluation was conducted after taking into consideration, the inputs received from the directors, covering various aspects like role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

Committees of the Board

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for noting. As on date the Board has established the following Committees:

C01 Audit Committee;

C02 Nomination and Remuneration Committee;

C03 Stakeholders Relationship Committee;

C04 Corporate Social Responsibility Committee;

C05 Risk Management Committee;

C06 Investment Committee.

C07 Banking and Authorization Committee; and

C08 Allotment Committee.

C01 Audit Committee

The Audit Committee of the Board is governed by a Charter drawn in accordance with the requirements of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, besides other terms as may be referred by the Board of Directors. The primary objective of the Audit Committee of the Board of Directors is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company and its subsidiaries, surveillance of internal financial control systems as well as accounting and audit activities. The Terms of Reference of the Audit Committee are as under:

A. Review Role- Audit Committee

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

2. Review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions;
   g. qualifications and modified opinion(s) in the draft audit report;
3. Examination and review with the management of the quarterly financial statement and auditor's report thereon; and audit findings, including any significant suggestions for improvements provided to the Management by the independent auditors, or the internal auditor before submission to the board for approval.
4. Review the financial statements, in particular, the investments made by the unlisted subsidiary.
5. Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
6. Review and monitor effectiveness of the audit process.
7. Review and monitor the auditor's independence, performance and qualifications, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner and consider regular rotation of the accounting firm serving as the independent auditors.
8. Review with the Management, performance of Statutory and Internal auditors and adequacy of the internal control systems.
9. Evaluate Internal Financial Controls and Risk Management systems and call for comments by the auditors about internal control systems/scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the Internal and Statutory Auditors and the Management of the Company.
10. Review of the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
11. Discussion with internal auditors of any significant findings and follow up thereon and review the findings of any investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
12. Review material issues raised in any inquiry or investigation by governmental or professional authorities, regarding any independent audit performed by the independent auditor, during their tenure with the Company, and any steps taken to deal with any such issues.
13. Review proposals for fund raising, mergers and acquisitions, making investments or sale of investment/assets.
14. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
15. Review with the Management, and independent auditors, any prospectus or such other document including financial statements contained therein, proposed to be issued by the Company for the purpose of raising capital.
16. Monitoring of end use of funds raised through public offers and related matters.
17. Monitoring and review of the utilization of loans and/or advances from/investment in the subsidiary companies exceeding rupees 100 crore or 10% of the asset size of the subsidiary/associate companies, whichever is lower; including existing loans/advances/investments existing as on the date of coming into force of this provision.
18. Review the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
19. Periodically review the treasury policy of the Company.
20. Review the functioning of the Vigil/Whistle Blower Mechanism.
21. Review of compliance with the Code of Business Conduct & Ethics, Prevention of Sexual Harassment at Workplace Policy, Conflict of Interest Policy, Anti-Trust Policy and Anti-Corruption and Bribery Policy

22. Note report of compliance officer as per SEBI (Prohibition of Insider Trading) Regulations, 2015;

23. Review of secretarial audit report, cost audit report and other audit report as required under the applicable laws.

24. Review, in conjunction with legal counsel, any legal matters that could have a significant impact on the Company's financial statements/position.

25. Review the following:

    a. Management discussion and analysis of financial condition and results of operation.

    b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

       Provided that only those members of the Audit Committee, who are independent directors, shall approve related party transactions

    c. Management letters/letters of internal control weaknesses issued by the statutory auditors including Internal audit reports relating to internal control weaknesses.

    d. Statement of deviations, if any in the use of proceeds as against the objects for which the funds were raised.

    e. Review the statement of deviations:

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

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

    f. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

B. Approval Role- Audit Committee

26. Approval of other non-audit services rendered by the Statutory Auditors including finalization of fees for such other services;

27. Approval or any subsequent modification of transactions of the Company with the related parties or recommendation of the same to the Board.

28. Approval of appointment of the Chief Financial Officer and Chief Internal Auditor after assessing the qualifications, experience and background, etc. of the candidate. The removal and terms of remuneration of the chief internal auditor shall also be subject to review by the Audit Committee.

29. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company including secretarial auditors and cost auditors.

C. Other Roles and Functions- Audit Committee

30. Formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with internal auditor.

31. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

32. Scrutiny of inter corporate loans and investments and periodically review its status.

33. Valuation of undertakings or assets of the Company, wherever it is necessary

34. Appointment of Registered Valuer in terms of Section 247 of the Companies Act, 2013, if required.

35. Formulate the criteria for granting omnibus approval in line with the policy on related party transactions of the Company.

36. Make an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions and requirements as prescribed by Applicable Law.

37. Undertake any other activity in this regard as may be required by the Companies Act, 2013, the Rules, or the SEBI Listing Regulations or other applicable law from time to time.

38. To do all acts, deeds and things which may be necessary for effective implementation of the foregoing acts.

39. Investigate into any matter in relation to activities mentioned above and for this purpose have the authority to obtain professional advice from external sources and have full access to records of the Company.

    The audit committee shall have powers to investigate any activity within its terms of reference or referred to it by the Board, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition and Meetings of Audit Committee

The Audit Committee comprises of two Independent Directors and one Non-Executive Director. Mr. A.R. Narayanaswamy, Chairman of the Committee (Independent Director) is a Chartered Accountant and has accounting and financial expertise. The other Committee Members are also financially literate, with ability to read and understand the financial statements. Mr. Arun Todarwal, former Chairman of the Committee ceased to be a Member of the Committee upon completion of his term as Director on July 24, 2021. The Company Secretary acts as the Secretary to Audit Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher with at least two Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on December 31, 2020.

The Audit Committee met fourteen times during FY21 i.e., on July 30, 2020, September 30, 2020, November 09, 2020, November 12, 2020, November 17, 2020, November 30, 2020, December 07, 2020, December 17, 2020, December 22, 2020, January 27, 2021, February 01, 2021, February 04, 2021, February 26, 2021, and March 22, 2021 and the gap between two meetings did not exceed the statutory timelines. The Composition of the Audit Committee during FY21 and attendance at the meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Audit Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Mr. Arun Todarwal[1]	Chairman	14	14	14
2	Mr. Pravin Agarwal	Member	14	14	1
3	Mr. A.R. Narayanaswamy	Member	14	14	14

[1] Ceased to be a member of the Committee upon completion of term of 5 years as Director on July 24, 2021 and Mr. Anoop Seth was introduced as a member of the Committee w.e.f. August 03, 2021.

The current composition of Audit Committee is as under:

Sr. No.	Name of the Directors	Designation
1	Mr. A.R. Narayanaswamy	Chairman
2	Mr. Pravin Agarwal	Member
3	Mr. Anoop Seth[1]	Member

[1] Introduced as a member of the Committee effective from August 03, 2021.

Further, pursuant to merger of Sterlite Power Grid Ventures Limited (SPGVL) with the Company, the details of meetings of Audit Committee of SPGVL convened during the period April 01, 2020 upto November 15, 2020 are given hereinunder:

The Audit Committee of SPGVL met 5 (five) times during FY21 i.e., on April 20, 2020, July 30, 2020, September 30, 2020, November 09, 2020, and November 12, 2020 and the gap between two meetings did not exceed the statutory timelines. The composition of Audit Committee of SPGVL and attendance details of its meetings held during the period April 01, 2020 to November 15, 2020 is as follows:

Sr. No.	Name of the Directors	Designation	No. of Audit Committee Meetings of SPGVL held during FY21		
			Held	Entitled to attend	Attended
1	Mr. A.R. Narayanaswamy	Chairman	5	5	5
2	Mr. Arun Todarwal	Member	5	5	5
3	Ms. Avaantika Kakkar[1]	Member	5	1	1
4	Mr. Pratik Pravin Agarwal	Member	5	5	1

[1] Ceased to be a Director and member of the Committee on April 21, 2020.

C02 Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas as provided under the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, besides other terms as referred by the Board. The Terms of Reference of the Nomination & Remuneration Committee includes:

A. Nominating Functions- Nomination and Remuneration Committee

1. Review and recommend the structure, size and composition of the Board and its Committees.

2. Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a Director.

3. Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for an appointment.

4. To devise a policy on diversity of board of directors.

5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down

6. Review and recommend to the Board appointment of Directors and Senior Management, including evaluation of incumbent directors for potential re-nomination. Further, to recommend to the Board their removal, as may be necessary.

7. To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

8. Review succession planning for Senior Management.

B. Remuneration Functions- Nomination and Remuneration Committee

1. Recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company (refer "Remuneration Policy") and periodically review the same.

2. The NRC, while formulating the above policy, should ensure that:

   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

3. Determine and recommend to the Board the remuneration payable to the Directors of the Company and the Senior Management and Key Managerial Personnel of the Company.

4. Review the annual compensation strategy and budget covering all employees of the Company including Senior Management.

5. Review deployment of key Human Resources strategies and tools specifically in the area of talent management, employee engagement & development and succession planning.

C. Governance and Evaluation Function- Nomination and Remuneration Committee

1. To formulate a criteria for evaluation of performance of independent directors and the board of directors.

2. To establish and oversee, the process of annual evaluation, including self-evaluation, of the Board, its Committees and Directors.

3. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance

4. To bi-annually review the performance of the executive director/s.

5. To annually review its own performance and present the results to the Board.

Composition and Meetings of Nomination and Remuneration Committee

The NRC comprises of three Independent Directors. Mr. A.R. Narayanaswamy is the Chairman of the Committee. Mr. Arun Todarwal, former Chairman of the Committee and Ms. Avaantika Kakkar, member of the Committee ceased to be the members of the Committee on July 24, 2021 and February 01, 2021 respectively. The Committee met five times during the FY21 i.e., on April 20, 2020, July 15, 2020, September 29, 2020, November 30, 2020 and December 30, 2020. The Company Secretary acts as the Secretary to Nomination and Remuneration Committee.

The Composition of Nomination and Remuneration Committee during the FY21 and attendance details of its meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Nomination and Remuneration Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Mr. Arun Todarwal[1]	Chairman	5	5	5
2	Mr. A.R. Narayanaswamy	Member	5	5	5
3	Ms. Avaantika Kakkar[2]	Member	5	5	2
4	Ms. Haixia Zhao	Member	5	5	5

[1] *Mr. Arun Todarwal ceased to be member of the Committee upon completion of his term of 5 years as Director on July 24, 2021 and Mr. Anoop Seth was introduced as a member of the Committee effective from August 03, 2021.*

[2] *Ms. Avaantika Kakkar ceased to be a member of the Committee effective from February 1, 2021 and Ms. Haixia Zhao was introduced as a member of the Committee effective from February 04, 2021.*

The current composition of Nomination and Remuneration Committee is as under:

Sr. No.	Name of the Directors	Designation
1	Mr. A.R. Narayanaswamy	Chairman
2	Ms. Haixia Zhao	Member
3	Mr. Anoop Seth[1]	Member

[1] *Introduced as a member of the Committee effective from August 03, 2021.*

Further, pursuant to merger of Sterlite Power Grid Ventures Limited (SPGVL) with the Company, the details of meetings of Nomination & Remuneration Committee of SPGVL held during the period April 01, 2020 upto November 15, 2020 are given hereinunder:

The Nomination & Remuneration Committee of SPGVL met 1 (one) time during FY21 i.e., on September 29, 2020. The attendance details of the meetings are as follows:

Sr. No.	Name of the Directors	Designation	No. of Nomination & Remuneration Committee Meetings of SPGVL held during FY21		
			Held	Entitled to attend	Attended
1	Mr. A.R. Narayanaswamy	Chairman	1	1	1
2	Mr. Arun Todarwal	Member	1	1	1
3	Ms. Haixia Zhao	Member	1	1	1
4	Mr. Pratik Pravin Agarwal	Member	1	1	0

Policy for selection and appointment of directors and their remuneration

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

A. Appointment criteria and qualification- Policy for selection and appointment of directors and their remuneration

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

For the appointment of persons in Senior Management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment. Further, for administrative convenience, the appointment of persons in Senior Management, Managing Director of the Company is authorized to identify and appoint suitable persons for such positions. However, if the need be, Managing Director of the Company may consult the Co mmittee/Board for further directions/guidance.

B. Term- Policy for selection and appointment of directors and their remuneration

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

Whereas the term of the persons in Senior Management shall be governed by the prevailing HR policies of the Company.

C. Removal- Policy for selection and appointment of directors and their remuneration

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

D. Remuneration of Managing/Whole-time Director, KMP and Senior Management- Policy for selection and appointment of directors and their remuneration

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

E. Remuneration to Non-Executive/Independent Directors- Policy for selection and appointment of directors and their remuneration

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

An Independent Director shall not be entitled to any stock option of the Company, if any, unless otherwise permitted in terms of the Act.

C03.Stakeholders Relationship Committee

The powers, role and terms of reference of the Stakeholders' Relationship Committee (SRC) covers the areas as provided under the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, besides other terms as referred by the Board. The Terms of Reference of Stakeholders Relationship Committee includes:

1. To approve/refuse/reject registration of transfer/transmission of Shares in a timely manner;
2. To approve/revise the format of share certificates and authorize printing thereof;
3. To authorize to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates;
4. To monitor redressal of and resolve the security holder's complaints/grievances including relating to non-receipt of allotment/refund, transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
5. Review of measures taken for effective exercise of voting rights by shareholders.
6. Review of adherence of the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
8. Undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, the rules thereunder, or the SEBI Regulations each as amended or by any other regulatory authority, from time to time;
9. To do all acts, deeds and things as may be necessary for effective implementation of the foregoing acts.

Composition and Meetings of Stakeholders Relationship Committee

The SRC comprises of two Independent Directors and one non-executive Director. Ms. Haixia Zhao- Independent

Director, is the Chairperson of the Committee. Ms. Avaantika Kakkar- Independent Director was the Chairperson of the Committee, however, she ceased to be the member of the Committee w.e.f. February 01, 2021. Thereafter, Ms. Haixia Zhao was inducted as the Chairperson of the Committee. The Committee met once during FY21 i.e., on November 9, 2020. The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee. The Composition of Stakeholders Relationship Committee during the FY21 and attendance details of its meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Stakeholders Relationship Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Ms. Avaantika Kakkar[1]	Chairperson	1	1	1
2	Ms. Haixia Zhao[2]	Chairperson	1	0	0
3	Mr. Pravin Agarwal	Member	1	1	0
4	Mr. A.R. Narayanaswamy	Member	1	1	1

[1] *Ms. Avaantika Kakkar ceased to be a Director and member of the Committee on February 1, 2021.*

[2] *Ms. Haixia Zhao was introduced as a member & Chairperson of the Committee effective from February 04, 2021*

The current composition of Stakeholders Relationship Committee is as under:

Sr. No.	Name of the Directors	Designation
1	Ms. Haixia Zhao	Chairperson
2	Mr. Pravin Agarwal	Member
3	Mr. A.R. Narayanaswamy	Member

Further during the year under report, the Company received 16 complaints for various matters like non-receipt of share certificates, non-receipt of dividend and non-receipt of annual report. All the complaints were resolved to the satisfaction of investors. Mr. Ashok Ganesan, Company Secretary, acts as the Compliance Officer of the Company. There were no pending complaints as on March 31, 2021.

Sterlite Power Grid Ventures Limited ("SPGVL")- a wholly owned subsidiary which merged with the Company was not required to constitute the Stakeholders Relationship Committee, hence no disclosure with respect to composition of Committee and details of attendance at the meeting is required to be given for SPGVL.

C04. Corporate Social Responsibility Committee

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

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, the CSR Rules and amendments therein, from time to time.

2. Formulate and recommend to the Board, a roadmap of the CSR activities to be undertaken by the Company and annual budget to carry out the CSR activities including amendments therein, from time to time.

3. Approve and recommend to the Board the expenditure to be incurred on the CSR activities, from time to time as per the annual budget/CSR program approved by the Board of directors and in accordance with the Companies Act, 2013 and the CSR Rules.

4. Establish a transparent monitoring mechanism for implementation of CSR projects and programs undertaken by the Company and submit a half-yearly report to the Board of directors.

5. Review and monitor the Corporate Social Responsibility Policy and CSR activities of the Company.

6. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

   (a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

   (b) the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4 of the CSR Rules;

   (c) the modalities of utilization of funds and implementation schedules for the projects or programs;

   (d) monitoring and reporting mechanism for the projects or programs; and

   (e) details of need and impact assessment, if any, for the projects undertaken by the Company:

   Provided that Committee may alter such plan at any time during the financial year, and recommend the same to the Board, based on the reasonable justification to that effect.

7. The CSR Committee may at the expense of the Company secure external professional advice and attendance of third parties with relevant experience and expertise, if it considers this necessary.

8. The Committee shall have access to any internal information necessary to fulfil its role.

9. Undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, the CSR Rules, or other applicable law each as amended or by any other regulatory authority, from time to time.

10. To do all acts, deeds and things which may be necessary for effective implementation of the foregoing acts.

Composition and Meetings of Corporate Social Responsibility Committee

The CSR Committee comprises of total 4 members out of which two are Independent Directors, one Non-Executive Director and one Executive Director. Mr. Pravin Agarwal is the Chairman of the Committee. Mr. Arun Todarwal was the Chairman of the Committee and he ceased to be a member of the Committee upon completion of his term on July 24, 2021. Post his cessation, Mr. Pravin Agarwal was elected as the Chairman of the Committee. The Committee met twice during FY21 i.e., on July 30, 2020 and February 25, 2021. The Composition of CSR Committee during FY21 and attendance details of its meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Corporate Social Responsibility Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Mr. Arun Todarwal[1]	Chairman	2	2	2
2	Mr. Pravin Agarwal[2]	Member	2	2	0
3	Mr. Pratik Pravin Agarwal	Member	2	2	0
4	Mr. A.R. Narayanaswamy	Member	2	2	2
5	Ms. Haixia Zhao	Member	2	2	2

[1] *Ceased to be a member of the Committee upon completion of his term of 5 years as Director on July 24, 2021.*

[2] *Mr. Pravin Agarwal was elected as the Chairman of the Committee w.e.f. August 20, 2021.*

The current composition of the CSR Committee is as under:

Sr. No.	Name of the Directors	Designation
1	Mr. Pravin Agarwal	Chairman
2	Mr. Pratik Pravin Agarwal	Member
3	Mr. A.R. Narayanaswamy	Member
4	Ms. Haixia Zhao	Member

Further, pursuant to merger of Sterlite Power Grid Ventures Limited (SPGVL) with the Company, the details of meetings of Corporate Social Responsibility Committee held by SPGVL during the period from April 01, 2020 to November 15, 2020 are given hereinunder:

The Corporate Social Responsibility Committee of SPGVL met 3 (three) times during FY21 on July 30, 2020, September 29, 2020 and November 09, 2020 and the gap between two meetings did not exceed the statutory timelines. Attendance details of the meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Corporate Social Responsibility Committee Meetings of SPGVL held during FY21		
			Held	Entitled to attend	Attended
1	Mr. A.R. Narayanaswamy	Chairman	3	3	3
2	Ms. Avaantika Kakkar[1]	Chairperson	3	0	0
3	Mr. Arun Todarwal	Member	3	3	3
4	Ms. Haixia Zhao	Member	3	3	3
5	Mr. Pratik Pravin Agarwal	Member	3	3	0

[1] *Ceased to be a Director and member of the Committee on April 21, 2020.*

C05. Risk Management Committee

The Company has constituted a Risk Management Committee (RMC) which supports the Board in fulfilling its Corporate Governance oversight responsibilities with regard to identification, evaluation and mitigation of risks impacting the business. The terms of reference of the RMC Committee includes:

1. Advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities.
2. To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
3. Oversee and advise the Board on the current risk exposures of the Company and future risk strategy and review the risk management plan.
4. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
5. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
6. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
7. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
8. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
9. Review of cyber security and related risks;
10. Set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
11. Ensure the CRO shall be given the right of unfettered direct access to the Chairman of the Board and/or to the Committee.
12. The Committee may at the expense of the Company secure external legal or other professional advice and

attendance of third parties with relevant experience and expertise, if it considers this necessary. The Committee may also seek information from any employee of the Company.

13. Undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, the rules thereunder, or the SEBI Listing Regulations each as amended or by any other regulatory authority, from time to time.

Composition and Meetings of Risk Management Committee

Risk Management Committee (RMC) comprises of two Independent Directors and one Executive Director. Ms. Haixia Zhao is the Chairperson of the Committee. The Committee met twice during FY21 i.e. on July 30, 2020 and February 03, 2021. The Composition of RMC during FY21 and attendance details of its meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Risk Management Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Ms. Haixia Zhao	Chairperson	2	2	2
2	Mr. A.R. Narayanaswamy	Member	2	2	2
3	Mr. Pratik Pravin Agarwal	Member	2	2	2
4	Mr. Arun Todarwal[1]	Member	0	0	0

[1] *Mr. Arun Todarwal was inducted as a member of RMC Committee w.e.f. February 04, 2021. However, he ceased to be a member of the Committee upon completion of his term of 5 years as Director on July 24, 2021.*

The current composition of the RMC Committee is as under:

Sr. No.	Name of the Directors	Designation
1	Ms. Haixia Zhao	Chairperson
2	Mr. A.R. Narayanaswamy	Member
3	Mr. Pratik Pravin Agarwal	Member

Further, Sterlite Power Grid Ventures Limited (now merged with the Company) had not constituted the Risk Management Committee and hence no information is required to be disclosed in this regard.

C06. Investment Committee

During the year under review, the Company constituted an Investment Committee (IC) to oversee strategic transactions and to provide direction and guidelines to the operating teams, evaluate risk and alignment with overall Group objectives globally including Brazil. The terms of reference of the Investment Committee includes:

1. Advise the Board on the proposed following strategic transactions, provide direction and guidelines to the operating teams, evaluate risk and alignment with overall Group objectives globally, including India and Brazil:

    a. Sale of assets;

    b. Purchase of assets;

    c. Bidding of infrastructure projects in India and Brazil;

    d. Raising of debt/Refinancing/Restructuring at hold co level;

    e. Raising of debt at project level/Refinancing/ Restructuring;

    f. Equity raise;

    g. Potential Mergers and Acquisitions.

2. Review and recommend to the Board for its approval investment opportunities, acquisitions, joint ventures in accordance with the Company's Business plans.

3. Perform such other duties consistent with the Committee's purpose or that are assigned to it by the Board.

Composition and Meetings of Investment Committee

Investment Committee (IC) constituted by the Board of Directors effective from February 04, 2021, comprises of two Independent Directors and one Executive Director. The Committee met three (3) times during FY21 i.e., on February 06, 2021, February 26, 2021 and March 22, 2021. The Composition of IC during FY21 and attendance details of its meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Investment Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Ms. Haixia Zhao	Member	3	3	3
2	Mr. Anoop Seth	Member	3	3	3
3	Mr. Pratik Pravin Agarwal	Member	3	3	3

Further, there is no change in the composition of Investment Committee as on the date of this report.

Further, Sterlite Power Grid Ventures Limited (now merged with the Company) had not constituted the Investment Committee and hence no information is required to be disclosed in this regard.

C07. Banking and Authorization Committee

The Banking and Authorization Committee ("BAC") of the Company was constituted to ease the day-to-day affairs of the Company within the approvals accorded and delegated by the Board of Directors. The Terms of Reference of the Banking & Authorization Committee includes:

i. Opening and/or Closure of Bank Accounts/Opening and/or Closure of Demat Accounts/Hedging Accounts/ Forex Accounts/Derivative/Forex Transactions/Internet Banking Authorizations/Cash Management Services with various banks in India and/or outside India and change in operations of Bank Accounts, issuing letter of continuity and all such matters related to operations of the Current and Cash Credit Accounts.

ii. Appointing hedging brokers/sub-brokers for London Metal Exchange or any other Metal Exchanges.

iii. Authorize/Grant Power of Attorneys to employees of the Company for bidding in tenders, marketing, representing the Company in routine business matters.

iv. Authorize/grant Power of Attorney to employees of the Company or consultants to the Company in routine business matters.

v. Authorize/grant Power of Attorney to one or more persons to represent before authorities under Income Tax, Sales Tax, Excise, VAT, decide authentication of Excise Invoices, Customs (including issuing Bonds), Ministry of Corporate Affairs, the Reserve Bank of India, the Registrar of Companies, Foreign Investment Promotion Board, Enforcement Directorate, Electricity Boards, Pollution Control Boards, Town and Country Planning Authorities and/or other statutory authorities under Central and/or State Governments.

vi. Authorize/grant Power of Attorney to one or more persons to initiate and/or defend all legal proceedings including appointment of counsel, attorneys, mediators, arbitrators on behalf of the Company and also to execute affidavits, appeals, applications, petitions and other documents and all such necessary/incidental steps necessary in this regard.

vii. Authorize one or more employees of the Company under Section 113 of the Companies Act, 2013 to attend and vote at the meetings of the companies where the Company is a shareholder/debenture-holder, meetings of creditors and meetings convened by the orders of the Court and to nominate/change nominee shareholders in any Subsidiary or Associate Companies from time to time to ensure the presence of quorum at their General Meetings and to ensure minimum number of members under the Companies Act 2013.

viii. Authorize employees of the Company in matters relating to opening and/or closing of representative/branch offices in India or other countries.

ix. Authorize/grant Power of Attorney to one or more persons at various units for administrative purposes viz. applying for telephone/internet/power connection and/or dealing with local municipal authorities, shop act authorities and related matters.

x. Authorize/give Power of Attorney to one or more persons to make application to Central Government, Ministry of Corporate Affairs, Foreign Investment Promotion Board, Enforcement Directorate, Reserve Bank of India, Registrar of Companies for various permissions required under various Statutory enactments.

xi. Authorize one or more persons to execute and/or register any documents, deeds, papers for purchase/sale/take or give on lease and/or Leave & License basis, land, factory, office premises and/or residential premises for the purpose of business.

xii. Invest sums of money in Units of Mutual Funds, Government Securities, Bonds, Debentures, and any other Securities or instruments upto ₹ 500 crore, at any given point of time.

xiii. Avail Working Capital facilities from various banks/financial institutions (Fund based and non-fund based) for the prescribed limit as approved by Board from time to time.

xiv. Avail Term Loan facilities including through Non-Convertible Debentures from various banks/financial institutions for the prescribed limit as approved by Board from time to time.

xv. Creation of security or charge including but not limited to hypothecation, mortgage, pledge, bailment etc. on the moveable and/or immovable properties.

xvi. Authorize one or more persons to issue, sign, execute, and deliver indemnity, corporate guarantees, undertakings, affidavit or any other document on behalf of the Company.

xvii. Approve amendments to existing Superannuation Scheme including authority to change trustees, wherever necessary.

xviii. Authorize any person to affix seal of the Company to any instrument by the authority of a resolution.

xix. To revoke the powers delegated to the employee(s) by the Board and/or Committee(s) thereof from time to time.

Composition and Meetings of Banking and Authorization Committee

The Banking and Authorization Committee comprises of one Non-Executive Director and one Executive Director. Mr. Pravin Agarwal is the Chairman of the Committee. The Committee met twice during FY21 i.e., on December 18, 2020 and March 28, 2021. The Composition of Banking and Authorization Committee during FY21 and attendance details of its meetings is as follows:

Sr. No.	Name of the Directors	Designation	No. of Banking & Authorization Committee Meetings held during FY21		
			Held	Entitled to attend	Attended
1	Mr. Pravin Agarwal	Chairman	2	2	2
2	Mr. Pratik Pravin Agarwal	Member	2	2	2

Further, there is no change in the composition of Banking and Authorization Committee as on the date of this report.

Further, no meeting of Banking and Authorization Committee of the Board of Sterlite Power Grid Ventures Limited was held during the FY21 and hence no information is required to be disclosed in this regard.

C08. Allotment Committee

The Allotment Committee has been constituted by the Board of Directors of the Company. The Terms of Reference of the Allotment Committee includes:

i. Allot Shares/Securities of the Company.

ii. Splitting of shares, issuance of Duplicate Share Certificate in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.

iii. Authorize Directors/officers of the Company to issue Share/Securities Certificate to respective allottee(s) for above mentioned purposes.

iv. Undertake any other activity in this regard as may be required by the Companies Act, 2013 or the Rules, from time to time.

v. To do all acts, deeds, matters and things as may be necessary for effective implementation of the foregoing acts.

During FY21 the Allotment Committee comprised of following members and no meeting of Allotment Committee was held during the year under report.

Sr. No.	Name of the Directors	Designation
1	Mr. Arun Todarwal[1]	Chairman
2	Mr. Pravin Agarwal	Member
3	Mr. Pratik Pravin Agarwal	Member

[1] *Ceased to be a member of the Committee upon completion of his tenure of 5 years as Director on July 24, 2021.*

The current composition of the Allotment Committee is as under:

Sr. No.	Name of the Directors	Designation
1	Mr. Pravin Agarwal	Chairman
2	Mr. Pratik Pravin Agarwal	Member

Further, no meeting of Allotment Committee of the Board of Sterlite Power Grid Ventures Limited was held during the FY21 and hence no information is required to be disclosed in this regard.

Details of Remuneration paid to the Directors

Mr. Pratik Pravin Agarwal is the Managing Director of the Company and was re-appointed for a term of 3 years w.e.f. June 01, 2021. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides. The said appointment, its terms and remuneration were approved by the shareholders of the Company in the last Annual General Meeting of the Company held on December 31, 2020. Mr. Pratik Pravin Agarwal was paid a remuneration of ₹ 4,99,90,000/- (Indian Rupees Four Crores Ninety-Nine Lakh Ninety Thousand only) during the year under review. This remuneration does not include gratuity and leave encashment since the same is calculated for all employees of the Company as a whole.

Mr. Pravin Agarwal, Chairman and Non-executive Director, was not entitled to any remuneration during FY21.

The Independent Directors are being paid sitting fee of ₹ 1,00,000/- (Indian Rupees One Lakh) for attending each meeting of the Board and Committees of the Board. Remuneration by way of commission to Non-Executive Directors is paid pursuant to the approval of the Members and is decided by the Board of Directors and distributed to them based on their participation and contribution to the Board and certain Committee meetings, as-well-as, time spent on operational matters other than at meetings. Accordingly, pursuant to the approval of members accorded in their meeting held on December 31, 2020 to pay remuneration to Independent Directors even in case of inadequate profits, the Nomination and Remuneration Committee of the Board, in its meeting held on May 19, 2021 recommended to the Board and the Board in its meeting held on May 21, 2021 approved the payment of Commission to 2 (two) of its Independent Directors for the FY21. The payment of said Commission was also approved and ratified by the members of the Company by passing resolution on August 01, 2021, through postal ballot.

For the FY21, the details of remuneration by way of commission and sitting fees paid to Independent Directors, for attending the meetings of the Board and Committees of the Board, of the Company and Sterlite Power Grid Ventures Limited (SPGVL- now merged with the Company) are given hereunder:

S.No.	Name of Director	Sitting Fee Paid (in ₹)			Commission (in ₹)	Total Remuneration paid (in ₹)
		Company	SPGVL (now merged with the Company)	Total		
1.	Mr. Arun Todarwal[1]	36,00,000	9,50,000	45,50,000	-	45,50,000
2.	Mr. A.R. Narayanaswamy	39,00,000	9,50,000	48,50,000	-	48,50,000
3.	Ms. Haixia Zhao	27,00,000	7,00,000	34,00,000	60,00,000	94,00,000
4.	Mr. Anoop Seth[2]	17,00,000	N.A.	17,00,000	7,50,000	24,50,000
5.	Ms. Avaantika Kakkar[3]	Ms. Avaantika Kakkar having waived the receipt of sitting fee, no payment of sitting fee was made to her during the period under review.				

[1] *Ceased to be a Director upon completion of his term of 5 years on July 24, 2021.*

[2] *Appointed as Director w.e.f. July 31, 2020.*

[3] *Ceased to be a Director w.e.f. February 01, 2021.*

General Body Meeting

Particulars of last three Annual General Meetings

Date	Venue	Time	Resolutions that were passed with requisite majority
December 31, 2020 (5th AGM)	Held through Video Conference	11.00 A.M	1a. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 and the report of Board of directors thereto and report of Auditors thereon. 1b. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon.
			2. Re-Appointment of Mr. Pratik Agarwal as Director of the Company.
			3. Approval of remuneration of the Cost Auditors for FY21.
			4. Appointment of Mr. Anoop Seth (DIN- 00239653) as an Independent Director for a term of 5 years
			5. Re-appointment of Mr. Pratik Agarwal (DIN - 03040062) as Managing Director for a period of 3 years & fixation of remuneration *(Passed as a Special resolution)*
			6. Authorization for creation of charge on the assets of the Company under section 180(1)(a) of the Companies Act, 2013 *(Passed as a Special resolution)*
			7. Transfer of Capital Redemption Reserve to Retained Earnings of the Company *(Passed as a Special resolution)*
			8. Remuneration by way of commission to Independent Directors of the Company *(Passed as a Special resolution)*
September 30, 2019 (4th AGM)	The O Hotel, Plot No 293, N Main Road, Vaswani Nagar, Ragvilas Society, Koregaon Park, Pune, Maharashtra 411001	02.30 P.M	1a. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the report of Board of directors thereto and report of Auditors thereon. 1b. To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon.
			2. To appoint a Director in place of Mr. Pravin Agarwal (DIN No: 00022096), who retires by rotation and being eligible offers himself for re-appointment.
			3. Approval of remuneration of the Cost Auditors for FY20.
			4. Approval of remuneration of Mr. Pratik Agarwal, Managing Director & CEO for a further period of two years w.e.f June 01, 2019 *(Passed as a Special resolution)*
			5. To consider payment of commission to Non-Executive Independent Directors of the Company *(Passed as a Special resolution)*
			6. To consider appointment of Mr. Alampallam Ramakrishnan Narayanaswamy (DIN- 00818169) as an Independent Director
			7. To consider appointment of Ms. Haixia Zhao as an Independent Director
September 27, 2018 (3rd AGM)	Westin, 36/3-B Koregaon Park Annexe, Mundhwa Road, Ghorpadi, Pune, Maharashtra – 411001	10.00 A.M	1a. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2018 and the report of Board of directors thereto and report of Auditors thereon. 1b. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.
			2. To appoint a Director in place of Mr. Pratik Agarwal (DIN No: 03040062), who retires by rotation and being eligible offers himself for re-appointment.
			3. Ratification of appointment of Statutory Auditors for remaining period of their tenure i.e. from the conclusion of 3rd AGM till the conclusion of 6th AGM.
			4. Offer or invitation for subscription of non-convertible debentures on private placement basis. *(Passed as a Special resolution)*
			5. Approval of remuneration of Cost Auditors for FY19.

Details of resolutions passed by Postal Ballot

During the year under review there was no matter which was passed through Postal Ballot.

Subsidiary, Associate and Joint Venture Companies

The Company had 42 subsidiaries, 3 associates and 2 joint venture companies as on March 31, 2021. The Annual Financial Statements of the subsidiary companies are placed before the Audit Committee and the Board of Directors of the Company. Significant issues pertaining to all subsidiary companies are also discussed at the Audit Committee meetings. The performance of all its subsidiaries is also quarterly reviewed by the Board. The minutes of all the subsidiary companies are placed before the Board and the attention of the directors is drawn from time to time upon significant transactions and arrangements entered with the subsidiary companies. Post March 31, 2021, 6 (six) Indian subsidiaries ceased to be the subsidiary of the Company and became joint venture companies. Also, one subsidiary of the Company in Brazil ceased to be a subsidiary of the Company, post March 31, 2021.

Policy on material subsidiaries, as approved by the Board of Directors, may be accessed at the Company's website at www.sterlitepower.com

Related Party Transactions

All Related Party Transactions are reviewed and approved by the Audit Committee of the Board in accordance with the Act. There were no materially significant transactions with related parties during the FY which were in conflict with the interest of the Company. No transaction with the related parties has a potential conflict with the Company's interest. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on an arm's length basis and are intended in the Company's interests.

All material transactions entered into with Related Parties as defined under the Act during the FY21 were in the ordinary course of business and on an arm's length price. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements.

The Board has approved the policy on Related Party Transactions, and the same can be viewed on the Company's website i.e. www.sterlitepower.com

Code of Conduct

The Company has adopted a 'Code of Business Conduct & Ethics' to meet the changing internal and external environment for its employees at all levels including senior management and directors. The Code can be viewed on the Company's website, that is, www.sterlitepower.com. The Code serves as a guide to the employees of the Company to make informed and prudent decisions and act on them.

Vigil Mechanism/Whistleblower Policy

The Company follows a strong vigil mechanism and had adopted a Whistle Blower Policy, along with the Code of Business Conduct & Ethics. The Whistle Blower Policy is the mechanism to help the employees of the Company and all external stakeholders to raise their concerns about any malpractice, impropriety, abuse or wrong-doing at an early stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage.

The policy encourages to raise concerns within the Company rather than overlooking a problem. All complaints under this policy are reported to the Head - Management Assurance Service Group, who is independent of operating management and business. Complaints can also be sent to the designated E-Mail ID: stl.whistleblower@vedanta.co.in. The Head of - Management Assurance Service Group reviews the complaint and may investigate it or may assign to another competent person to investigate or assist in investigating the complaint.

Debt Securities

During the year under review, the Company had redeemed 3500 rated, secured, listed, redeemable non-convertible debentures ("**NCDs**") of ₹ 10,00,000/- each, as per following details. After redemption of said NCDs, the same were delisted pursuant to the approval granted by BSE Limited vide its notice dated January 12, 2021.

S. No.	Date of Allotment	Date of redemption	Redemption amount per NCD (in ₹)	Amount of redemption (in ₹)
1.	March 29, 2019	June 30, 2020	2,14,286	75,00,00,000
2.		November 27, 2020	7,85,714	2,75,00,00,000
	Total		**10,00,000**	**3,50,00,00,000**

Further, erstwhile Sterlite Power Grid Ventures Limited (SPGVL- now merged with the Company) had also issued 11,500 non-convertible debentures ('NCDs') of ₹ 10,00,000 each on private placement basis as per following details. The said NCDs were also redeemed during FY21 and post redemption, the NCDs were delisted from the wholesale debt segment of BSE Limited with effect from December 21, 2020:

S. No.	Date of Allotment	No of NCDs issued	Amount of NCDs issued (in ₹)
1.	March 2019- July 2019	195	195,00,00,000
2.		550	550,00,00,000
3.		105	105,00,00,000
4.		300	300,00,00,000
	Total	**1150**	**1150,00,00,000**

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

During the period under review, the Company had received 2 complaints of harassment, which have been resolved. No other complaint was pending as on March 31, 2021.

Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Additional Disclosures

a. The Company has not received any complaints relating to child labour, forced labour, involuntary labour during the FY21.

b. As a result of its businesses and the global nature of its operations, the Company is exposed in particular to market risks from changes in foreign currency exchange rates and interest rates, while commodity price risks arise from procurement. The Company has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines upon which the Company's risk management processes for financial risks are based are designed to identify and analyze these risks throughout the Company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems.

General Shareholder Information

Distribution of Shareholding as on March 31, 2021

Sr. no	Category	Cases	% of Cases	No. of shares	% of shareholding
1	1 - 5000	1,06,043	99.85	1,13,19,019	18.50
2	5001 - 10000	79	0.07	5,37,672	0.88
3	10001 - 20000	38	0.04	5,13,387	0.84
4	20001 - 30000	13	0.01	3,14,652	0.51
5	30001 - 40000	4	0.00	1,29,123	0.21
6	40001 - 50000	9	0.01	4,01,323	0.66
7	50001 - 100000	7	0.01	5,19,325	0.85
8	100001 and above	11	0.01	4,74,47,401	77.55
	TOTAL:	**1,06,204**	**100.00**	**6,11,81,902**	**100.00**

Equity holding pattern as on August 20, 2021[1] is as under:

Name	Total Shares	% To Equity
Promoter		
Promoter	4,36,70,398	71.38
Promoter Group	18,63,453	3.05
Total of Promoter & Promoter Group (A)	**4,55,33,851**	**74.43**
Public Shareholders		
Institutions	51,186	0.08
Non-Institutions	1,43,21,423	23.41
Body Corporates	12,75,442	2.08
Total (B)	**1,56,48,051**	**25.57**
Total (A) + (B)	**6,11,81,902**	**100**

[1] *Due to change in categorization of Promoter and Promoter Group, shareholding pattern as on August 20, 2021 has been disclosed.*

Dematerialization of Shares and Liquidity

As on March 31, 2021, 6,01,02,810 equity shares representing 98.24% of total equity shares were held in electronic form. The Shareholders can hold the shares in de-mat form either through NSDL or CDSL. The ISIN allotted to the equity shares of the Company is INE110V01015.

Details of outstanding equity shares in the Unclaimed Suspense Account

The Company reports the following details in respect of equity shares lying in the suspense account as on March 31, 2021:

Particulars	Total No. of Shareholders	Shares lying in Unclaimed Suspense Account
As on April 1, 2020	5,350	4,24,877
Shareholders approached for transfer/delivery during FY21	0	0
Shares transferred/delivered during FY21	0	0
Balance as on March 31, 2021	**5,350**	**4,24,877**

Share Transfer System

Directors and Executives of the Company have been given powers to deal with all the matters related to transfers, transmission, issuance of duplicate share/debenture certificates, split and/or consolidation requests. In addition, the Company Secretary and authorized officials of the Registrar and Transfer Agents of the Company have been given powers to endorse registration of transfers on share certificates. The Company's shares being in compulsory de-mat list are also transferred through the depository system. The Company has entered into agreements with both the depositories NSDL & CDSL. KFin Technologies Private Limited, Hyderabad is the Registrar and Transfer Agent for both physical and electronic mode of transfer of shares. Requests for Transfer/Transmission of shares held in physical form can be lodged with the Company's Registrar and Transfer Agent, KFin Technologies Private Limited and shall be transferred as per the provisions of the Act as may be prescribed from time to time. The requests are generally processed within 10-15 days of receipt of documents, if documents are complete and valid in all respects. Shares under objection are returned within 7-10 days.

Registrar & Transfer Agents

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Hyderabad is the Registrar and Transfer Agent of the Company. Shareholders, beneficial owners and Depository Participants, (DPs) can send/deliver the documents/correspondence relating to the Company's share transfer activity, etc. to KFin Technologies Private Limited at the following address:

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Phone No.: 040 67161524,
New Toll-free Number: 1-800-309-4001
E-mail: einward.ris@kfintech.com

Shareholders' correspondence should be addressed to the Company's Registrar and Transfer Agents at the above-mentioned address. In case of unresolved complaints, the Members may also write to the Company Secretary & Compliance Officer at the office of the Company as detailed below:

Sterlite Power Transmission Limited
F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar,
Mathura Road, New Delhi - 110065, India
Ph. - 011 49962200 Fax - 011 49962288
E-mail: secretarial.grid@sterlite.com

Registered Office:
4th Floor, Godrej Millennium
9 Koregaon Road, Pune – 411 001
Maharashtra, India

Plant Locations

Rakholi	Survey No. 99/2/P, Rakholi Village, Madhuban Dam Road, Silvassa 396230, Union Territory of Dadra & Nagar Haveli, India
Piparia	Survey No. 209, Phase-II, Piparia Industrial Estate, Silvassa - 396230, UT of Dadra & Nagar Haveli, India
Jharsuguda	Near Vedanta Limited, Bhurkhamunda, PO - Kalimandir Road, Dist – Jharsuguda, Odisha - 768202, India
Haridwar	Sector - 5, Vardhaman Industrial Estate, Bahadurpur Saini, Roorkee, Haridwar - 249 402, Uttarkhand India

FORM NO. AOC-2

Details of Related Party Transaction

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis: NA

Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any. (Amount in ₹ million)	Date(s) of approval by the Board	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any: (in ₹ million)
1	Udupi Kasargode Transmisison Limited	Subsidiary	Revenue from EPC Contract	Ongoing	141.00	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	430.85
2	Khargone Transmission Limited	Subsidiary	Revenue from EPC Contract	Ongoing	17.67	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
3	NER II Transmission Limited	Subsidiary	Revenue from EPC Contract	Ongoing	6,600.29	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
4	Vapi II-North Lakhimpur Transmission Limited	Subsidiary	Revenue from EPC Contract	Ongoing	5.64	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	4082.39
5	Sterlite Grid 5 Limited	Subsidiary	Revenue from EPC Contract	Ongoing	43.51	July 31, 2020 & February 04, 2021	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
6	Goa-Tamnar Transmission Project Limited	Subsidiary	Revenue from EPC Contract	Ongoing	974.22	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
7	Gurgaon-Palwal Transmission Limited	Subsidiary	Revenue from EPC Contract	Ongoing	(13.79)	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
8	Lakadia Vadodara Transmission Project Limited	Subsidiary	Revenue from EPC Contract	Ongoing	4,682.47	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	655.53
9	Maharashtra Transmission Communication Infrastructure Limited	Fellow Subsidiary	Sale of goods	Ongoing	8.39	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
10	Gurgaon-Palwal Transmission Limited	Subsidiary	Management Fees Income	Ongoing	4.84	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
11	Khargone Transmission Limited	Subsidiary	Management Fees Income	Ongoing	6.52	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
12	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	Management Fees Income	Ongoing	9.95	May 04, 2021	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
13	Indigrid Investment Managers Limited (Formerly Sterlite Investment Managers Limited)	Associate	Management Fees Income	Ongoing	5.13	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any. (Amount in ₹ million)	Date(s) of approval by the Board	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any: (in ₹ million)
14	Sterlite Grid 5 Limited	Subsidiary	Purchase of goods and services	Ongoing	237.83	July 31, 2020 & February 04, 2021	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
15	Vedanta Limited	Fellow Subsidiary	Purchase of goods and services	Ongoing	4,792.49	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
16	Bharat Aluminium Company Limited	Fellow Subsidiary	Purchase of goods and services	Ongoing	507.80	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
17	ESL Steel Limited	Fellow Subsidiary	Purchase of goods and services	Ongoing	243.18	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
18	Sterlite Technologies Limited	Fellow Subsidiary	Purchase of goods and services	Ongoing	161.66	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
19	Hindustan Zinc Limited	Fellow Subsidiary	Purchase of goods and services	Ongoing	6.11	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
20	Vedanta Limited	Fellow Subsidiary	Purchase of Power	Ongoing	26.12	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
21	Cyril Amarchand Mangaldas (Till February 01, 2021)	Director interested parties	Availing Services	Ongoing	0.45	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
22	Talwandi Sabo Power Limited	Director interested parties	Availing Services	Ongoing	0.85	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
23	Sterlite Power Technologies Private Limited	Fellow Subsidiary	Reimbursement of expenses paid on behalf of related parties	One time	2.73	July 31, 2020	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-
24	Sterlite Convergence Limited	Subsidiary	Contract asset billed during the year	Ongoing	192.70	October 05, 2018	N.A. as the transaction was in ordinary course of business and at arms' length	Business requirement	-

For and on behalf of the Board of Directors of
Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN-00022096

Date: August 30, 2021
Place: Pune

Annexure C

PARTICULARS OF SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES AS ON MARCH 31, 2021

S. No.	NAME AND ADDRESS OF THE COMPANY	SUBSIDIARY/ASSOCIATE/ JOINT VENTURE
1.	Sterlite Grid 4 Limited Add: 4th Floor, Godrej Millennium 9 Koregaon Road, Pune, Maharashtra - 411001	Subsidiary Company
2.	Sterlite Grid 5 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
3.	Sterlite Grid 6 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
4.	Sterlite Grid 7 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
5.	Sterlite Grid 8 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
6.	Sterlite Grid 9 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
7.	Sterlite Grid 10 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
8.	Sterlite Grid 11 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
9.	Sterlite Grid 12 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
10.	Sterlite Grid 14 Limited[1] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
11.	Sterlite Grid 15 Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
12.	Sterlite Grid 16 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
13.	Sterlite Grid 17 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
14.	Sterlite Grid 18 Limited[1] Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
15.	Sterlite Grid 19 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
16.	Sterlite Grid 20 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
17.	Sterlite Grid 21 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
18.	Sterlite Grid 22 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
19.	Sterlite Grid 23 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
20.	Sterlite Grid 24 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
21.	Sterlite Grid 25 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
22.	Sterlite Grid 26 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
23.	Sterlite Grid 27 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
24.	Sterlite Grid 28 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
25.	Sterlite Grid 29 Limited[1] Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company
26.	Sterlite Grid 30 Limited (Erstwhile NRSS XXIX (JS) Transmission Limited) Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
27.	OneGrid Limited[2] Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	Subsidiary Company

S. No.	NAME AND ADDRESS OF THE COMPANY	SUBSIDIARY/ASSOCIATE/ JOINT VENTURE
28.	Khargone Transmission Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
29.	Goa-Tamnar Transmission Project Limited[3] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
30.	Sterlite Convergence Limited Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
31.	Sterlite EdIndia Foundation (Section 25 Company) Add: Maker Maxity, 5 North Avenue, Level 5th Bandra Kurla Complex, Bandra East Mumbai City Maharashtra-400051	Subsidiary Company
32.	Udupi Kasargode Transmission Limited[1] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
33.	Lakadia-Vadodara Transmission Project Limited[1] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Subsidiary Company
34.	SE Vineyards Power Transmission S.A. Add:-Avenida Rio Branco, 1, 12th Floor, 1201, Bairro Centro, CEP: 20090-907, Rio de Janeiro, Brazil	Subsidiary Company
35.	Sterlite Brazil Participacoes S.A. Add: Avenida Rio Branco, 1, 12th floor, 1201, Bairro Centro, Rio de Janeiro, Brazil CEP: 20090-907	Subsidiary Company
36.	Dunas Transmissão de Energia S.A[4] Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
37.	Borborema Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
38.	São Francisco Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
39.	Goyaz Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
40.	Marituba Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
41.	Solaris Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
42.	Vineyards Participacoes S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Subsidiary Company
43.	Indigrid Investment Managers Limited (Erstwhile Sterlite Investment Managers Limited); Add: Unit No 101, First Floor, Windsor Village, KoleKalyan Off CST Road, Vidyanagari Marg, Santacruz (East) Mumbai Mumbai City MH 400098	Associate Company
44.	Sterlite Interlinks Limited Add: G-1, 1st Floor, The Mira Corporate Suites 1 & 2, Ishwar Nagar, Mathura Road New Delhi 110065	Associate Company
45.	Sterlite Grid 13 Limited[5] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Joint Venture Company
46.	Vapi II-North Lakhimpur Transmission Limited[5] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Joint Venture Company
47.	NER II Transmission Limited[6] Add: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065	Associate Company

[1] *Subsidiary upto April 05, 2021, and became a joint venture w.e.f. April 06, 2021*

[2] *Incorporated as a wholly owned subsidiary w.e.f. September 24, 2020*

[3] *Subsidiary upto April 05, 2021 and became a joint venture w.e.f. April 06, 2021. Further, Goa-Tamnar Transmission Project Limited was a wholly owned subsidiary of Sterlite Grid 5 Limited and w.e.f. April 03, 2021 became wholly owned subsidiary of Sterlite Grid 29 Limited.*

[4] *Ceased to be subsidiary w.e.f. June 02, 2021*

[5] *Subsidiary upto March 30, 2021 and became a joint venture effective March 31, 2021.*

[6] *Subsidiary upto March 25, 2021 and became an associate effective March 26, 2021.*

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES AS PER COMPANIES ACT, 2013

FORM AOC-1 - PART A: SUBSIDIARIES

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorpora-tion	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover[6]	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of Eq. Holding
1	Sterlite Grid 4 Limited	Building transmission lines on BOOM basis through its subsidiaries	17-06-2015	India	INR	NA	0.50	6,526.32	8,967.26	2,440.44	0.00	0.00	10,165.98	2,726.15	7,439.83	Nil	100.00
2	Sterlite Grid 5 Limited	Building transmission lines on BOOM basis through its subsidiaries	27-09-2016	India	INR	NA	0.50	604.28	2,102.88	1,498.10	1,427.83	285.69	466.85	3.53	463.32	Nil	100.00
3	Sterlite Grid 6 Limited	Building transmission lines on BOOM basis through its subsidiaries	14-08-2017	India	INR	NA	0.50	-2.48	0.00[5]	1.98	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
4	Sterlite Grid 7 Limited	Building transmission lines on BOOM basis through its subsidiaries	01-09-2017	India	INR	NA	0.50	-1.38	0.00[5]	0.88	0.00	0.00	-0.16	0.00	-0.16	Nil	100.00
5	Sterlite Grid 8 Limited	Building transmission lines on BOOM basis through its subsidiaries	11-10-2017	India	INR	NA	0.50	-1.31	0.01	0.82	0.00	0.00	-0.16	0.00	-0.16	Nil	100.00
6	Sterlite Grid 9 Limited	Building transmission lines on BOOM basis through its subsidiaries	13-10-2017	India	INR	NA	0.50	-1.31	0.00[5]	0.81	0.00	0.00	-0.16	0.00	-0.16	Nil	100.00
7	Sterlite Grid 10 Limited	Building transmission lines on BOOM basis through its subsidiaries	13-10-2017	India	INR	NA	0.50	-1.31	0.02	0.83	0.00	0.00	-0.16	0.00	-0.16	Nil	100.00
8	Sterlite Grid 11 Limited	Building transmission lines on BOOM basis through its subsidiaries	13-10-2017	India	INR	NA	0.50	-2.71	0.00[5]	2.21	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
9	Sterlite Grid 12 Limited	Building transmission lines on BOOM basis through its subsidiaries	16-10-2017	India	INR	NA	0.50	-2.06	0.00[5]	1.56	0.00	0.00	-0.93	0.00	-0.93	Nil	100.00
10	Sterlite Grid 13 Limited[1]	Building transmission lines on BOOM basis through its subsidiaries	29-08-2018	India	INR	NA	6.20	-4.54	2,020.89	2,019.23	1,000.88	0.00	-3.67	0.00	-3.67	Nil	50.00
11	Sterlite Grid 14 Limited	Building transmission lines on BOOM basis through its subsidiaries	25-09-2018	India	INR	NA	0.50	-1.33	597.57	598.40	570.57	0.00	-0.42	0.00	-0.42	Nil	100.00
12	Sterlite Grid 15 Limited	Building transmission lines on BOOM basis through its subsidiaries	25-09-2018	India	INR	NA	0.50	-1.62	0.00[5]	1.12	0.00	0.00	-0.76	0.00	-0.76	Nil	100.00
13	Sterlite Grid 16 Limited	Building transmission lines on BOOM basis through its subsidiaries	30-01-2019	India	INR	NA	0.50	-1.21	0.05	0.76	0.00	0.00	-0.61	0.00	-0.61	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorpora-tion	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover[6]	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of Eq. Holding
14	Sterlite Grid 17 Limited	Building transmission lines on BOOM basis through its subsidiaries	04-02-2019	India	INR	NA	0.50	-1.21	0.00[5]	0.71	0.00	0.00	-0.61	0.00	-0.61	Nil	100.00
15	Sterlite Grid 18 Limited	Building transmission lines on BOOM basis through its subsidiaries	01-02-2019	India	INR	NA	0.50	-1,527.65	565.25	0.15	564.50	0.00	-0.30	0.00	-0.30	Nil	100.00
16	Sterlite Grid 19 Limited	Building transmission lines on BOOM basis through its subsidiaries	01-02-2019	India	INR	NA	0.50	-1.21	0.00[5]	0.71	0.00	0.00	-0.61	0.00	-0.61	Nil	100.00
17	Sterlite Grid 20 Limited	Building transmission lines on BOOM basis through its subsidiaries	01-02-2019	India	INR	NA	0.50	-1.33	0.00[5]	0.83	0.00	0.00	-0.73	0.00	-0.73	Nil	100.00
18	Sterlite Grid 21 Limited	Building transmission lines on BOOM basis through its subsidiaries	05-02-2019	India	INR	NA	1.00	-1.21	0.00[5]	0.21	0.00	0.00	-0.61	0.00	-0.61	Nil	100.00
19	Sterlite Grid 22 Limited	Building transmission lines on BOOM basis through its subsidiaries	28-02-2019	India	INR	NA	1.00	-1.21	0.00[5]	0.21	0.00	0.00	-0.61	0.00	-0.61	Nil	100.00
20	Sterlite Grid 23 Limited	Building transmission lines on BOOM basis through its subsidiaries	13-03-2019	India	INR	NA	1.00	-0.62	0.40	0.02	0.00	0.00	-0.61	0.00	-0.61	Nil	100.00
21	Sterlite Grid 24 Limited	Building transmission lines on BOOM basis through its subsidiaries	12-03-2019	India	INR	NA	1.00	-1.22	0.39	0.61	0.00	0.00	-1.21	0.00	-1.21	Nil	100.00
22	Sterlite Grid 25 Limited	Building transmission lines on BOOM basis through its subsidiaries	18-03-2019	India	INR	NA	1.00	-0.63	0.39	0.02	0.00	0.00	-0.62	0.00	-0.62	Nil	100.00
23	Sterlite Grid 26 Limited	Building transmission lines on BOOM basis through its subsidiaries	25-03-2019	India	INR	NA	1.00	-1.22	0.39	0.61	0.00	0.00	-1.21	0.00	-1.21	Nil	100.00
24	Sterlite Grid 27 Limited	Building transmission lines on BOOM basis through its subsidiaries	19-03-2019	India	INR	NA	1.00	-0.64	0.38	0.02	0.00	0.00	-0.63	0.00	-0.63	Nil	100.00
25	Sterlite Grid 28 Limited	Building transmission lines on BOOM basis through its subsidiaries	07-06-2019	India	INR	NA	1.00	-0.75	0.87	0.62	0.00	0.00	-0.73	0.00	-0.73	Nil	100.00
26	Sterlite Grid 29 Limited	Building transmission lines on BOOM basis through its subsidiaries	26-03-2019	India	INR	NA	1.00	-2.94	0.93	2.87	0.00	0.00	-2.93	0.00	-2.93	Nil	100.00
27	Sterlite Grid 30 Limited	Building transmission lines on BOOM basis through its subsidiaries	07-09-2017	India	INR	NA	0.50	-0.53	0.14	0.17	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
28	Goa-Tamnar Transmission Project Limited	Construction and development of Power transmission lines	14-03-2018	India	INR	NA	3.62	492.21	5,143.06	4,647.23	0.00	0.00	-0.90	1.84	-2.74	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorpora-tion	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover[6]	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of Eq. Holding
29	Khargone Transmission Limited	Construction and development of Power transmission lines	22-08-2016	India	INR	NA	15.60	-233.57	14,974.22	15,192.19	0.00	1,082.35	104.61	0.00	104.61	Nil	100.00
30	NER II Transmission Limited[2]	Construction and development of Power transmission lines	31-03-2017	India	INR	NA	23.22	3,236.78	31,757.88	28,497.88	0.00	406.04	-79.99	0.59	-80.58	Nil	100.00
31	Udupi Kasargode Transmission Limited	Construction and development of Power transmission lines	12-09-2019	India	INR	NA	148.34	407.76	724.49	168.39	0.00	0.00	-5.06	0.00	-5.06	Nil	100.00
32	Lakadia Vadodara Transmission Project Limited	Construction and development of Power transmission lines	26-11-2019	India	INR	NA	735.25	426.40	7,999.58	6,837.92	0.00	0.00	-926.65	0.05	-926.70	Nil	100.00
33	VAPI-II North Lakhimpur Transamission Limited[1]	Construction and development of Power transmission lines	23-06-2020	India	INR	NA	490.63	504.79	6,624.16	5,628.74	0.00	0.00	-4.99	0.46	-5.45	Nil	50.00
34	Sterlite EdIndia Foundation (Section 25 Company)	CSR related Activities	07-08-2019	India	INR	NA	5.00	9.67	22.85	8.18	0.00	200.73	-5.82	7.32	-13.14	Nil	99.95
35	Sterlite Convergence Limited[3]	Build, Own, Operate, Manage, Sell, and lease technology - neutral last mile access, Intra-city Aggregaton and long distance links including passive and active infrastructure and telecom networks.	16-06-2017	India	INR	NA	0.50	-28.21	339.55	367.26	0.00	19.16	-42.27	-0.15	-42.12	Nil	100.00
36	One Grid Limited	Build, Own, Operate, Manage, Sell, and lease technology - neutral last mile access, Intra-city Aggregaton and long distance links including passive and active infrastructure and telecom networks.	24-09-2020	India	INR	NA	0.10	-0.03	0.10	0.03	0.00	0.00	-0.03	0.00	-0.03	Nil	100.00
37	Sterlite Brazil Participacoes S.A. [7/8]	Construction and development of Power transmission lines	26-05-2017	Brazil	INR	12.853	4,250	100	4,547.2	196.77	2,697	-	(1,376.35)	(393.65)	(13,506)	Nil	84.04%

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorpora-tion	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover[6]	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of Eq. Holding
38	SE Vineyards Power Transmission S.A.[8]	Construction and development of Power transmission lines	26-05-2017	Brazil	INR	12.853	836	456	5,761.5	4,470.01	-	921.23	(64.02)	(47.33)	(229)	Nil	84.04%
39	Dunas Transmissão de Energia S.A [8]	Construction and development of Power transmission lines	24-07-2018	Brazil	INR	12.853	337	(9)	376.1	48.79	-	84.48	18.17	75.32	13	Nil	84.04%
40	Borborema Transmissão de Energia S.A.[8]	Construction and development of Power transmission lines	24-07-2018	Brazil	INR	12.853	382	(40)	433.5	91.24	-	249.35	(33.54)	21.72	(35)	Nil	84.04%
41	São Francisco Transmissão de Energia S.A.[8]	Construction and development of Power transmission lines	24-07-2018	Brazil	INR	12.853	329	(27)	359.6	57.84	-	35.43	(35.58)	(161.36)	(24)	Nil	84.04%
42	Goyas Transmissão de Energia S.A.[8]	Construction and development of Power transmission lines	24-07-2018	Brazil	INR	12.853	350	(16)	402.9	69.45	-	191.19	(10.93)	78.07	(17)	Nil	84.04%
43	Marituba Transmissão de Energia S.A.[8]	Construction and development of Power transmission lines	24-07-2018	Brazil	INR	12.853	347	0	389.6	38.32	-	127.56	(23.37)	(117.10)	(15)	Nil	84.04%
44	Solaris Transmissao de Energia S.A.[8]	Construction and development of Power transmission lines	24-07-2018	Brazil	INR	12.853	377	(19)	433.3	75.65	-	222.39	(17.93)	84.94	(24)	Nil	84.04%
45	Vineyards Participacoes S.A.[4/8]	Construction and development of Power transmission lines	01-12-2020	Brazil	INR	12.853	-	-	-	-	-	-	-	-	-	-	84.04%

[1] *Till 30th March 2021 as subsidiary*
[2] *till 25th March 2021 as subsidiary*
[3] *Based on un-audited financial statements*
[4] *Incorporated on December 01, 2020*
[5] *Amount less than ₹ 0.01 Million*
[6] *Turnover does not include other income*
[7] *Investments of ₹ 2,697 Million (includes ₹ 1,664.18 Million of investments held for sale)*
[8] *Turnover means Net Revenue.*

BRL Closing Rate: 12.8528; BRL Average Rate: 13.7442

Names of Subsidiaries which are yet to commence operations -
NIL

Names of Subsidiaries which have been liquidated or sold during the year -

a Gurgaon-Palwal Transmission Limited

b NER II Transmission Limited

FORM AOC-1 - PART B: ASSOCIATES & JOINT VENTURES

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

S. No.	Name of Associate/Joint Ventures	Indigrid Investment Managers Limited	Sterlite Interlinks Limited	Sterlite Grid 13 Limited	NER II
1	Latest audited Balance Sheet date	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
2	Date on which the Associate or Joint Venture was associated or acquired	31-Jul-19	27-Mar-19	31-Mar-21	26-Mar-21
3	Shares of Associate/Joint Ventures held by the Company on the year end	26.00%	49.00%	50.00%	26.00%
a	Number	24,99,244	4,900	3,10,000	6,03,829
b	Amount of investment (At face value)	49,98,488	49,000	31,00,000	60,38,292
c	% of holding	26.00%	49.00%	50.00%	26%
4	Description of how there is significant influence	By virtue of shareholding	By virtue of shareholding	By virtue of shareholding	By virtue of shareholding
5	Reason why the associate/joint venture is not consolidated	N A	NA	NA	NA
6	Networth attributable to shareholding as per latest audited Balance sheet	47.1354	12.59	1.90	831.64
7	Profit/Loss for the year	39.33	3.46	(9.12)	(141.99)
a	Considered in consolidation	10.22	1.69	9.80	-
b	Not considered in consolidation	NA	NA	NA	-

1. Names of associate or joint ventures which are yet to comemnce operations: Nil

2. Names of associate or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of
Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN-00022096

Date: August 30, 2021
Place: Pune

Sd/-
Pratik Agarwal
Managing Director
DIN- 03040062

Date: August 30, 2021
Place: Pune

Sd/-
Anuraag Srivastava
Chief Financial Officer
PAN-AASPS9214L

Date: August 30, 2021
Place: Mumbai

Sd/-
Ashok Ganesan
Company Secretary
FCS-5190

Date: August 30, 2021
Place: New Delhi

Annexure E

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31,2021

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

To,
The Members
STERLITE POWER TRANSMISSION LIMITED
CIN: U74120PN2015PLC156643
4th Floor, Godrej Millennium,
9 Koregaon Road, Pune-411001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STERLITE POWER TRANSMISSION LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment("FDI"), Overseas Direct Investments ("ODI") and External Commercial Borrowings("ECB"). **(No fresh FDI and ECB was taken and no ODI was made by the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**;

e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**;

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

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period)**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);** and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**.

The company is a leading global power transmission developer and solutions provider that is solving problems at the intersection of time, space and capital through its Operational &Manufacturing plants and as per the information provided and confirmed by the Management, no sector specific law applicable on the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2).

(ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above,

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days (except few Board meetings which were held at shorter notice in compliance with the Act) was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the meetings. Further, as informed and verified from minutes, no dissent was given by any director in respect of the resolutions passed in the board and the committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by Managing Director and Company secretary of the Company and taken on record by the Board of Directors at their meeting (s). We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has undertaken the following event/action which may be construed as major in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

1. The Board of Directors at its meeting held on May 30, 2018 had approved a Scheme of Amalgamation of Sterlite Power Grid Ventures Limited (Transferor company), a wholly owned subsidiary company with Sterlite Power Transmission Limited(Transferee company)under sections 230 to 232and other applicable provisions of the Act and subject to the approval of any other statutory/regulatory authorities. The company along with transferor company had filed an application under Section 230 of the Act with National Company Law Tribunal (NCLT), Mumbai Bench for approval of Scheme of Amalgamation. The Hon'ble NCLT, Mumbai Bench has sanctioned the Scheme of Amalgamation vide its order pronounced on May 22, 2020 wherein the appointed date of Scheme is April 1, 2017. Effective date of merger is November 15, 2020.
2. The company has redeemed 3500 rated, secured, listed, redeemable non-convertible debentures("NCDs") on June 30, 2020 at ₹ 2,14,286 /- each, aggregating to ₹ 75,00,00,000/-(Rupees Seventy Five Crore only) and on November 27, 2020at ₹ 7,85,714/- each, aggregating to ₹ 2,75,00,00,000/-(Rupees Two Hundred Seventy Five Crore only), allotted by Board of Directors on March 29, 2019 at ₹ 10,00,000/- each. After redemption of said NCDs, the same is now delisted pursuant to the approval granted by BSE Limited vide its notice dated January 12, 2021.
3. The Company has also redeemed 1,80,00,000 Non-Convertible, Non-Cumulative, Redeemable Preference Shares ("NCRPS") of Face Value of ₹ 2/- each on December 31, 2020 issued to Clix Capital Service Private Limited on December 28, 2017 for a period of 3 years redeemable at 8% premium compounded annually for an aggregate amount of 4,53,79,451/- (Four crore fifty three lakh seventy nine thousand four hundred fifty one only).
4. Special Resolution was passed by members of the Company at its Annual General meeting of the Company held on December 31, 2020 under Section 180(1)(a) of the Act for creation of security by way of mortgage, charge and hypothecation on the assets of the Company not exceeding ₹ 3,000/- Crores (Three Thousand Crores only).
5. The Board of Directors at its meeting held on March 22, 2021 had approved a Scheme of Amalgamation of Sterlite Grid 4 Limited (Transferor company), a wholly owned subsidiary company with Sterlite Power Transmission Limited (Transferee company) under sections 230 to 232and other applicable provisions of the Act and subject to the approval of any other statutory/regulatory authorities. The company along with transferor company had filed an application under Section 230 of the Act with National Company Law Tribunal (NCLT), Mumbai Bench for approval of Scheme of Amalgamation. The Hon'ble NCLT, Mumbai Bench has admitted the application vide its order dated July 30, 2021 and dispense with the holding of meeting of the shareholders and ordered to convene the meeting of secured creditors of respective companies.

For DMK ASSOCIATES
Company Secretaries

Sd/-
(DEEPAK KUKREJA)
FCS, LLB., ACIS (UK), IP.
PARTNER
CP No.8265
FCS No. 4140
Peer Review No. 779/2020
UDIN: F004140C000857762

Date: 30.08.2021
Place: New Delhi

ANNEXURE 1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31,2021

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

To,
The Members
STERLITE POWER TRANSMISSION LIMITED
CIN: U74120PN2015PLC156643
4th Floor, Godrej Millennium,
9 Koregaon Road, Pune -411001

Sub: Our Secretarial Audit Report for the Audit Period is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. As per the information provided by the Company, there are certain disputes cases filed by or against the Company, which are currently lying pending with the various Courts. However, as informed, these cases have no major impact on the Company.
8. Due to prevailing second wave of COVID-19 and subsequent lockdown, we have conducted online verification & examination of records as provided by the Company and based on these records, this report is being issued.

For DMK ASSOCIATES
Company Secretaries

Sd/-
(DEEPAK KUKREJA)
FCS, LLB., ACIS (UK), IP.
PARTNER
CP No.8265
FCS No. 4140
Peer Review No. 779/2020
UDIN: F004140C000857762

Date: 30.08.2021
Place: New Delhi

Annexure F

THE PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER SECTION 134(3)(M) OF THE ACT READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Power Conductors & OPGW:

A. Conservation of energy

1. **The steps taken or impact on conservation of energy**
    - Installation of VFD at RBD machine take up unit in place of dc motor and drive to reduce the energy consumption (2-3 % energy reduction for take up unit).
    - Installation of VFD in place of Eddy current motor at Steel spoolers to reduce the energy consumption.
    - Lay out correction by shifting of Panels to reduce cable length which resulted in lower power losses.
    - Dual wire conversion at RBD machine from single wire which reduced energy consumption of ACSR drawing by 15 units/machine.
    - Replaced the traditional lights (Incandescent), 250 W HPMV with energy efficient LED lights (120W) at shop floor & office to reduced energy consumption.
2. **The steps taken by the Company for utilizing alternate sources of energy**
    - 250 kw Solar power plant installation done, which generates average 25000 units/month.
3. **The capital investment on energy conservation equipment's**
    - Solar PV Installation – 250 KW – ₹ 17 Lac

B. TECHNOLOGY ABSORPTION

1. **The efforts made towards technology absorption**
    - ACSS Cardinal (Dull conductor) product developed with 5.6 km (12 MT) ever highest length.
    - New product developed ACCC CORDOBA, ACCC AMSTERDAM and ACSS487/78 SQMM
    - New Product developed at OPGW – Tata power (dual layer), Tanzania (TENESCO) dual layer design and ELNOS dual layer
2. **The benefits derived like product improvement, cost reduction, product development or import substitution**
    - ASTER 117 Conductor productivity improved from 20 KM/Machine/Day to 23 KM/Machine/Day by improving FTR.
    - ASTER 148 Conductor productivity improved from 20 KM/Machine/Day to 24 KM/Machine/Day by improving FTR.
    - RBD-02 Machine drawing output increased by 4 MT per day/Machine
    - AAAC ZEBRA product aging cycle reduced to 6 hrs/cycle from 8.30 hrs/cycle by changing chemical composition
    - AAAC ZEBRA Stranding capacity increased from 20km/machine/day to 25km/machine/day
    - Dual layer OPGW with all outer wire of alloy is made with combination of 1+8 tubular and RST machine which resulting in energy savings.

Details of Foreign Exchange Earnings and Outgo during the financial year 2020-21 are as under:

FY21	₹ million
The foreign exchange earned in terms of actual inflows during the year	8,017.90
Foreign exchange outgo during the year in terms of actual outflows	3,430.76

Annexure H

CORPORATE SOCIAL RESPONSIBILITY

1. **A brief outline of the Company's Corporate Social Responsibility Policy**
   The Company is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

2. **The composition of the CSR Committee is:**

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arun Todarwal*	Chairman/Independent Director	2	2
2.	Ms. Haixia Zhao	Member/Independent Director	2	2
3.	Mr. A.R. Narayanaswamy	Member/Independent Director	2	2
4.	Mr. Pravin Agarwal	Member/Non-executive Director & Chairman of the Company	2	-
5.	Mr. Pratik Agarwal	Member/Managing Director	2	-

**Mr. Arun Todarwal ceased to be a Director and also a member of the CSR Committee w.e.f. July 24, 2021.*

3. The composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company and can be accessed at the web link as under: https://www.sterlitepower.com/investors

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

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

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	N.A.	N.A.
	Total	–	–

6. Average net profit of the Company as per Section 135(5): ₹ (-) 298,13,83,334 (Indian Rupees Two Hundred Ninety-Eight Crores Thirteen Lakhs Eighty-Three Thousand Three Hundred Thirty-Four only)

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ (-) 5,96,27,667 (Indian Rupees Five Crores Ninety-Six Lakhs Twenty-Seven Thousand Six Hundred and Sixty-Seven only)

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the FY21 (7a+7b-7c): NIL

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

   CSR Amount Spent: ₹ 2,18,92,333 (Indian Rupees Two Crores Eighteen Lakhs Ninety-Two Thousand Three Hundred and Thirty-Three only)*

   **The amount has been spent pursuant to the CSR obligations of Sterlite Power Grid Ventures Limited which got merged with the Company on November 15, 2020.*

(b) Details of CSR amount spent against ongoing projects for the financial year: NOT APPLICABLE

Total amount spent for the Financial Year (in ₹)	Amount unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
	Amount	Date of transfer	Schedule VII as per second proviso to section 135(5).	Date of transfer

(c) Details of CSR amount spent against ongoing projects for the financial year: NOT APPLICABLE

S. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the Project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District						Name	CSR Registration

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation (direct) (Yes/No)	Mode of Implementation-through implementing agency	
				State	District			Name	CSR Registration
1.	For undertaking the following activities: a) School building-reconstruction and modification b) Repairing of roads around the village c) Piggery, Poultry & mushroom farming	(ii)	Yes	Tripura	Surajmani Nagar	6,47,371	Yes	No	N.A.
2.	Towards preventing spread of Novel corona virus in the Country	MCA General Circular No. 10/2020 dated March 23, 2020	Yes	All over India	--	6,70,593	Yes	No	N.A.
3.	Providing essential services in schools	(ii)	Yes	Goa	Mollem	10,74,369	Yes	No	N.A.
4.	Undertaking water conservation efforts	(iv)	Yes	Gujarat	Kutch, Morni & Surendra Nagar	7,00,000	Yes	No	N.A.
5.	To Sterlite EdIndia Foundation	(ii)	Yes	Rajasthan & Maharahtra	--	1,88,00,000	Yes	No	N.A.
	Total					**2,18,92,333**			

(e) Amount spent in administrative overheads **NIL**

(f) Amount spent on Impact Assessment, if applicable **NOT APPLICABLE**

(g) Total amount spent for the FY21 (8b+8c+8d+8e) ₹ **2,18,92,333 (Indian Rupees Two Crores Eighteen Lakhs Ninety-Two Thousand Three Hundred and Thirty-Three only)**

(h) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	2,18,92,333*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,15,89,485
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,15,89,485

** The amount has been spent pursuant to the CSR obligations of Sterlite Power Grid Ventures Limited which got merged with the Company on November 15, 2020.*

9. a) Details of Unspent CSR amount for the preceding three financial years: **NOT APPLICABLE**

S.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NOT APPLICABLE**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed/ Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **NOT APPLICABLE**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **NOT APPLICABLE**

Sd/-
Pratik Agarwal
Managing Director
August 30, 2021
Pune

Sd/-
Pravin Agarwal
Chairman- CSR Committee
August 30, 2021
Pune

Independent Auditor's Report

To the Members of Sterlite Power Transmission Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Sterlite Power Transmission Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OTHER INFORMATION

The Company's Board of Directors the Company is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACQ5086

Place of Signature: Pune
Date: May 21, 2021

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Sterlite Power Transmission Limited ("the Company")

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b. Property, plant and equipment have been physically verified by the management during the year in accordance with a planned programme of verifying them once in three years and no material discrepancies were identified on such verification.

c. According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of power conductors and power cables, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

b. According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (₹ million)	Period to which the amount relates	Forum at which dispute is pending
Central Excise Act, 1944	Excise Duty	73.56	FY 01-02	Bombay High Court
Madhya Pradesh Value Added Tax Act, 2002	VAT/CST	19.08	FY 15-16	Additional Commissioner of Commercial Taxes, Bhopal
West Bengal Value Added Tax Act, 2003	VAT/CST	6.10	FY 14-15 and FY 15-16	Jt. Commissioner (Appeals) Commercial Tax/State Tax, West Bengal
Odisha Value Added Tax Act 2004	VAT / CST	23.64	FY 14-15, FY 15-16 and FY16-17	The Additional Commissioner of Sales Tax, North Zone, Sambalpur
Uttarakhand Value Added Tax Act,2005	VAT / CST	12.78	FY 12-13, FY 14-15 and FY 15-16	Jt. Commissioner (Appeals) Commercial Tax/State Tax, Haridwar
Dadra & Nagar Haveli Value Added Tax Act,2005	VAT / CST	96.64	FY 12-13 and 15-16	Deputy Commissioner (VAT), Dadra & Nagar Haveli, Silvassa

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or or dues to debenture holders. The Company did not have any outstanding loans or borrowing dues to government during the year.

ix. In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule v to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. .

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACQ5086

Place of Signature: Pune
Date: May 21, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financials Statements of Sterlite Power Transmission Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sterlite Power Transmission Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these standalone 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. The Company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACQ5086

Place of Signature: Pune
Date: May 21, 2021

Balance Sheet
as at 31 March 2021
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2021	31 March 2020 (Restated) (refer note 51)
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,264.90	2,613.15
Capital work in progress	3	5.96	2.34
Other intangible assets	4	152.19	217.00
Investments in associates	5A	39.07	39.07
Financial assets			
i. Investments	5B	17,558.90	22,093.57
ii. Loans	6	1,515.32	-
iii. Trade receivables	7	-	-
iv. Other financial assets	8	1,095.55	77.61
Other non-current assets	9	1,688.91	655.72
Assets classified as held for sale	10	-	21.01
Total non-current assets		**24,320.80**	**25,719.47**
Current assets			
Inventories	11	3,491.11	3,922.43
Financial assets			
i. Investments	5B	9.07	299.40
ii. Loans	6	343.02	14,492.57
iii. Trade receivables	7	9,755.41	8,639.88
iv. Cash and cash equivalents	12	1,868.45	763.25
v. Other bank balances	13	1,739.70	1,860.02
vi. Other financial assets	8	1,502.33	1,866.23
Other current assets	9	5,136.35	5,358.36
Assets classified as held for sale	10	1,352.66	7,325.63
Total current assets		**25,198.10**	**44,527.77**
TOTAL ASSETS		**49,518.90**	**70,247.24**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	122.36	122.36
Other equity			
i. Securities premium	15	4,536.80	4,536.80
ii. Retained earnings	15	1,820.28	(3,411.53)
iii. Others	15	7,323.25	11,489.86
Total equity		**13,802.69**	**12,737.49**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16A	381.54	18.72
ii. Other financial liabilities	17	619.97	-
Employee benefit obligations	18	76.67	74.96
Other non current liabilities	21	4,086.68	-
Deferred tax liabilities (net)	19	1,789.06	2,675.50
Total non-current liabilities		**6,953.92**	**2,769.18**
Current liabilities			
Financial liabilities			
i. Borrowings	16B	6,457.12	13,322.23
ii. Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		522.16	870.32
- total outstanding dues of creditors other than micro enterprises and small enterprises		13,099.43	13,118.63
iii. Other financial liabilities	17	1,347.31	17,650.04
Employee benefit obligations	18	98.18	76.52
Other current liabilities	21	7,094.77	8,602.44
Current tax liability (net)		143.32	1,100.39
Total current liabilities		**28,762.29**	**54,740.57**
TOTAL LIABILITIES		**49,518.90**	**70,247.24**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: May 21, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: May 21, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Pune | Date: May 21, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: May 21, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi | Date: May 21, 2021

Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2021	31 March 2020 (Restated) (refer note 51)
INCOME			
Revenue from operations	22	29,338.52	26,754.23
Other income	24	2,977.31	1,462.66
Total income (I)		**32,315.83**	**28,216.89**
EXPENSES			
Cost of raw material and components consumed	25	8,075.52	10,656.37
Purchase of traded goods		591.19	1,896.40
Construction material and contract expenses	26	11,105.50	9,291.22
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	27	1,280.05	(1,482.28)
Employee benefits expense	28	2,397.50	2,431.63
Other expenses	29	3,925.80	4,363.09
Reversal of impairment of investment/loan	10a	(954.98)	(237.25)
Total expenses (II)		26,420.58	26,919.18
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**5,895.25**	**1,297.71**
Depreciation and amortisation expense	30	425.48	1,067.58
Finance costs	31	3,326.81	4,829.18
Finance income	23	(440.57)	(140.99)
Profit/(loss) before tax before exceptional items and tax		**2,583.53**	**(4,458.06)**
Exceptional items	32	-	(925.87)
Profit/(loss) before tax		**2,583.53**	**(5,383.93)**
Tax expense:			
(i) Current tax	19	134.08	-
(ii) Income tax for earlier years (refer note 51)	19	(1,342.49)	(1.83)
(iii) Deferred tax	19	162.70	(204.98)
Income tax expense		**(1,045.71)**	**(206.81)**
Profit/(loss) for the year		**3,629.24**	**(5,177.12)**
Other comprehensive income			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		2,416.44	(3,568.25)
Income tax effect		(237.63)	105.66
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**2,178.81**	**(3,462.59)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(4.55)	(1.09)
Income tax effect		1.14	0.31
Net loss on FVTOCI equity securities		(6,420.01)	(2,310.75)
Income tax effect		1,470.43	617.18
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		**(4,952.99)**	**(1,694.35)**
Other comprehensive income/(loss) for the year		**(2,774.18)**	**(5,156.94)**
Total comprehensive income/(loss) for the year		**855.06**	**(10,334.06)**
Earnings per equity share [nominal value of ₹ 2 (31 March 2020: ₹ 2)]	33		
Basic and diluted			
Computed on the basis of income/(loss) for the year before exceptional item (net of tax) (₹)		59.32	(69.49)
Computed on the basis of income/(loss) for the year after exceptional item (net of tax) (₹)		59.32	(84.62)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: May 21, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: May 21, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Pune | Date: May 21, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: May 21, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi | Date: May 21, 2021

Cash Flow Statement

for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
A. OPERATING ACTIVITIES		
Net profit/(loss) as per statement of profit and loss	3,629.24	(5,177.12)
Adjustment for taxation	(1,045.71)	(206.81)
Profit/(loss) before tax	**2,583.53**	**(5,383.93)**
Non-cash adjustment to reconcile profit/(loss) before tax to net cash flows		
Depreciation and amortisation expense	425.48	943.48
Profit on sale of property, plant and equipment, (net)	(1.86)	(5.74)
Bad debts / advances written off	-	105.99
Provision for estimated loss on a contract	-	674.37
Impairment allowance for trade receivables and advances	97.64	-
Reversal of impairment of investment/loan	(954.98)	-
Impairment or provision on investment and loans and advances	107.34	-
Impairment/(reversal) of loan given to Sterlite Grid 3 Limited	-	(237.25)
Consideration received from India Grid Trust on sale of Sterlite Grid 3 Limited	(173.59)	-
Profit on sale of investment in units of India Grid Trust	(213.92)	-
Loss on forfeiture of investments in shares	-	25.28
Finance costs	3,326.81	4,829.17
Finance income	(440.57)	(140.99)
Income on investment in India Grid Trust	(537.73)	(957.82)
Dividend income on equity instruments measured at fair value through other comprehensive income	(1,226.51)	(432.12)
Unrealised exchange difference, net	112.28	(172.53)
	520.39	**4,631.83**
Operating profit/(loss) before working capital changes	**3,103.92**	**(752.10)**
Movements in working capital:		
Increase/(decrease) in trade payables	(437.91)	(4,226.61)
Increase/(decrease) in employee benefit obligation	19.92	8.67
Increase/(decrease) in other liability	2,562.49	(1,301.29)
Increase/(decrease) in other financial liability	1,685.94	137.11
(Increase)/decrease in trade receivables	(1,266.14)	2,914.42
(Increase)/decrease in inventories	431.31	(1,857.45)
(Increase)/decrease in other financial assets	(853.04)	431.29
(Increase)/decrease in other assets	(65.43)	1,517.32
Change in working capital	**2,077.14**	**(2,376.54)**
Cash generated from/(used in) operations	**5,181.05**	**(3,128.64)**
Direct taxes paid (net of refunds)	(208.17)	(1,321.04)
Net cash flow from/(used in) operating activities (A)	**4,972.88**	**(4,449.68)**
B. INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(58.54)	(517.96)
Proceeds from sale of property, plant and equipment	4.84	20.32
Proceeds from sale of investments	1,074.45	71.52
Proceeds from sale of subsidiaries	-	59.50
Investment in subsidiaries	(0.30)	(1.01)
Investment in units of India Grid Trust	-	(2,289.64)
Proceeds from sale of units of India Grid Trust	8,299.09	-
Investment in bank deposits	(915.41)	(1,377.70)
Loans given to related parties	(5,909.44)	(6,861.66)
Loans repaid by related parties	15,047.16	757.54
Payment for indemnification expenses as per share purchase agreement	(42.95)	(24.01)
Sale/(purchase) of mutual funds (net)	290.33	(253.73)
Income on investment in India Grid Trust	537.73	957.82
Dividend income on equity instruments measured at fair value through other comprehensive income	1,226.51	432.12
Finance income received	177.36	100.15
Additional consideration received on sale of Sterlite Grid 1 Limited ('SGL 1')	-	156.72
Net proceeds on sale of investment in Sterlite Grid 2 Limited ('SGL 2')	182.09	12,271.20
Net proceeds on sale of investment in Sterlite Grid 3 Limited ('SGL 3')	210.30	2,783.74
Net proceeds on sale of Investment in East-North Interconnection Company Limited ('ENICL')	1,252.49	736.21
Net cash flow from investing activities (B)	**21,375.71**	**7,021.12**

Cash Flow Statement

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
C. FINANCING ACTIVITIES		
Proceeds of long term borrowings	795.00	9,529.51
Repayment of long term borrowings	(15,014.44)	(12,524.59)
Repayment of lease liability	(93.63)	(109.68)
Proceeds/(repayment) from short term borrowings from banks	(698.37)	1,802.36
Repayment of short term borrowings from related parties classified as held for sale	-	(4,365.03)
Proceeds of borrowings from Sterlite Interlink Limited	-	6,200.00
Repayment of borrowings from Sterlite Interlink Limited	(6,200.00)	-
Interest paid	(4,031.95)	(3,577.84)
Net cash flow used in financing activities (C)	**(25,243.39)**	**(3,045.28)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**1,105.20**	**(473.84)**
Cash and cash equivalents as at beginning of the year	**763.25**	**1,237.09**
Cash and cash equivalents as at year end	**1,868.45**	**763.25**

Components of cash and cash equivalents:

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Balances with banks:		
On current accounts	1,868.42	763.11
Cash in hand	0.03	0.14
Total cash and cash equivalents (refer Note 12)	**1,868.45**	**763.25**

Reconciliation between opening and closing liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowing
1 April 2019	17,999.17	5,261.20
Cash flow		
- Interest	(1,608.43)	(1,969.41)
- Proceeds/(repayments)	(3,104.76)	8,002.36
Non-cash changes		
- Unrealised foreign exchange gain/(loss)	-	(0.48)
Accrual for the period	2,645.84	2,183.33
31 March 2020	15,931.82	13,477.00
Cash flow		
- Interest	(2,087.07)	(1,944.88)
- Proceeds/(repayments)	(14,313.08)	(6,898.37)
Non-cash changes		
- Notional interest and other charges	14.65	-
- Unrealised foreign exchange gain/(loss)	-	26.41
Accrual for the period	1,272.25	2,054.56
31 March 2021	**818.57**	**6,714.72**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: May 21, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: May 21, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Pune | Date: May 21, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: May 21, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi | Date: May 21, 2021

Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

A. EQUITY SHARE CPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Nos. in million	₹ in million
As at 1 April 2019	**61.18**	**122.36**
Movement during the year	-	-
As at 31 March 2020 (restated) (refer note 51)	**61.18**	**122.36**
Movement during the year	-	-
As at 31 March 2021	**61.18**	**122.36**

B. OTHER EQUITY

	Securities premium	Retained earnings	FVTOCI reserve	Cash flow hedge reserve	Capital redemption reserve	Total equity
As at 1 April 2019	**4,536.80**	**(4,414.52)**	**20,974.32**	**(1,007.22)**	**0.02**	**20,089.40**
Loss for the year	-	(5,177.12)	-	-	-	(5,177.12)
Other comprehensive loss	-	(0.78)	(1,693.57)	(3,643.74)	-	(5,338.09)
Total comprehensive loss	**-**	**(5,177.90)**	**(1,693.57)**	**(3,643.74)**	**-**	**(10,515.21)**
Transfer to capital redemption reserve on redemption of preference shares	-	(1,543.65)	-	-	1,543.65	-
Realised gain on sale of investment transferred from FVTOCI reserve to retained earnings	-	7,715.56	(7,715.56)	-	-	-
Impact of first time adoption of Ind AS-116 'Leases'	-	8.98	-	-	-	8.98
Amount reclassified to statement of profit and loss	-	-	-	3,031.96	-	3,031.96
As at 31 March 2020 (restated) (refer note 51)	**4,536.80**	**(3,411.53)**	**11,565.19**	**(1,619.00)**	**1,543.67**	**12,615.13**
Profit for the year	-	3,629.24	-	-	-	3,629.24
Other comprehensive income/(loss)	-	(3.40)	(4,949.58)	2,249.59	-	(2,703.40)
Total comprehensive loss	**-**	**3,625.84**	**(4,949.58)**	**2,249.59**	**-**	**925.84**
Transfer to capital redemption reserve (refer note 15.4)	-	(36.00)	-	-	36.00	-
Balance transferred from capital redemption reserve (refer note 15.4)	-	1,543.65	-	-	(1,543.65)	-
Realised gain on sale of investment transferred from FVTOCI reserve to retained earnings	-	98.32	(98.32)	-	-	-
Amount reclassified to statement of profit and loss	-	-	-	(139.35)	-	(139.35)
As at 31 March 2021	**4,536.80**	**1,820.28**	**6,517.29**	**769.94**	**36.02**	**13,680.33**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: May 21, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: May 21, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Pune | Date: May 21, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: May 21, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi | Date: May 21, 2021

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

1. CORPORATE INFORMATION

Sterlite Power Transmission Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Park, Pune, Maharashtra, India.

The Company is primarily engaged in the business of Power products and solutions. Power products and solutions mainly include manufacturing of power transmission conductors, optical ground wire cables and power cable. It also includes execution of Engineering, Procurement and Construction Contracts for replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business.

The Company, directly or indirectly, through its subsidiaries, acts as a developer on Build Own Operate & Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years. The Company also undertakes the Engineering, Procurement and Construction Contracts for construction of power transmission systems.

The standalone financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on 21 May 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS").

The standalone 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 measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees millions, except when otherwise indicated.

2.2 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the Company in preparing its standalone financial statements:

a) Goodwill

Goodwill arising on account of excess consideration paid over business value transferred under a scheme of arrangement is amortised on a straight line basis over a period of five years from the date of arrangement as per Court Order.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) Foreign currencies

The Company's standalone financial statements are presented in INR, which is its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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.

d) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets such as investment in subsidiaries. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be premeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management in conjunction with external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. The valuation results are discussed at the Audit Committee.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 34,42, 43)
- Quantitative disclosures of fair value measurement hierarchy (note 43)
- Investment in mutual funds (note 42 and 43)
- Financial instruments (note 42)

e) **Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Amounts disclosed as revenue are net of goods and service tax (GST).

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 34

Sale of power products

Revenue from the sale of goods is recognised at a point in time control of the goods is transferred to the customer, generally on delivery of the equipment. The normal credit term is 60 to 180 days upon delivery.

Rendering of services

Revenues from services are recognised when the services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from Engineering, Procurement and Construction (EPC) projects

Revenue from fixed price construction contracts for power transmission lines and supply & installation of power transmission products is recognised as the performance obligation is satisfied progressively over the contract period. The Company's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that the contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered.

Contract modifications:

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. The Company does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

Variable considerations:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract Balance

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivable
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments – initial recognition and subsequent measurement.

Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. 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.

g) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside of profit or loss is recognised outside of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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 associated with 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

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 deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside of profit or loss is recognised outside of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the same taxable Company and the same taxation authority.

Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

h) Non-Current Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised. Refer Note 10 for further disclosures.

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- A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:
- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

i) Property, plant and equipment

Certain items of freehold land have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., April 01, 2015.

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or 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 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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery	2 - 20 Years *	Continuous process plant- 25 Years Others- 15 Years
Furniture and fixtures	3 - 10 Years *	10 Years
Data processing equipment	3 - 6 Years *	Service and networks- 6 Years and desktops and laptop etc - 3 Years
Office equipment	2 - 5 Years *	5 Years
Electric fittings	4 - 20 Years *	10 Years
Vehicles	3 - 5 Years *	8 Years
Leasehold improvements	Lease period	Lease period

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.
# Residual value considered as 5% on the basis of management's estimation, supported by technical advice.

The Company, based on technical assessments made by technical experts and management estimates, depreciates the certain items of building, plant and machinery, data processing equipment, furniture and fixtures, office equipment, electric fittings, vehicles and other telecom networks equipment 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.

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Intangible Assets

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

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of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

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

Software 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.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land- 99 years
- Office building – 1 to 5 years
- Vehicles – 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease

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payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other financial liability (see Note 17).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, construction material, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis except for aluminium wherein the cost is determined on specific identification method based on the costing details of each project.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis except for aluminium conductors wherein the cost is determined on specific identification method based on the costing details of each project.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is

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considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o) Provisions

General

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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.

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 a finance cost.

p) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company has a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 7.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and

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foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) 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 Company does not reduce impairment allowance from the gross carrying amount.

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial

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recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16A and Note 16B

Buyers' Credit/ Suppliers' Credit
The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials and project materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up within 12 months to 36 months. Where these arrangements are with a maturity of up to twelve months the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit (under Trade payables). Interest expense on these are recognised in the finance cost.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A

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change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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.

r) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and commodity future contracts to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation

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for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

s) Cash and cash equivalents

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

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 as they are considered an integral part of the Company's cash management.

t) Cash dividend distribution to equity holders of the Company

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

u) Presentation of EBITDA

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

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

2.3 New and Amended standards

Several amendments apply for the first time in March 2021, but do not have an impact on the standalone financial

statements of the Company.

- Amendments to Ind AS 116: COVID-19-Related Rent Concessions.
- Amendments to Ind AS 103 Business Combinations
- Amendments to Ind AS 1 and Ind AS 8: Definition of Material
- Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Description	Owned assets										Right-of-use assets				Total (A+B)
	Freehold land	Leasehold improvements	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Data processing equipment	Sub-total (A)	Land	Office building	Vehicles	Sub-total (B)	
COST OR VALUATION															
1 April 2019	485.89	60.64	1,008.71	2,969.92	47.49	33.16	41.74	275.10	130.63	5,053.28	3.17	-	-	3.17	5,056.45
Additions	-	-	20.85	192.05	2.62	6.39	4.22	6.48	12.15	244.75	-	193.85	10.10	203.95	448.70
Disposals	-	-	-	50.96	1.07	12.25	1.07	29.11	11.97	106.43	-	-	-	-	106.43
As at 31 March 2020 (restated) (refer note 51)	**485.89**	**60.64**	**1,029.56**	**3,111.01**	**49.04**	**27.30**	**44.89**	**252.47**	**130.81**	**5,191.60**	**3.17**	**193.85**	**10.10**	**207.12**	**5,398.72**
Additions	-	-	-	18.86	1.12	-	4.30	0.41	3.98	28.67	-	-	2.29	2.29	30.96
Disposals	-	-	-	70.83	3.22	0.69	3.12	1.58	0.01	79.45	-	4.87	1.72	6.59	86.05
Adjustment	-	-	-	-	-	-	-	-	-		-	4.27	-	4.27	4.27
As at 31 March 2021	**485.89**	**60.64**	**1,029.56**	**3,059.04**	**46.94**	**26.61**	**46.07**	**251.30**	**134.78**	**5,140.82**	**3.17**	**184.71**	**10.67**	**198.55**	**5,339.37**
Depreciation and impairment															
1 April 2019	-	40.82	305.40	1,834.61	32.73	7.52	26.82	127.90	75.90	2,451.69	0.22	-	-	0.22	2,451.91
Depreciation charged during the year	-	10.47	42.38	212.11	5.89	7.05	7.08	15.89	21.98	322.87	0.04	91.42	0.82	92.29	415.16
Disposals	-	-	-	44.52	0.92	3.94	0.86	20.80	10.45	81.49	0.01	-	-	0.01	81.50
As at 31 March 2020 (restated) (refer note 51)	**-**	**51.29**	**347.78**	**2,002.20**	**37.70**	**10.63**	**33.04**	**122.99**	**87.43**	**2,693.07**	**0.25**	**91.42**	**0.82**	**92.50**	**2,785.57**
Depreciation charged during the year	-	5.11	34.67	195.09	4.14	5.55	6.64	15.03	17.37	283.60	0.03	73.79	2.31	76.13	359.72
Disposals	-	-	-	63.64	2.23	0.68	2.66	1.29	0.02	70.52	-	-	0.31	0.31	70.83
As at 31 March 2021	**-**	**56.40**	**382.45**	**2,133.65**	**39.61**	**15.50**	**37.02**	**136.73**	**104.78**	**2,906.15**	**0.28**	**165.21**	**2.82**	**168.32**	**3,074.47**
Net block as at 31 March 2020 (restated) (refer note 51)	485.89	9.35	681.78	1,108.81	11.34	16.67	11.85	129.48	43.38	2,498.53	2.92	102.43	9.28	114.62	2,613.15
Net block as at 31 March 2021	**485.89**	**4.24**	**647.11**	**925.39**	**7.33**	**11.11**	**9.05**	**114.57**	**30.00**	**2,234.67**	**2.89**	**19.50**	**7.85**	**30.23**	**2,264.90**

Capital work-in progress*	(₹ in million)
As at 31 March 2021	5.96
As at 31 March 2020	2.34

* Includes machinery for power products and solutions business.

Notes to Financial Statements

for the year ended 31 March 2021

(All amounts in   million unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

(₹ in million)

Description	Goodwill (refer note 49)	Software/ Licenses
As at 31 March 2019	**3,000.15**	**156.29**
Additions	-	159.84
Disposals	-	5.23
As at 31 March 2020 (restated) (refer note 51)	**3,000.15**	**310.90**
Additions	-	0.94
Disposals	-	-
As at 31 March 2021	**3,000.15**	**311.84**
Amortisation		
As at 31 March 2019	**2,400.11**	**46.54**
Amortisation charge for the year	600.04	52.38
Disposals	-	5.02
As at 31 March 2020 (restated) (refer note 51)	**3,000.15**	**93.90**
Accumulated amortisation		
Amortisation charge for the year	-	65.75
Disposals	-	-
As at 31 March 2021	**3,000.15**	**159.65**
Net block as at 31 March 2020 (restated) (refer note 51)	**-**	**217.00**
Net block as at 31 March 2021	**-**	**152.19**

NOTE 5A: INVESTMENTS IN ASSOCIATES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-current		
Investment in equity shares- unquoted (valued at cost)		
Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)		
16,24,515 (31 March 2020: 16,24,515) equity shares of ₹ 2 each fully paid up [refer note 10(b)]	39.02	39.02
Sterlite Interlinks Limited		
4,900 (31 March 2020: 4,900) equity shares of ₹ 10 each fully paid up	0.05	0.05
Total	**39.07**	**39.07**

NOTE 5B: INVESTMENTS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-current		
Investments in units- quoted (valued at fair value through profit and loss account) (refer note 10(a))		
India Grid Trust	286.15	8.38
20,40,457 units (31 March 2020: 1,00,000 units)		
Investments in equity shares- unquoted (valued at fair value through other comprehensive income)		
Investments in joint venture		
Sterlite Grid 13 Limited (refer note c below)	43.27	-
3,10,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Investments in subsidiaries		
Sterlite Grid 4 Limited (refer note d below)	11,272.38	13,733.39
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 5 Limited	640.23	328.15
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 6 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 7 Limited	0.50	0.50

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for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 8 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 9 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 10 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 11 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 12 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 13 Limited (refer note c below)	-	0.50
3,10,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 14 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 15 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 16 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 17 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 18 Limited	-	-
50,000 (31 March 2019: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 19 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 20 Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 21 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 22 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 23 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 24 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 25 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 26 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 27 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 28 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 29 Limited	1.00	1.00
1,00,000 (31 March 2020: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 30 Limited (formerly known as NRSS XXIX Transmission (JS) Limited)	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Convergence Limited	0.50	0.50
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite EdIndia Foundation	0.50	0.50
49,977 (31 March 2020: 49,968) equity shares of ₹10 each fully paid up		
Sterlite Brazil Participacoes S.A.	2,547.34	7,893.70
27,78,97,092 (31 March 2020: 27,78,97,092) equity shares of R$ 1 each fully paid up		
One Grid Limited	0.10	-
10,000 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up		

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(All amounts in million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Investment in non-convertible debentures (unquoted) (valued at amortised cost)		
Sterlite Grid 13 Limited	1,007.88	-
10,07,88,150 (31 March 2020: Nil) 12.30% Non-convertible debentures of face value of ₹10 each		
Sterlite Grid 14 Limited	285.53	-
2,85,52,850 (31 March 2020: Nil) 12.30% Non-convertible debentures of face value of ₹10 each		
Sterlite Grid 18 Limited (refer note a below)	951.40	-
10,46,12,610.50 (31 March 2020: Nil) 12.30% Non-convertible debentures of face value of ₹10 each		
Others		
Sharper Shape Group Inc	112.45	112.45
26,505 (31 March 2020: 26,505) equity shares of USD 0.01 each fully paid up		
Equity component of loan given to subsidiaries (refer note b below)	395.17	-
(a) The fair market value of the investment in Sterlite Grid 18 Limited ('SGL18") is below cost as at 31 March 2021, hence the Company has recognised the impairment of ₹ 94.73 million on non-convertible debentures.		
(b) The Company has given interest free loans to wholly owned subsidiaries, amounting to ₹ 1,858.30 million repayable after 2-3 years. The loans being financial asset, have been discounted to present value amounting to ₹ 1,463.13 million at initial recognition. The balance of ₹ 395.17 million being the difference between present value and loan amount has been recognised as equity component.		
(c) The Company has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital') dated 28 December 2020 ('the Agreement') for investment in the subsidiaries of the Company which are engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Pursuant to the agreement, AMP Capital has invested in 50% of the paid up equity share capital of Sterlite Grid 13 Limited ('SGL13') on 30 March 2021. Accordingly, as per the terms of the agreement and rights available to the Company, investment in SGL13 has been classified as investment in joint venture.		
(d) The Company entered into a Framework agreement with India Grid Trust for selling its entire stake in Khargone Transmission Limited, Gurgaon- Palwal Transmission Limited and NER-II Transmission Limited after these projects are commissioned, at values as agreed in the Framework agreement subject to certain adjustments and the requisite approvals. During the year, pursuant to the framework agreement, Sterlite Grid 4 Limited, a wholly owned subsidiary of the Company, has sold 100% beneficial ownership in Gurgaon- Palwal Transmission Limited and 74% of beneficial ownership in NER-II Transmission Limited to India Grid Trust.		
Current		
Investment in mutual funds - quoted (valued at fair value through profit or loss)		
Nil (31 March 2020: 93,859.73 units) of Invesco India liquid fund direct plan- daily dividend reinvestment #	-	93.95
8,119.47 units (31 March 2020: 172,310.206 units) of Axis Liquid Fund direct plan - daily dividend reinvestment ##	9.07	172.50
Nil (31 March 2020: 9,535.71 units) of UTI Liquid cash plan - daily dividend reinvestment ###	-	32.95
Total	**17,567.97**	**22,392.97**
Current (equity)	**9.07**	**299.40**
Non-current (units)	**286.15**	**8.38**
Non-current (equity)	**15,027.94**	**22,085.19**
Non-current (non-convertible debentures)	**2,244.81**	**-**
Aggregate value of quoted investments (equity)	**9.07**	**299.40**
Aggregate value of quoted investments (units)	**286.15**	**8.38**
Aggregate value of unquoted investments (equity)	**15,027.94**	**22,085.19**
Aggregate value of unquoted investments (non-convertible debentures)	**2,244.81**	**-**

Includes Nil (31 March 2020: 92,910.843) units which are lien marked

Includes 8119.47 units (31 March 2020: 170,437.06) units which are lien marked

Includes Nil (31 March 2020: 9,535.71) units which are lien marked

Investments at fair value through other comprehensive income reflect investment in quoted units and quoted/unquoted equity securities. Refer note 42 for determination of their fair values.

Notes to Financial Statements

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NOTE 6: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Loans to related parties (refer note 46)*^	343.02	282.84
Loans to subsidiaries (refer note 46)# (refer note 5B(b))	1,515.32	14,209.73
Total	**1,858.34**	**14,492.57**
Current	**343.02**	**14,492.57**
Non-Current	**1,515.32**	**-**

* The Company has unsecured loan receivable amounting to ₹ 207.35 million (31 March 2020: ₹ 195.12 million) (including accumulated interest accrued) from Sterlite Power Technologies Private Limited ('SPTPL') which is recovered by the Company subsequent to balance sheet date.

^ Unsecured loan to Sterlite Technologies Limited (STL) carries interest @ 10% p.a. and is repayable on demand.

Indian rupee loan to subsidiaries is repayable on demand and carries Nil rate of interest excluding loans specified in note 5B(b).

NOTE 7: TRADE RECEIVABLES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-current		
Trade receivables	592.08	446.02
Total	**592.08**	**446.02**
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	592.08	446.02
	592.08	**446.02**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	592.08	446.02
Total non-current trade receivables	**-**	**-**
Current		
Other trade receivables	6,073.57	5,306.83
Receivable from related parties (refer note 46)	3,681.84	3,333.05
Total	**9,755.41**	**8,639.88**
Break-up for security details:		
- Unsecured, considered good	9,755.41	8,639.88
- Unsecured, credit impaired receivables	-	-
	9,755.41	**8,639.88**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	-	-
	9,755.41	**8,639.88**
Total current trade receivables	**9,755.41**	**8,639.88**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and credit period varies as per the contractual terms with the customers.

Refer note 44 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due or impaired.

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for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 8: OTHER FINANCIAL ASSETS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-current		
Security deposits (unsecured, considered good)	58.93	76.72
Other bank balance (refer note 13)	1,036.62	0.89
Total other non-current financials assets	**1,095.55**	**77.61**
Current		
Security deposits (unsecured, considered good)	39.18	48.35
Advances recoverable in cash (unsecured, considered good) (refer note 46)	70.12	0.99
Interest accrued on fixed deposits	6.70	7.66
Earnest money deposit with customer (unsecured, considered good)	24.26	51.48
Receivable from India Grid Trust for sale of investments (unsecured, considered good)	150.38	1,420.77
Other receivables from related parties (unsecured, considered good) (refer note 46)	37.83	58.60
	328.47	**1,587.85**
Derivative instruments		
- Forward contracts	-	278.38
- Commodity futures	1,173.86	-
	1,173.86	**278.38**
Total other current financial assets	**1,502.33**	**1,866.23**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity futures, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for foreign currency sales and purchases and foreign currency receivables and payables in US Dollars (USD) and Euros (EUR).

Earnest money deposit from customers are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Receivables from related parties are non-derivative financial assets and are refundable in cash.

NOTE 9: OTHER ASSETS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-current		
Balances with government authorities	642.74	418.31
Advance income tax, including tax deducted at source (net of provision) (refer note 51)	927.50	181.78
Deposit paid under dispute	69.66	54.11
Prepaid expenses	49.01	1.52
Total other non-current assets	**1,688.91**	**655.72**
Current		
Advances to vendors/contractors (unsecured)	2,044.96	1,243.19
Balances with government authorities	1,547.60	1,779.11
Prepaid expenses	103.76	127.57
Contract assets related to EPC contracts	1,440.03	2,208.49
Total other current assets	**5,136.35**	**5,358.36**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 10: ASSETS AND LIABILITIES HELD FOR SALE

Pursuant to Ind AS - 105 "Non Current Assets Held for Sale and Discontinued Operations", the Company has identified non-current assets referred to in below notes as held for sale as the carrying amount of these assets will be recovered principally through a sale transaction rather than through continuing use. These assets are available for immediate sale in its present condition and the sale transactions are highly probable.

Following assets and liabilities are classified as held for sale as at 31 March 2021 and as at 31 March 2020:

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
India Grid Trust (refer note 10(a))		
Investment in units of India Grid Trust		
Nil (31 March 2020: 8,74,48,026 units)	-	7,325.63
Total	**-**	**7,325.63**
Indigrid Investment Managers Limited (refer note 10(b))		
Investment in equity shares		
8,74,729 shares (31 March 2020: 8,74,729 units)	21.01	21.01
Total	**21.01**	**21.01**
Investment in non-convertible debentures (unquoted) (valued at amortised cost) (refer note 10(c))		
Sterlite Grid 14 Limited		
2,85,52,850 (31 March 2020: Nil) 12.30% Non-convertible debentures of face value of ₹10 each	285.53	-
Sterlite Grid 18 Limited		
10,46,12,610.50 (31 March 2020: Nil) 12.30% Non-convertible debentures of face value of ₹10 each	1,046.13	-
Total	**1,331.66**	**-**
Assets classified as held for sale - non-current	**-**	**21.01**
Assets classified as held for sale - current	**1,352.66**	**7,325.63**

(a) Sale of units in India Grid Trust

Erstwhile Sterlite Power Grid Ventures Limited ('SPGVL') now merged with the Company, being the sponsor of India Grid Trust ('IGT'), entered into "Inter-se sponsor agreement" dated 30 April 2019 ('the Inter-se Agreement') with Esoteric II Pte. Ltd. ('the Investor') to designate the investor as a 'Sponsor' of IGT subject to approval under the SEBI (Infrastructure Investment Trusts) Regulations, 2016. Pursuant to the Inter-se Agreement, SPGVL agreed to sell 60.03 million units ('the Units') of IGT to the Investor at ₹ 83.89 per unit.

On 24 September 2019, SPGVL and Sterlite Interlinks Limited ('SIL') entered into a Unit transfer agreement ('Unit Transfer Agreement') for sale of the Units by SPGVL to SIL and consequently SPGVL, the Investor and SIL entered into an amendment agreement dated 25 September 2019 amending the Inter-se Agreement to include clauses for Unit Transfer Agreement and sale of 87.45 million units by SIL to the Investor.

Pursuant to the Unit Transfer Agreement, SIL had given an interest bearing advance to erstwhile SPGVL of ₹ 6,200.00 million for the purchase of the Units. The Units were owned by erstwhile SPGVL as at 31 March 2020 and were pledged as security, basis which SIL raised funds from its lenders. Accordingly, the advance was presented under short term borrowings (refer note 16B) as at 31 March 2020 and investment in the Units was classified as asset held for sale.

On 3 August 2020, the parties terminated the Inter-se Agreement. Further, on 14 August 2020, the Company sold 85.51 million units of IGT in open market through National Stock Exchange ('NSE') at an average price of ₹ 98 per unit. Accordingly, the Company has classified the balance units of IGT as non-current investments and has also reversed impairment loss of ₹ 954.98 million recognised in earlier year. Further, other income for the year ended 31 March 2021 includes net gain of ₹ 218.23 million on sale of IGT units.

(b) Proposed sale of shares held in Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (SIML))

Pursuant to "Share Subscription and Purchase Agreement" executed between Electron IM PTE. LTD ('EIMPT') and the Company on 30 April 2019, the Company had to sell 74% of its stake in its subsidiary IIML in two tranches starting from 30 June 2019 till 30 Jun 2021. In previous year, the Company sold 60% of its stake in IIML for a consideration of

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₹ 60.05 million. Further, the remaining investment in IIML to the extent of 14% i.e. ₹ 21.01 million (31 March 2020: ₹ 21.01 million) has been disclosed as ''asset classified as held for sale".

(c) Sale of non-convertible debentures of Sterlite Grid 14 Limited and Sterlite Grid 18 Limited

The Company has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital') dated 28 December 2020 ('the Agreement') for investment in the subsidiaries of the Company which are engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Pursuant to the Agreement, AMP Capital would invest in 50% of the promoter's investment in the form of equity shares, non-convertible debentures and compulsorily convertible debentures in Sterlite Grid 14 Limited ('SGL14') and Sterlite Grid 18 Limited ('SGL18'). Accordingly, as per the terms of the Agreement, 50% of the non-convertible debentures of the above mentioned entities which were held by the Company have been sold to AMP Capital subsequent to the balance sheet date and hence are classified as assets held for sale as at 31 March 2021.

NOTE 11: INVENTORIES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
(Valued at lower of cost and net realisable value)		
Raw materials and components (includes stock in transit ₹ 692.36 million (31 March 2020: ₹ 453.66 million))	1,871.70	1,454.23
Work-in-progress	205.64	264.51
Finished goods (includes stock in transit ₹ 451.22 million (31 March 2020: ₹ 377.92 million))	762.44	1,974.27
Construction material (includes stock in transit ₹ 412.72 million (31 March 2020: ₹ 34.40 million))	412.72	51.72
Traded goods	58.21	34.91
Stores, spares, packing materials and others	180.40	142.79
Total	**3,491.11**	**3,922.43**

NOTE 12: CASH AND CASH EQUIVALENTS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Balances with banks:		
On current accounts	1,868.42	763.11
Cash in hand	0.03	0.14
Total	**1,868.45**	**763.25**

NOTE 13: OTHER BANK BALANCES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Deposits with original maturity for more than 3 months but less than 12 months*	1,739.70	1,860.02
Deposits with original maturity for more than 12 months**	1,036.62	0.89
	2,776.32	**1,860.91**
Less: Amount disclosed under non current assets	(1,036.62)	(0.89)
Total	**1,739.70**	**1,860.02**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Company, and earns interest at the respective short-term deposit rates.

* Held as lien by bank.

** Held as lien by banks and lien with Government authorities.

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NOTE 14: SHARE CAPITAL

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Authorised shares (nos. million)*		
6,380.00 (31 March 2020: 6,380.00) equity shares of ₹ 2 each	**12,760.00**	**12,760.00**
Issued, subscribed and fully paid-up shares (nos. million)		
61.18 (31 March 2020: 61.18) equity shares of ₹ 2 each fully paid - up.	122.36	122.36
Total issued, subscribed and fully paid-up share capital	**122.36**	**122.36**

* Authorised share capital has been disclosed after considering the impact of merger (refer note 51)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
At 1 April 2019	61.18	122.36
Add: Movement during the year	-	-
At 31 March 2020	**61.18**	**122.36**
Add: Movement during the year	-	-
At 31 March 2021	**61.18**	**122.36**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. In case dividend is proposed by the board of directors, the same is subject to the approval of the shareholders in the general meeting. The Company has declared dividend of ₹ 5.30 per share (31 March 2020 : Nil) after the reporting period but before the financials statements approval date.

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 shareholders.

c. Shares held by holding company and their subsidiaries/associates:

(₹ in million)

	31 March 2021		31 March 2020 (Restated) (refer note 51)	
	Nos. in million	% holding	Nos. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
(Ultimate holding company)				
Vedanta Limited	0.95	1.56%	0.95	1.56%

d. Detail of shareholders holding more than 5% of shares in the Company

(₹ in million)

	31 March 2021 (₹ in million)		31 March 2020 (Restated) (refer note 51)	
	Nos. in million	% holding	Nos. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%

The shareholding information is based on the legal ownership of shares and has been extracted from the records of the Company including register of shareholder/members.

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NOTE 15: OTHER EQUITY

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Securities premium		
Balance as per last financial statements	4,536.80	4,536.80
Add: Movement during the year	-	-
Closing balance	**4,536.80**	**4,536.80**
Retained earnings		
Balance as per last financial statements	(3,411.53)	(4,414.52)
Less: Transfer to capital redemption reserve (refer note 15.4)	(36.00)	(1,543.65)
Add: Balance transferred from capital redemption reserve (refer note 15.4)	1,543.65	-
Add/(less): Profit/(loss) for the year	3,629.24	(5,177.12)
Less: Remeasurement of post employment benefit obligation, net of tax	(3.40)	(0.78)
Add: Realised gain on sale of investments in subsidiaries transferred from FVTOCI reserve	98.32	7,715.56
Add: Effect of adoption of Ind AS 116	-	8.98
Closing balance	**1,820.28**	**(3,411.53)**
Others		
FVTOCI reserve		
Balance as per last financial statements	11,565.19	20,974.32
Less: Change in fair value of investments through other comprehensive income	(4,949.58)	(1,693.57)
Add: Realised gain on sale of investments in subsidiaries transferred to retained earnings	(98.32)	(7,715.56)
Closing balance	**6,517.29**	**11,565.19**
Cash flow hedge reserve		
Balance as per last financial statements	(1,619.00)	(1,007.22)
Add: Cash flow hedge reserve created on hedging contracts	2,249.59	(3,643.74)
Less: Amount reclassified to statement of profit and loss	(139.35)	(3,031.96)
Closing balance	**769.94**	**(1,619.00)**
Capital redemption reserve		
Balance as per last financial statements	1,543.67	0.02
Add/(less): Movement during the year	(1,507.65)	1,543.65
Closing balance	36.02	1543.67
Total other reserves	**7,323.25**	**11,489.86**

Nature and purpose of reserves:-

15.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

15.2 FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15.3 Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with receivable and payable and commodity risk associated with purchase of aluminium and copper. For hedging these risks, the Company uses commodity future and foreign currency forward contracts. 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 the statement of profit or loss when the hedged item affects the statement of profit or loss.

15.4 Capital redemption reserve

During the year ended 31 March 2020, erstwhile wholly owned subsidiary of the Company, Sterlite Power Grid Ventures Limited ('SPGVL') redeemed 154.36 million redeemable preference shares of face value of ₹ 10 each which were issued to the Company and created capital redemption reserve of ₹1,543.65 million as per the requirement of section 69 of the Companies Act, 2013.

During the year, National Company Law Tribunal ('NCLT') approved the scheme of amalgamation ('the Scheme') of SPGVL with the Company from an appointed date of 1 April 2017 ("Appointed date") which was filed with the Registrar of Companies on 15 November 2020 ("Effective date"). Since the merger of SPGVL with the Company takes effect from the Appointed date, the capital redemption reserve of ₹1,543.65 million which was created on redemption of redeemable preference shares after Appointed date but before the Effective date of the Scheme has been transferred to retained earnings based on a legal opinion obtained by the management and the shareholders approval obtained in the last AGM.

Also during the current year, the Company has redeemed 18 million redeemable preference shares of face value of ₹ 2 each issued to Clix Finance India Private Limited. Accordingly, the Company created capital redemption reserve of ₹ 36 million in compliance of Section 69 of the Companies Act, 2013.

NOTE 16A: NON CURRENT BORROWINGS (AT AMORTISED COST)

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Term loans		
Indian rupee loans from bank (secured) (refer note 16A(c))	-	-
Indian rupee loans from financial institution (secured) (refer note 16A(d))	375.00	-
Finance lease obligations (unsecured)	6.54	18.72
Total non-current borrowings	**381.54**	**18.72**
Current maturities of long-term borrowing		
Nil (31 March 2020: 3,500) 12.50% non-convertible debentures of ₹ 10,00,000 each (secured) (refer note 16A(a))	-	3,467.37
Nil (31 March 2020: 11,500) 11.50%-12.30% non-convertible debentures of ₹ 10,00,000 each (secured) (refer note 16A(b))	-	11,417.08
Nil (31 March 2020: 1,80,00,000) redeemable preferences shares of ₹ 2 each (unsecured) (refer note 16A(e))	-	42.07
Indian rupee loans from bank (secured) (refer note 16A(c))	40.00	-
Indian rupee loans from financial institution (secured) (refer note 16A(d))	385.00	-
Total	**425.00**	**14,926.52**
Other current maturities		
Interest accrued but not due on long term borrowings (secured)	0.18	887.06
Finance lease obligations (unsecured)	21.85	99.52
Total	**447.03**	**15,913.10**

Non convertible debentures

a) 12.50% non-convertible debentures of ₹ 10,00,000 each

i) During the year ended 31 March 2019, the Company had issued 3,500 non-convertible debentures ("NCDs") of face value ₹ 10,00,000/- each amounting to ₹ 3,500 million carrying interest of 12.50%. The debentures were secured by:

a) first and exclusive charge over all present and future fixed assets,

b) investments of the Company in erstwhile Sterlite Power Grid Ventures Limited now merged with the Company ("SPGVL") including 51% pledge of shares of SPGVL on a fully diluted basis,

c) any loans and advances given to and dividend and any other receivables from SPGVL

d) second charge on all current assets of the Company

e) first and exclusive charge over any OCPRS, CCPS, or any other instrument by which money has been infused in SPGVL.

The Company has repaid the NCDs in the current year.

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b) 11.50%-12.30% Non-convertible debentures of ₹ 10,00,000 each

i) Erstwhile Sterlite Power Grid Ventures Limited now merged with the Company ('SPGVL') had issued 11,500 non-convertible debentures ('NCDs') of ₹ 1 million each on private placement basis between March 2019 and July 2019 in 4 different tranches of ₹ 1,950 million, ₹ 5,500 million, ₹ 1,050 million and ₹ 3,000 million. All these instruments are redeemable after a period of 3 years from the deemed date of allotment of the first tranche (i.e. 28 March 2022) These NCDs carry interest rate between 11.50% p.a. – 12.30% p.a. between different tranches. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

a) First pari-passu charge on loans and advances given by SPGVL to project Sterlite Grid 4 Limited ('SGL-4'), Sterlite Grid 5 Limited ('SGL-5'), Khargone Transmission limited ('KTL'), Gurgaon- Palwal Transmission Limited ('GPTL'), NER- II Transmission limited ('NER-II') and Goa Tamnar Transmission Project Limited ('GTTPL').

b) Pledge of 51% shares of ('SGL 4') and ('SGL 5') on fully diluted basis at all times

c) Non-disposal undertaking for balance 49% shares of SGL 4 and SGL 5.

d) Pledge of 49% shares of the following project SPV's i.e. KTL, GPTL, NER-II & GTTPL.

e) a first rank pari passu charge on Interest Service Reserve Account ('ICRA') and ISRA amount.

The Company has repaid the NCDs in the current year.

Term Loans

c) Indian rupee term loan from bank

The Company availed term loan under COVID-19 emergency line of credit from Union Bank of India. The term loan carries interest at the rate of 8% p.a. payable monthly. The term loan is to be repaid in 18 monthly instalments of ₹ 2.50 million after 6 months of moratorium period ending on February 2021 from date of disbursement.

The term loan is secured by:

a) First pari-passu charge by the way of hypothecation of stock and book debts;

b) Second pari-passu charge on movable fixed assets of the Company (present and future)

The loan has been subsequently repaid in the FY 2021-22.

d) Indian rupee term loan from financial institution

i) The Indian rupee term loan from Clix Capital Services Private Limited carries interest at the rate of 11.75% p.a. payable monthly. Entire loan amount shall be repayable in two equal quarterly instalments starting from 3 months less than final maturity from the date of disbursement 31 March 2021and at the end of final maturity i.e. 31 December 2020 and 30 April 2021 respectively.

The term loan is secured by:

a) First pari-passu charge over all present and future current assets of the borrower;

b) Second pari-passu charge over all present and future immovable and movable fixed assets of the borrower;

c) Demand promissory note

d) DSRA equivalent to 1 month interest ensuing interest service obligation

The Company has satisfied the covenants attached to the borrowings.

e) Redeemable preferences shares

The preference shares carried 0.01% non-cumulative dividend. Holders of preference shares had a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. There shares carried face value of ₹ 2 per share and are redeemed at a premium of 8% compounded annually in the current year.

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(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Authorised shares (nos. million)		
36.40 (31 March 2020: 36.40) redeemable preference shares of ₹ 2 each	**72.80**	**72.80**
Issued, subscribed and fully paid-up shares (nos. million)		
Nil (31 March 2020: 18.00) cumulative redeemable preference shares of ₹ 2 each		
- Nominal value	-	36.00
- Securities premium	-	-

Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
As at 1 April 2019	**18.00**	36.00
Add: Issued during the year	-	-
As at 31 March 2020	**18.00**	**36.00**
Add: Issued during the year	-	-
Less: Redeemed during the year	(18.00)	(36.00)
As at 31 March 2021	-	-

Details of preference shareholders holding more than 5% of shares in the company

	31 March 2021		31 March 2020 (Restated) (refer note 51)	
	Nos. in million	% holding	Nos. in million	% holding
Clix Capital Services Private Limited	-	-	18.00	100.00%

The shareholding information is based on the legal ownership of shares and has been extracted from the records of the Company including register of shareholder/members.

f) Optionally convertible redeemable preference shares

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Authorised shares (nos. million)		
470.00 (31 March 2020: 470.00) optionally convertible redeemable preference shares of ₹ 10 each	4,700.00	4,700.00
Issued, subscribed and fully paid-up shares (nos. million)		
Nil (31 March 2020: Nil) optionally convertible redeemable preference shares of ₹ 10 each		
- Nominal value	-	-
- Securities premium	-	-

Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
As at 1 April 2019	-	-
Add: issued during the year	-	-
As at 31 March 2020	-	-
Add: Issued during the year	-	-
Less: Redeemed during the year	-	-
As at 31 March 2021	-	-

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NOTE 16B: SHORT TERM BORROWINGS (AT AMORTISED COST)

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Loan from related parties (unsecured) (refer note 16B(i) and 46)	2,178.33	1,500.00
Cash credit from banks (secured) (refer note 16B(ii))	1,299.34	799.24
Working capital demand loans from banks (secured) (refer note 16B(iii))	1,766.46	2,700.00
Export packing credit (secured) (refer note 16B(iv)	-	499.80
Suppliers credit (secured) (refer note 16B(v))	144.26	878.08
Suppliers credit (unsecured) (refer note 16B(vi))	418.73	116.93
Short term loan from financial institution (refer note 16B(ix,x and xi))	650.00	-
Advance from Sterlite Interlink Limited against Investment in India Grid Trust units (secured) (refer note 16B(vii))(refer note 46)	-	6,200.00
Other loan from banks (secured) (refer note 16B(viii))	-	628.18
Total	**6,457.12**	**13,322.23**
The above amount includes		
Secured borrowings	3,860.06	11,705.29
Unsecured borrowings	2,597.06	1,616.94

(i) Loan from related parties include an unsecured demand loan of ₹ 1,500 million from PTC Cables Private Limited with an interest rate between 9.50% - 10.25% p.a. (SBI MCLR + 250 Basis points). However, the Company can repay the partial or full amount to the lender with prior not less than 10 days irrevocable notice or the lender may ask for the repayment by giving 5 business days notice to the Company.

It also includes an interest free unsecured loan of ₹ 678.33 million from Sterlite Grid 4 Limited which is repayable on demand.

(ii) Cash credit from banks is secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable as collateral charge. Some cash credit limits are also secured by way of second charge over immovable fixed assets and some are secured by hypothecation of entire current assets and receivables both present and future. The cash credit is repayable on demand and carries interest @ 9.05% - 13.35% p.a. (31 March 2020: 9.25% to 12.75% p.a.).

(iii) Working capital demand loans from banks are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge. Some working capital demand loans are secured by hypothecation of entire current assets and receivables both present and future. Working Capital Demand Loan is generally taken for a period of less than 365 days and carries interest @ 7.55% - 12.45% p.a. (31 March 2020: 8.15% to 13.35% p.a.).

(iv) Export packing credits are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge and is generally taken for a period of 180 days. It carries interest @ 9.50% p.a.(31 March 2020: 9.25% - 9.50% p.a).

(v) Secured suppliers' credit arrangements are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Suppliers' credit is generally repaid after a period of six months where foreign currency suppliers credit carry interest @ 1.20% - 3.28% (31 March 2020: 2.30% - 3.37% p.a).(excluding hedging premium) and domestic suppliers credit carry interest @ 6.40% - 10.00% p.a (31 March 2020: 7.90% - 13.27% p.a.).

(vi) Unsecured suppliers credit consists of financing of payable to MSME and other vendors with banks and is generally taken for a period of not more than 90 days. It carries interest @ 8.25% - 9.50% p.a. (31 March 2020: 8.3% - 9.25% p.a.).

(vii) Advance from Sterlite Interlinks Limited ('SIL') was secured against investment made in the units of India Grid Trust which carried interest rate of 14.90% p.a. paid on quarterly basis. Refer Note 10a above.

(viii) Other loan from banks consists of short term facility in the form of vendor financing which is repayable within period of 90 days and carries interest rate @8.25% p.a. (31 March 2020: 8.50% p.a.).

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(ix) The Indian rupee loan of ₹500 million from Arka Fincap Limited carries interest at the rate of 12.50% p.a. payable quarterly. Entire loan amount shall be repayable as a bullet repayment on 30 September 2021.

The loan is secured by:

a) First exclusive charge over loans and advances extended by SPTL to any one or more intermediate holding Companies (SGLs) up to an amount of ₹ 75 crore;

b) Interest service reserve (ISRA) of 3 months to be maintained in the form of FDs charged in favour of lender at all times during the tenor of the facility

The loan has been subsequently repaid in the FY 2021-22.

(x) The Indian rupee loan of ₹ 100 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement.

The loan is secured by:

a) First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;

b) Exclusive pledge of 20,39,880 units of India Grid Trust ("Indigrid Invit'') (including charge on dividend/distribution received), held by borrower in demat form, providing a minimum facility cover of 2x for ABFL facility at all times.

c) Any dividend/ distribution received from the units by borrower shall be used to purchase ABSLMF's liquid/overnight debt MF units on the day/net day of such receipt, which shall be lien marked to ABFL. The MF units purchased shall be liquidated on the date of ABFL debt servicing, to service facility dues.

d) Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL

The financial covenants are reviewed periodically. As at 31 March 2021, the Company has satisfied the debt covenants prescribed in the loan agreement.

(xi) The Indian rupee loan of ₹ 50 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement.

The loan is secured by:

a) First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;

b) Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL.

The financial covenants are reviewed periodically. As at 31 March 2021, the Company has satisfied the debt covenants prescribed in the loan agreement.

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NOTE 17: OTHER FINANCIAL LIABILITIES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non Current		
Other liability	619.97	-
Total non-current financial liabilities	**619.97**	**-**
Current		
Derivative instruments		
- Forward contracts	115.63	-
- Commodity futures	-	982.49
	115.63	**982.49**
Current maturities of long-term borrowings (refer note 16A)	415.00	14,926.52
Current maturities of lease obligations (refer note 16A)	21.85	99.52
Interest accrued but not due on long term borrowings (refer note 16A)	0.18	887.06
Interest accrued but not due on short term borrowings	257.60	154.77
Interest free deposit from customers	3.30	0.92
Earnest money deposit from vendors	2.01	2.01
Payables for property, plant and equipment	4.74	30.04
Payable for employee stock appreciation rights (refer note 48)	304.18	43.04
Employee benefits payable	80.10	313.36
Others	142.72	210.31
Total current financial liabilities	**1,347.31**	**17,650.04**

Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-90 days terms.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity futures, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for foreign currency sales and purchases and foreign currency receivables and payables in US Dollars (USD) and Euros (EUR).

Interest free deposits from customer and earnest money deposits to vendor are non interest bearing.

Other payables are non-interest bearing and have an average term of 30 -180 days

Interest payable is normally settled monthly throughout the financial year.

For explanations on the Company's credit risk management processes, refer to note 44.

NOTE 18: EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 35)	76.67	74.96
Total non-current employee benefit obligations	**76.67**	**74.96**
Current		
Provision for employee benefits		
Provision for gratuity (refer note 35)	23.71	9.76
Provision for leave benefit	74.47	66.76
Total current employee benefit obligations	**98.18**	**76.52**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 19: DEFERRED TAX LIABILITIES (NET)

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	55.49	89.39
Fair valuation of land on transition date	38.86	38.86
Fair valuation of FVTOCI investments	1,968.86	3,453.71
Cash Flow Hedge Reserve	230.90	-
Others	32.80	31.57
Gross deferred tax liability	**2,326.91**	**3,613.53**
Deferred tax assets		
Provision for doubtful debts and advances	122.58	112.25
Provision for impairment of investment	-	222.47
Capital loss of sale of investment	173.78	170.53
Expenses disallowed in income tax, allowed as and when incurred	171.14	171.14
Business loss	-	194.05
Others	70.35	67.59
Gross deferred tax assets	**537.85**	**938.03**
Net deferred tax liability	**1,789.06**	**2,675.50**

Reconciliation of deferred tax liability

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Opening deferred tax liability, net	2,675.50	5,694.43
Deferred tax credit recorded in statement of profit and loss	162.70	(204.98)
Deferred tax charge recorded in OCI	(1,470.43)	(617.18)
Deferred tax gain credited to cash flow hedge reserve	237.63	(105.66)
Deferred tax asset on business losses reversed during the year	194.05	-
Deferred tax liability transferred to current tax liability on sale of investments	(9.25)	(2,090.81)
Others	(1.14)	(0.31)
Closing deferred tax liability, net	**1,789.06**	**2,675.50**

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Profit or loss section		
Current Income Tax Charges:		
Current income tax	134.08	-
Adjustment of tax relating to earlier periods	(1,342.49)	(1.83)
Deferred Tax		
Relating to origination and reversal of temporary differences	162.70	(204.98)
Income tax expenses reported in the statement of profit or loss	**(1,045.71)**	**(206.81)**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	237.63	(105.66)
Re-measurement loss defined benefit plans	(1.14)	(0.31)
Income tax charged through OCI	(1,470.43)	(617.18)
	(1,233.94)	**(723.15)**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Accounting profit before income tax	2,583.53	(5,383.93)
At India's statutory income tax rate of 25.168% (31 March 2020: 25.168%)	650.22	(1,355.03)
Permanent difference on account expenses disallowed	5.12	5.54
Permanent difference on account of exempt income	(354.87)	(273.64)
Difference in income tax rate considered for deferred tax on capital assets	(16.96)	(5.43)
Deferred tax asset not recognised	117.76	1,070.91
Change in income tax rate	-	79.90
Disallowance of amortisation of goodwill	-	151.02
Tax /(Reversal of tax) for earlier years	(1,342.49)	(1.83)
Others	(104.49)	121.74
At the effective income tax rate of -40.48% (31 March 2020: 4.64%)	**(1,045.71)**	**(206.82)**
Income tax expense reported in the statement of profit and loss	**(1,045.71)**	**(206.81)**

NOTE 20: TRADE PAYABLES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 41)	522.16	870.32
- total outstanding dues of creditors other than micro enterprises and small enterprises	13,099.43	13,118.63
	13,621.59	**13,988.95**
Trade payables to related parties (refer note 46)	133.14	75.22
Operational suppliers credit from related parties (refer note 46)	2,051.10	3,014.96
Other trade payables	11,437.35	10,898.77
Total	**13,621.59**	**13,988.95**

a) Trade payables are non-interest bearing and are normally settled on 60-180 days terms

b) Operational supplier's credit are availed in Indian Rupees at an interest rate of 7.50%-8.00% and is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Company.

NOTE 21: OTHER LIABILITIES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Non-Current		
Contract liabilities for EPC contracts including advances from customers*	4,086.68	-
Total other non-current liabilities	**4,086.68**	**-**
Current Liabilities		
Advance from customers	486.86	737.17
Goods and service tax payable	-	74.00
Withholding taxes (TDS) payable	146.27	125.52
Contract liabilities for EPC contracts including advances from customers*	5,956.71	7,199.88
Others	504.93	465.87
Total	**7,094.77**	**8,602.44**

* The Company has provided corporate guarantees against the advances received from subsidiaries and joint venture.

Notes to Financial Statements
for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 22: REVENUE FROM OPERATIONS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Revenue from contract with customers		
Sale of goods and services (see notes below)	29,104.64	26,497.56
Other operating revenue		
Sale of scrap	100.67	93.95
Export incentives #	53.98	46.64
Management fees (refer note 46)	79.23	116.08
Total revenue from operations	**29,338.52**	**26,754.23**
# Export incentive are subject to realisation of proceeds of exports from customers.		
Type of goods or service:		
Revenue from sale of conductors and power cables	12,206.75	11,797.83
Revenue from engineering, procurement and construction (EPC) contracts	16,238.41	12,675.20
Revenue form sale of traded goods	583.94	1,923.76
Revenue from project consultancy services	75.54	100.77
Total revenue from contracts with customers	**29,104.64**	**26,497.56**
Geographical disaggregation:		
Within India	21,984.10	23,327.28
Outside India	7,120.54	3,170.28
Total revenue from contracts with customers	**29,104.64**	**26,497.56**
Timing of revenue recognition:		
Goods transferred at a point in time	12,790.69	13,721.59
Services transferred over time	16,313.95	12,775.97
Total revenue from contracts with customers	**29,104.64**	**26,497.56**

22 (a) Performance obligations

Information about the Company's performance obligations are summarised below:

Revenue from sale of conductors, power cables and traded goods

The performance obligation is satisfied upon delivery of conductor, power cable or traded aluminium rods and payment is generally due within 60 to 365 days from delivery. Some contracts provide the Company right to receive price variation from customers on account of changes in metal prices.

Revenue from engineering, procurement and construction (EPC) contracts

The performance obligation is satisfied progressively over the construction period. The Company's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

Project consultancy

Project consultancy services represent the performance obligation for providing consultation services in relation to designing and testing of conductors and are satisfied over-time. Payment is generally due within 30 days from provision of service.

22 (b) Assets and liabilities related to contracts with customers

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Balances at the beginning of the year		
Trade receivables	8,639.88	9,599.99
Contract assets	2,208.49	3,762.90
Contract liabilities	7,199.88	6,618.99
Balances at the end of the year		
Trade receivables	9,755.41	8,639.88
Contract assets	1,440.03	2,208.49
Contract liabilities	10,043.39	7,199.88

Notes to Financial Statements

for the year ended 31 March 2021
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The Company receives payments from customers based on a billing schedule, as established in the contracts. Contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) performed under the contract. Also there are no significant changes in the contract assets and contract liabilities balances during the reporting period.

22 (c) Revenue recognised in relation to contract liabilities

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Revenue recognised that was included in the contract liability balance at the beginning of the year	7,199.88	746.89

22 (d) Transaction price allocated to the remaining performance obligations

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Expected to be recognised as revenue over the next one year	29,191.52	26,461.96
Expected to be recognised as revenue beyond next one year	22,328.90	13,140.65
Total	**51,520.42**	**39,602.61**

NOTE 23: FINANCE INCOME

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Interest income on		
- Bank deposits	52.62	73.82
- Loans to related parties (refer note 46)	192.36	52.47
Gain on sale of mutual funds	4.93	2.68
Reversal of provision for interest on advance tax	78.40	-
Fair value gain on financial instruments measured at fair value through profit or loss	82.33	-
Others	29.93	12.02
Total	**440.57**	**140.99**

NOTE 24: OTHER INCOME

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Profit on sale of property, plant and equipment, (net)	1.86	5.74
Profit on sale of investment in units of India Grid Trust (refer note 10a)	213.92	-
Consideration received from India Grid Trust on sale of Sterlite Grid 3 Limited	173.59	-
Consideration received from India Grid Trust on sale of investments in earlier years*	673.33	-
Income on investment in India Grid Trust	537.73	957.82
Dividend income on equity instruments measured at fair value through other comprehensive income	1,226.51	432.12
Employees stock appreciation rights (refer note 48)	-	28.55
Miscellaneous income	150.37	38.43
Total	**2,977.31**	**1,462.66**

* In earlier years, the Company sold the investment in various subsidiaries to India Grid Trust. During the year, India Grid Trust has paid earn outs related to claim in increase in tariff due to change in law, income tax refund and VAT refund to the Company.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 25: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Inventory at the beginning of the year	1,454.23	1,001.96
Add: Purchases during the year	8,492.99	11,108.64
	9,947.22	**12,110.60**
Less: Inventory at the end of the year	1,871.70	1,454.23
Cost of raw material and components consumed	**8,075.52**	**10,656.37**

NOTE 26: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Construction material consumed		
Inventory at the beginning of the year	51.72	60.28
Add: Purchases during the year	6,890.07	5,147.46
Less: Inventory at the end of the year	(412.72)	(51.72)
	6,529.07	**5,156.02**
Subcontracting charges*	4,576.43	4,135.21
Total	**11,105.50**	**9,291.23**

*These charges pertain to services availed in relation to engineering, procurement and construction (EPC) contracts.

NOTE 27: (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Opening inventories:		
Traded goods	34.90	7.46
Work-in-progress	264.51	391.96
Finished goods	2006.93	391.98
	2,306.34	**791.40**
Closing inventories:		
Traded goods	58.21	34.90
Work-in-progress	205.64	264.51
Finished goods	762.44	1974.27
	1,026.29	**2,273.68**
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	**1,280.05**	**(1,482.28)**

NOTE 28: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Salaries, wages and bonus	1,992.32	2,259.96
Contribution to provident fund and superannuation fund	62.60	70.13
Employees stock appreciation rights expense (refer note 48)	261.14	-
Gratuity expense (refer note 35)	34.92	24.12
Staff welfare expenses	46.52	77.42
Total	**2,397.50**	**2,431.63**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in   million unless otherwise stated)

NOTE 29: OTHER EXPENSES

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Consumption of stores and spares	67.58	84.63
Power, fuel and water	196.80	259.74
Repairs and maintenance		
- Building	16.77	5.37
- Machinery	71.97	80.17
Service expenses and labour charges	212.21	400.08
Consumption of packing materials	296.18	426.63
Sales commission	182.13	411.33
Advertisement & sales promotion	11.68	33.04
Survey cost	26.14	17.07
Safety expenses	20.13	33.96
Carriage outwards	464.79	416.79
Rent	35.17	155.73
Insurance	63.58	72.19
Rates and taxes	105.84	49.52
Travelling and conveyance	132.13	327.85
Legal and professional fees	1,149.87	725.56
Bad debts / advances written off	-	23.80
Loss on forfeiture of investment in equity shares	-	25.28
Recruitment expenses	6.73	27.77
Corporate social responsibility expenses*	25.09	23.30
Impairment allowance for trade receivables and advances	97.64	82.18
Directors sitting fees (refer note 46)	14.50	8.85
Payment to auditor (refer details below)	13.93	9.51
Miscellaneous expenses	714.94	662.74
Total	**3,925.80**	**4,363.09**

Payment to auditor

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
As auditor:		
Audit fee (including audit of consolidated financial statements)	8.00	7.00
Tax audit fee	1.25	1.25
Other services (including certification fees)	4.68	1.26
Total	**13.93**	**9.51**

*Section 135 of the Companies Act, 2013 is applicable on the Company but 2% of its average net profits of the last three financial years is negative. Hence the Company isn't required to contribute towards Corporate Social Responsibility activities. Though during the current year, the Company has spent ₹ 25.09 million on non-capital related activities.

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Depreciation of tangible assets	283.60	322.87
Depreciation of right-of-use assets	76.13	92.29
Amortisation of intangible assets	65.75	52.38
Amortisation of goodwill (refer note 49)	-	600.04
Total	**425.48**	**1,067.58**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 31: FINANCE COST

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Interest on financial liabilities measured at amortised cost	2,686.11	3,927.89
Bill discounting and factoring charges	248.49	134.64
Bank charges	388.27	569.51
Interest others	-	178.55
Finance lease charges	3.94	16.26
Exchange difference to the extent considered as an adjustment to borrowing costs	-	2.33
Total	**3,326.81**	**4,829.18**

NOTE 32: EXCEPTIONAL ITEMS

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Ineffectiveness of derivative contracts designated as cash flow hedges*	-	925.87
Total	**-**	**925.87**

*During the previous year, the Company sold some of its investments in Brazilian transmission project entities. The contract for supply of conductor to these project entitles were subsequently been cancelled, this was considered as a non-recurring event. The loss on cancellation of corresponding cash flow hedges entered for mitigation of risk of fluctuation in prices of aluminium and foreign currency was disclosed as exceptional item.

NOTE 33: EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit/(loss) and share data used in the basic and diluted EPS:

(₹ in million)

	31 March 2021	31 March 2020 (Restated) (refer note 51)
Profit / (loss) before exceptional item attributable to equity shareholders for computation of basic and diluted EPS	3,629.24	(4,251.25)
Profit / (loss) after exceptional item attributable to equity shareholders for computation of basic and diluted EPS	3,629.24	(5,177.12)
Weighted average number of equity shares in calculating basic and diluted EPS	61.18	61.18
Earnings per share (₹)		
Basis and diluted before exceptional item (on nominal value of ₹ 2 per share)	59.32	(69.49)
Basis and diluted after exceptional item (on nominal value of ₹ 2 per share)	59.32	(84.62)

NOTE 34: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in   million unless otherwise stated)

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Revenue recognition for construction contracts- EPC contracts
As described in Note 2.2, revenue and costs in respect of construction contracts are recognised by reference to stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Company estimates the total cost of the project at each period end. These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and the present value of the gratuity 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 increases and mortality rates. 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 each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 35.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

Fair value measurement of financial instruments
When the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42, 43 and 44 for further disclosures.

NOTE 35: GRATUITY DISCLOSURES

The Company has a defined benefit gratuity plan. Every employee working in the Company gets a gratuity on departure at 15 days salary (last drawn salary) for completed period of service.

Changes in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Defined benefit obligation at the beginning of the year	**84.72**	**80.37**
Interest cost	4.70	5.76
Current service cost	16.87	17.93
Past service cost	13.35	-
Liability transferred in/acquisitions	-	0.43
Liability transferred out/divestments	-	(1.24)
Benefits paid directly by the Company	(23.82)	(19.63)
Actuarial (gain)/loss due to change in financial assumptions	(3.86)	0.62
Actuarial (gain)/loss on obligation due to experience adjustments	8.01	7.16
Actuarial (gain)/loss on obligation due to demographic assumptions	0.40	(6.69)
Present value of defined benefit obligation at the end of the year	**100.37**	**84.72**

Details of defined benefit obligation

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Present value of defined benefit obligation	100.37	84.72
Fair value of plan assets	-	-
Net defined benefit benefit obligation	**100.37**	**84.72**

Net employee benefit expense recognised in the statement of profit and loss:

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Current service cost	16.87	17.93
Past service cost	13.35	-
Liability transferred in/acquisitions	-	0.43
Interest cost on benefit obligation	4.70	5.76
Net benefit expense	**34.92**	**24.12**

Expenses recognised in other comprehensive income (OCI) for current period

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Actuarial (gain)/loss on obligation for the year		
- changes in demographic assumption	0.40	(6.69)
- changes in financial assumption	(3.86)	0.62
- experience variance	8.01	7.16
Net expense for the period recognised in OCI	**4.55**	**1.09**

Notes to Financial Statements

for the year ended 31 March 2021
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Amounts for the current and previous periods are as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Defined benefit obligation	100.37	84.72
Plan assets	-	-
Surplus/(deficit)	(100.37)	(84.72)
Experience adjustments on plan liabilities	8.01	7.16
Experience adjustments on plan assets	-	-

The principal assumptions used in determining defined benefit obligation are shown below:

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Discount rate	5.65%	5.55% - 5.76%
Expected rate of return on plan asset	NA	NA
Employee turnover	16.56%-24.85%	20% - 24%
Expected rate of salary increase	7%	8.00%
Actual rate of return on plan assets	NA	NA

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

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Projected benefit obligation on current assumptions	100.37	84.72
Delta effect of +1% change in rate of discounting	(4.16)	(3.45)
Delta effect of -1% change in rate of discounting	4.54	3.74
Delta effect of +1% change in rate of salary increase	4.24	3.34
Delta effect of -1% change in rate of salary increase	(3.98)	(3.17)
Delta effect of +1% change in rate of employee turnover	(1.40)	(3.98)
Delta effect of -1% change in rate of employee turnover	3.29	6.36

Maturity analysis of projected benefit obligation: From the employer (undiscounted basis)

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Projected benefits payable in future years from the date of reporting		
Within next 1 year	23.71	11.11
Between 2 to 5 years	57.15	44.68
Between 6 to 10 years	32.41	35.62
Beyond 10 years	19.29	33.71

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NOTE 36: LEASE LIABILITY

The Company has long term lease contacts for office premises and various vehicles. Information about leases for which the Company is lessee is presented below.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	Amount
Less than one year	23.63
One to two years	8.10
Two to five years	1.90
More than five years	-
Total undiscounted lease liabilities at 31 March 2021	**33.63**

Set out below, are the carrying amount of the Company's liabilities and the movement during the year.

Particulars	Amount
Opening lease liabilities as at 1 April 2020 (restated) (refer note 51)	118.24
Add: Additions/(deductions)	(3.57)
Add: Interest expense	7.35
Less: Payments	93.63
As at 31 March 2021	**28.39**
Current	21.85
Non-current	6.54

NOTE 37: CAPITAL AND OTHER COMMITMENTS

(a) Commitment related to further investment in subsidiaries is ₹ 10,661.21 million (31 March 2020: ₹ 13,481.31 million)

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹ 71.94 million (31 March 2020: ₹ 60.07 million).

(c) The board of directors of the Company have approved purchase of 59.47% equity stake in Maharashtra Transmission Communication Infrastructure Limited ('MTCIL') from Sterlite Technologies Limited ('STL'). STL has filed an application with the Department of Telecommunication for transfer of its equity stake in MTCIL to the Company which is pending for approval.

(d) The Company has entered into a Share Purchase agreement with Vinci Energeia Fundo De Investimento EM Participacoes Infraestrutura and Cymi Construcoes Participacoes S.A. for selling its stake in Vineyards Participacoes S.A. and Dunas Transmissao De Energeia S.A. respectively, at values as agreed in the Share Purchase agreement subject the requisite approvals.

NOTE 38: CONTINGENT LIABILITIES

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
1) Disputed liabilities in appeal:		
a) Excise duty	76.40	76.40
b) Value Added Tax (VAT) and Central sales tax (refer note i below)	294.06	219.34
2) Performance guarantee to insurer on behalf of subsidiaries	2,611.32	2,924.88
3) **Bank guarantees given:**		
- To long term transmission customers on behalf of its subsidiary companies.	3,543.93	3,272.59
- For bidding of projects on behalf of its subsidiaries	205.00	-
- On behalf of India Grid Trust ('IGT')	25.00	25.00
- To India Grid Trust ('IGT') for various claim with respect to sale of investments (refer note ii and iii below)	1,000.00	-

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(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
4) **Corporate guarantees given:**		
- To India Grid Trust ('IGT') for claim under arbitration with respect to sale of ENICL (refer note ii below)	-	1,000.00
- To India Grid Trust ('IGT') for clearance of items mentioned in the share purchase agreement with respect to sale of ENICL	350.00	350.00
- To India Grid Trust ('IGT') for various claim with respect to sale of investments	500.00	-
- Given on behalf of its related party revenue contract executed	188.60	188.60
- Given to vendor on behalf of subsidiary	-	408.08
- On behalf of its subsidiary for issuance of non-convertible debentures during the year	2,000.00	-

Further, pursuant to share purchase agreement with India Grid Trust, the Company is to indemnify India Grid Trust for entry tax demand of ₹ 252.31 million (31 March 2020 ₹ 234.49 million) sales tax demands of ₹ 43.88 million (31 March 2020: ₹ 11.30 million), custom duty demands of ₹ Nil (31 March 2020: 12.78 million) and income tax act ₹ 27.90 million (31 March 2020: 27.16 million) in relation to the Companies sold to the trust.

(i) The above Value Added Tax, Central Sales Tax and Entry Tax demand (along with the applicable interest, wherever levied) pertains to the following matters.

(a) Central Sales Tax demand of ₹16.80 million (31 March 2020 of ₹ 16.80 million) raised under the Delhi VAT Act, 2004 on account of non-submission of the declaration forms C pending to be received from the customers for the Assessment Year 2014-15.

(b) Value Added Tax, Central Sales Tax and Entry Tax demand of ₹14.31 million (Amount ₹ 19.10 million) raised under the Madhya Pradesh VAT Act, 2002 on account of non-submission of the declaration forms EI/EII and Form 3 pending to be received / submitted for the Assessment Year 2015-16. The Company has deposited an amount of ₹ ₹ 4.77 million (31 March 2020: 4.70 million) while preferring the appeal in this matter.

(c) Central Sales Tax demand of ₹ 5.53 million (31 March 2020 ₹ 5.53 million) raised under the West Bengal VAT Act, 2003 on account of non-submission of the declaration forms C pending to be received / submitted for the Assessment Year 2014-15 and. The Company has deposited an amount of ₹ 0.56 million (31 March 2020: ₹ 0.47 million) while preferring the appeal in this matter.

(d) Central Sales Tax demand of ₹ Nil million (31 March 2020 ₹ 0.19 million) pertains to the demand raised under the Rajasthan VAT Act, 2003 on account of non-submission of the declaration forms EII pending to be received from the suppliers for the Assessment Year 2015-16

(e) VAT demand of ₹ 30.95 million (31 March 2020: ₹ 6.88 million) pertains to Telangana VAT Act, 2003 on account on non discharge of VAT liability by sub- contractor for the period December 2015 to June 2017. Central Sales Tax demand of ₹ 0.68 million on account of non-availability of E-1 form for the period 2017-18.

(f) Central Sales Tax demand of ₹ 185.81 million (31 March 2020: 95.24 million) pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EII forms pending to be received from the suppliers for the Assessment Year 2015-16 and Assessment year 2016-17.

(g) Central Sales Tax demand of ₹ 0.88 million pertains to the demand raised under the Odisha VAT Act, 2004 on account of non-submission of the E1 declaration forms pending to be received from the suppliers for the Assessment Year 2016-17 and 2017-18.The Company has deposited an amount of ₹ 0.10 million while preferring the appeal in this matter.

h) Value Added Tax demand of ₹ 12.78 million (31 March 2020: ₹ 14.16 million) raised under the Uttarakhand Vat Act,2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2014-15 and 2015-16.

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i) Value Added Tax demand of ₹ 12.64 million (31 March 2020: ₹ 15.52 million) raised under the Orissa Value Added Tax Act, 2004 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year October-15 - March-16, April-16 - June-16 and April-14 - September-15.

j) Value Added Tax demand of ₹ 14.36 million (31 March 2020: ₹ 50.99 million) raised under the Dadra & Nagar Haveli Value Added Tax Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13 and 2015-16.

The Company is contesting the demand by way of preferring appeals to the higher tax authorities and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of the operations.

(ii) During the previous year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by in earlier years which is pending before Arbitral Tribunal. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

(iii) Fixed deposits have been lien marked against the same.

NOTE 39: HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts

Foreign exchange forward contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments, majorly for sales and purchases in USD and EUR. 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, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

Commodity future contracts

Commodity future contracts entered on London Metal Exchange (LME) measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for purchases of aluminium and copper. The futures contract balances vary with the level of expected quantity of purchases of aluminium and copper. The terms of the future contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges during the year ended 31 March 2021 were assessed to be highly effective, and a net unrealised gain of ₹ 769.94 million (net of deferred tax of ₹ 238.35 million), is included in other comprehensive income. Comparatively, the cash flow hedges during the year ended 31 March 2020 were assessed to be highly effective and a net unrealised loss of ₹1,619.00 million (net of deferred tax of ₹ nil million) was included in other comprehensive income in respect of these contracts. The amounts retained in other comprehensive income at 31 March 2022 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2022.

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NOTE 40: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the Company, for hedge purpose, as on 31 March 2021.

Purpose	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
31 MARCH 2021				
Hedge of payables, suppliers credit and highly probable purchases	USD 95.03	6,985.05	Buy	101
Hedge of trade receivables, margin money deposits and highly probable sale	USD 60.44	4,442.84	Sell	66
Hedge of payables and highly probable purchases	-	-	Buy	-
Hedge of trade receivables and highly probable sale	EUR 15.94	1,372.60	Sell	20
31 March 2020 (restated) (refer note 51)				
Hedge of payables, suppliers credit and highly probable purchases	USD 70.74	5,332.80	Buy	99
Hedge of trade receivables, margin money deposits and highly probable sale	USD 88.62	7,790.69	Sell	90
Hedge of payables and highly probable purchases	EUR 0.25	20.76	Buy	1
Hedge of trade receivables and highly probable sale	EUR 3.70	307.28	Sell	15

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

Category	Currency type	Foreign currency (In million)	Amount (₹ in million)
31 MARCH 2021			
Import of goods and services	EUR	0.07	5.82
Import of goods and services	USD	0.85	62.56
31 March 2020 (restated) (refer note 51)			
Import of goods and services	EUR	0.02	1.27
Import of goods and services	USD	0.89	65.24

(c) Commodity future contracts to hedge against fluctuation in commodity prices:

The following are the outstanding future contracts entered into by the Company as on 31 March 2021:

Year	Commodity type	No. of contracts	Contracted quantity MT	Buy/Sell
31 March 2021	Aluminium	143	60,705	Buy
31 March 2021	Aluminium	31	10,359	Sell
31 March 2021	Copper	4	323	Buy
31 March 2021	Copper	1	275	Sell
31 March 2021	Midwest premium on aluminium	4	100	Buy
31 March 2021	Midwest premium on aluminium	4	100	Sell
31 March 2020 (restated) (refer note 51)	Aluminium	157	1,19,760	Buy
31 March 2020 (restated) (refer note 51)	Aluminium	120	1,02,595	Sell
31 March 2020 (restated) (refer note 51)	Copper	5	137	Buy
31 March 2020 (restated) (refer note 51)	Copper	4	104	Sell
31 March 2020 (restated) (refer note 51)	Midwest premium on aluminium	16	5,650	Buy

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NOTE 41: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

(₹ in million)

Description		31 March 2021	31 March 2020 (Restated) (refer note 51)
(i)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
	Principal amount due to micro and small enterprises	522.16	870.32
	Interest due on above	26.38	33.38
(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 amounts 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 (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium	-	-
	Enterprises Development Act, 2006.		
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	26.38	33.38
(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 Enterprises Development Act, 2006.	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent of ₹ 26.38 million (31 March 2020: 33.38 Million) is accrued in the books of accounts.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the suppliers/information available with the Company regarding their status under MSMED Act, 2006.

NOTE 42: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

Particulars	Carrying value		Fair value	
	31 March 2021	31 March 2020 (Restated) (refer note 51)	31 March 2021	31 March 2020 (Restated) (refer note 51)
Financial assets				
Investment in subsidiaries	14,477.05	21,972.73	14,477.05	21,972.73
Investment in joint venture	43.27	-	43.27	-
Investment in units	286.15	8.38	286.15	8.38
Investment others	112.45	112.45	112.45	112.45
Investment in mutual funds	9.07	299.40	9.07	299.40
Derivative instruments	1,173.86	278.38	1,173.86	278.38
Total	**16,101.85**	**22,671.34**	**16,101.85**	**22,671.34**
Financial liabilities				
Derivative instruments	115.63	982.49	115.63	982.49
Total	115.63	982.49	115.63	982.49

The management assessed that cash and cash equivalents, other bank balances, 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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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 price quotations at the reporting date.
- The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts 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 incorporates 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 fair values of commodity futures contracts are based on price quotations on LME at the reporting date. 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.

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 below:

Description of significant unobservable inputs to valuation:

A - FVTOCI assets - unquoted equity shares in subsidiaries

The fair value of the investments in equity instruments of subsidiaries have been determined based on the fair values of the various Indian and Brazilian transmission projects owned by the Company. Such fair values have been computed based on discounted cash flow (DCF) method during the year ended 31 March 2021 and 31 March 2020.

The Company has entered into a Framework agreement with India Grid Trust for selling its entire stake in Khargone Transmission Limited at an agreed enterprise values subject to adjustments referred in the Framework agreement. The management has fair valued the equity investment in KTL as per the value mentioned in the Framework agreement hence no fair value sensitivity has been disclosed.

(a) Investment in Indian transmission projects

(₹ in million)

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value	
			31 March 2021	31 March 2020 (Restated) (refer note 51)
i) Cost of equity	(i) New/under construction project - 31 March 2020 - 14.75% 31 March 2019 - 13.25%- 14.25%	0.5% increase	(302.38)	(245.63)
		0.5% decrease	327.27	272.71
ii) Cost of debt	31 March 2021 - 8.25% 31 March 2020 - 8.5%	0.5% increase	(1,300.15)	(482.72)
		0.5% decrease	1,292.11	480.25
iii) Incremental tariff expected to be approved by CERC in respect of cost overruns due to force majeure/change in law (as % of non-escalable tariff)	Incremental tariff has been considered in the fair valuation of Khargone Transmission Limited for the year ended 31 March 2021	Increase by 5% (of non-escalable tariff)	47.19	109.64
	(Gurgaon Palwal Transmission Limited, Khargone Transmission Limited and NER-II Transmission Limited for the year ended 31 March 2020)	Decrease by 5% (of non-escalable tariff)	(47.19)	(109.64)
iv) Project cost (for under construction assets)		5% increase	(2,258.71)	(2,472.00)
		5% decrease	61.52	2,453.00

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Note:

(₹ in million)

Project	Project cost	
	31 March 2021	31 March 2020 (Restated) (refer note 51)
Goa-Tamnar Transmission Project Company Limited	13,500.00	13,500.00
Lakadia Vadodara Transmission Project Limited	20,083.00	19,365.00
Vapi II North Lakhimpur Transmission Limited	27,370.00	-

(b) Investment in Brazilian transmission projects:

(₹ in million)

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value	
			31 March 2021	31 March 2020 (Restated) (refer note 51)
i) Cost of equity	(i) Operational Projects/projects nearing completion - 31 March 2021 - NA 31 March 2020 - 11.5%	0.5% increase	(169.21)	(11.21)
	(ii) New/under construction project - 31 March 2020 - 13.75% 31 March 2019 - 13.5%	0.5% decrease	185.43	12.23
ii) Cost of debt	31 March 2021- 4.5% to 5.5%	0.5% increase	(290.44)	(16.51)
	31 March 2020 - 5% to 6%	0.5% decrease	285.32	16.32
iii) Inflation	31 March 2020 - 1.70%	0.5% increase	45.91	3.25
	31 March 2020 -3.50%	0.5% decrease	(43.57)	(3.16)
iv) Project cost (for under construction assets)		5% increase	(1,490.46)	(45.92)
		5% decrease	1,490.46	47.98

B. FVTOCI assets - Unquoted equity shares in Sharper Shape Group Inc.

Valuation technique: Discounted cash flow (DCF) method

(₹ in million)

Sr. No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value	
				31 March 2021	31 March 2020 (Restated) (refer note 51)
(i)	Long-term growth rate for cash flows for subsequent years	31 March 2021: 3%	2% increase	11.36	6.92
		31 March 2020: 3%	2% decrease	(9.33)	(5.69)
(ii)	WACC (pre-tax)	31 March 2021: 23.40%	1% increase	(11.02)	(7.83)
		31 March 2020: 23.40%	1% decrease	12.36	8.68
(iii)	Discount for lack of marketability	31 March 2021: 10%	5% increase	(6.99)	(6.27)
		31 March 2020: 10%	5% decrease	6.99	6.27

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NOTE 43: FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2021 and 31 March 2020

(₹ in million)

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at 31 March 2021	9.07	9.07	-	-
As at 31 March 2020 (restated) (refer note 51)	299.40	299.40	-	-
Investment in units				
As at 31 March 2021	286.15	286.15	-	-
As at 31 March 2020 (restated) (refer note 51)	8.38	8.38	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at 31 March 2021	14,632.77	-	-	14,632.77
As at 31 March 2020 (restated) (refer note 51)	22,085.18	-	-	22,085.18
Derivative asset/ (liabilities) (net)				
As at 31 March 2021	1,058.23	-	1,058.23	-
As at 31 March 2020 (restated) (refer note 51)	(704.10)	-	(704.10)	-

There have been no transfers among Level 1, Level 2 and Level 3.

NOTE 44: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management 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 Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Company reviews and agrees policies for managing each of these risks, which are summarised below:

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit Risk, Liquidity Risk and Market risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, 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.

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The sensitivity analysis have been prepared on the basis that the amount of net 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.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analysis:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held 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 market interest rates. The Company's exposure to the risk of changes in market interest rate primarily relates to the Company's long term debt obligations with floating interest rates.

The Company is exposed to the interest rate fluctuation in domestic borrowing. The Company has all its borrowing on floating rate of interest.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on that portion of loans and borrowings affected. With all the other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

(₹ million)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2021		
Base Rate	+50	24.73
Base Rate	-50	(24.73)
31 March 2020 (restated) (refer note 51)		
Base Rate	+50	31.05
Base Rate	-50	(31.05)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company 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.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure, the Company has hedged the exposure of 94.36% as at 31 March 2021 and 99.94% as at 31 March 2020.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for

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all other currencies is not material. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows-

(₹ in million)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
31 March 2021	+5%	(11.16) / (8.35)	+5%	(0.29) / (0.22)
	-5%	11.16 / 8.35	-5%	0.29 / 0.22
31 March 2020 (restated) (refer note 51)	+5%	(3.38) / (2.2)	+5%	(0.06) / (0.04)
	-5%	3.38 / 2.2	-5%	0.06 / 0.04

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of aluminium and copper for manufacture of conductor and OPGW, power cables and therefore require a continuous supply of aluminium and copper. Due to the volatility of the price of aluminium and copper, the Company enters into various purchase contracts for aluminium and copper on London Metal Exchange. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1 month forecast of the required copper, and aluminium supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Equity price risk

The Company's listed units and listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed units and listed and unlisted equity securities at fair value was ₹ 14,927.99 million (31 March 2020: ₹22,392.96 million). Sensitivity analysis of these investments have been provided in note 41.

In previous year, as referred in note 10 (b), the Company entered into an agreement to sell 87.54 million units of India Grid Trust at an agreed amount hence these units were not considered for sensitivity analysis. In the current year, the Company has sold 85.51 million units of India Grid Trust and the balance have been included for sensitivity analysis.

(₹ in million)

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value	
			31 March 2021	31 March 2020 (Restated) (refer note 51)
Net assets at fair value of India Grid Trust	140.24 per unit	0.50%	1.43	NA
		-0.50%	(1.43)	NA

In previous year, the Company considered Net Asset Fair Value of India Grid Trust due to lower trading volumes.

Notes to Financial Statements

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(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this 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 insurance.

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 calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financials guarantee given by the Company on behalf of subsidiaries. The Company's maximum exposure in this regard is the maximum amount Company could have to pay if the guarantee is called on as at 31 March 2021 ₹ 24,863.78 million (31 March 2020: ₹ 8,169.15 million). These financial guarantees have been issued to bank and long term transmission customer on behalf of its subsidiaries. Based on the expectations at the end of reporting period, the Company considers likelihood of any claim under guarantee is remote.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors 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.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in Note 39 and the liquidity table below:

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, 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 Company's financial liabilities based on contractual undiscounted payments:

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for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at 31 March 2021						
Borrowings	3,477.67	2,829.45	150.00	385.00	-	6,842.12
Lease obligation	-	12.02	9.83	6.54	-	28.39
Other financial liabilities	-	493.40	701.68	619.97	-	1,815.05
Trade payables	-	14,021.01	-	-	-	14,021.01
Payables for purchase of property, plant and equipment	-	4.74	-	-	-	4.74
Derivatives	-	115.63	-	-	-	115.63
Financial guarantee contracts*	10,423.84	-	-	-	-	10,423.84
Total	**13,901.51**	**17,476.25**	**861.51**	**1,011.51**	**-**	**33,250.78**
As at 31 March 2020 (restated) (refer note 51)						
Borrowings	17,225.76	4,822.99	6,200.00	-	-	28,248.75
Lease obligation	-	24.65	78.01	15.58	-	118.24
Other financial liabilities	-	1,566.42	45.05	-	-	1,611.47
Trade payables	-	13,988.95	-	-	-	13,988.95
Payables for purchase of property, plant and equipment	-	30.04	-	-	-	30.04
Derivatives	-	-	982.49	-	-	982.49
Financial guarantee contracts*	8,169.15	-	-	-	-	8,169.15
Total	**25,394.91**	**20,433.06**	**7,305.55**	**15.58**	**-**	**53,149.09**

* Based on the maximum amount that can be called for under the financial guarantee contract. Financial guarantee contract pertains to guarantees given to term loan lender, long term transmission customer on behalf of subsidiaries etc. These will be invoked in case of default by subsidiaries.(refer Note 38)

NOTE 45: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade payables and other payables, other financial liabilities and advances received from customers less cash and short-term deposits and current investments, excluding discontinued operations, if any.

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
Interest bearing loans and borrowings	7,533.29	29,408.82
Trade payables	13,621.59	13,988.95
Other financial liabilities	537.04	599.68
Advances received from customers	6,443.57	7,937.05
Less: Cash and short-term deposits and current investments	(3,617.22)	(2,922.68)
Net debt	**24,518.27**	**49,011.82**
Equity share capital	122.36	122.36
Other equity	13,680.33	13,934.30
Total capital	**13,802.69**	**14,056.66**
Capital and net debt	**38,320.96**	**63,068.48**
Gearing ratio	63.98%	**77.71%**

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for the year ended 31 March 2021
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In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period except those specified in note 16A (a) and note 16A (b).

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

NOTE 46: RELATED PARTY DISCLOSURES
Related party disclosures as required by Ind AS 24, Related Party Disclosures issued by the ICAI and notified under Rules are given below:-

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (immediate holding company)
Volcan Investments Limited, Bahamas (ultimate holding company)

(ii) Subsidiaries

Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (till 30 July 2019))
Indigrid 2 Limited (till 3 June 2019) (formerly known as Sterlite Grid 2 Limited)
Indigrid 3 Limited (till 28 June 2019) (formerly known as Sterlite Grid 3 Limited)
Sterlite Grid 4 Limited
Sterlite Grid 5 Limited
Sterlite Grid 6 Limited
Sterlite Grid 7 Limited
Sterlite Grid 8 Limited
Sterlite Grid 9 Limited
Sterlite Grid 10 Limited
Sterlite Grid 11 Limited
Sterlite Grid 12 Limited
Sterlite Grid 13 Limited (till 30 March 2021)
Sterlite Grid 14 Limited
Sterlite Grid 15 Limited
Sterlite Grid 16 Limited
Sterlite Grid 17 Limited
Sterlite Grid 18 Limited
Sterlite Grid 19 Limited
Sterlite Grid 20 Limited
Sterlite Grid 21 Limited
Sterlite Grid 22 Limited
Sterlite Grid 23 Limited
Sterlite Grid 24 Limited
Sterlite Grid 25 Limited
Sterlite Grid 26 Limited
Sterlite Grid 27 Limited
Sterlite Grid 28 Limited
Sterlite Grid 29 Limited
Sterlite Grid 30 Limited (formerly known as NRSS XXIX (JS) Transmission Limited)
Sterlite EdIndia Foundation
East-North Interconnection Company Limited (till 23 March 2020)
NRSS XXIX Transmission Limited (till 3 June 2019)
Odisha Generation Phase-II Transmission Limited (till 28 June 2019)
Gurgaon-Palwal Transmission Limited (till 28 August 2020)
Khargone Transmission Limited
NER-II Transmission Limited (till 24 March 2021)

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for the year ended 31 March 2021
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Sterlite Convergence Limited
Goa-Tamnar Transmission Limited
Udupi Kasargode Transmission Limited
Vapi II North Lakhimpur Transmission Limited (till 30 March 2021)
Lakhadia Vadodra Transmission Project Limited
OneGrid Limited (from 25 September 2020)
Se Vineyards Power Transmission S.A., Brazil
Arcoverde Transmissao De Energia S.A., Brazil (till 13 March 2020)
Sterlite Brazil Participicoes,S.A., Brazil
Sterlite Novo Estado Energia S.A, Brazil (till 3 March 2020)
Dunas Transmissão de Energia S.A
Borborema Transmissão de Energia S.A.
São Francisco Transmissão de Energia S.A.
Goyas Transmissão de Energia S.A.
Marituba Transmissão de Energia S.A.
Solaris Transmissão de Energia S.A.
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A) (till 10 March 2020)
Castello Transmissao de Energia S.A.

(iii) Associate
Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (31 from July 2019))
Sterlite Interlinks Limited (from 29 May 2019)
NER-II Transmission Limited (from 25 March 2021)

(iv) Joint Ventures
Sterlite Grid 13 Limited (from 31 March 2021)

(v) Subsidiaries of associate
Indigrid 1 Limited (till 07 May 2019) (formerly know as Sterlite Grid 1 Limited)
Indigrid 2 Limited (till 4 June 2019) (formerly known as Sterlite Grid 2 Limited)
Indigrid 3 Limited (till 29 June 2019) (formerly known as Sterlite Grid 3 Limited)
Jabalpur Transmission Company Limited (till 07 May 2019)
Bhopal Dhule Transmission Company Limited (till 07 May 2019)
Purulia & Kharagpur Transmission Company Limited (till 07 May 2019)
RAPP Transmission Company Limited (till 07 May 2019)
Maheshwaram Transmission Limited (till 07 May 2019)
Patran Transmission Company Limited (till 07 May 2019)

(v) Subsidiary of joint venture
Vapi II North Lakhimpur Transmission Limited (from 31 March 2021)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Key Management Personnel (KMP)
Mr. Pratik Agarwal (Managing Director)
Mr. Anuraag Srivastava (Chief Financial Officer)

(ii) Fellow subsidiaries
Vedanta Limited
Fujairah Gold FZE
Bharat Aluminium Company Limited
Hindustan Zinc Limited
Sterlite Technologies Limited
Sterlite Power Technologies Private Limited
Maharashtra Transmission Communication Infrastructure Limited
ESL Steels Limited (formlery know as Electrosteel Steels Limited)

Notes to Financial Statements

for the year ended 31 March 2021
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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. Ashok Ganesan (Company Secretary)
Mr. Arun Todarwal (Director)
Ms. Avaantika Kakkar (Director) (till 01 February 2021)
Mr. Anoop Sheth (Director) (from 31 July 2020)
Mr. Lalit Tandon (Director) (till 15 May 2019)
Ms. Zhao Haixia (Director)
Mr. A.R. Narayanswamy (Director)

(ii) Entities in which directors are interested

PTC Cables Private Limited
Cyril Amarchand Mangaldas
Talwndi Sabo Power Limited
Universal Floritech LLP

(B) The transactions with related parties during the year and their outstanding balances are as follows:

S. No.	Particulars	Subsidiaries & Fellow subsidiary		Associate and its subsidiaries		KMP and Director interested parties	
	Transactions	2020-21	2019-20 (restated) (refer note- 51)	2020-21	2019-20 (restated) (refer note- 51)	2020-21	2019-20 (restated) (refer note- 51)
1	Subscription/acquisition of equity shares including pending allotment	0.30	2.00	-	0.05	-	-
2	Loans and advances given by the Company	5,839.32	6,839.63	70.12	-	-	-
3	Repayment of Loans and Advances given by the Company	15,047.16	757.54	-	-	-	-
4	Loan received by the Company	678.33	-	-	6,200.00	-	1,500.00
5	Loan repaid by the Company	-	-	6,200.00	-	-	-
6	Conversion of Loan into non-convertible debentures (NCD)	4,679.07	-	-	-	-	-
7	Conversion of Loan, CCD's and CCPS into equity shares	2.50	209.50	-	-	-	-
8	Repayment of non-convertible debentures by subsidiary	-	115.41	-	-	-	-
9	Revenue from EPC contract with customer	12,451.01	8,025.10	-	1.19	-	-
10	Sale of goods (net of goods and service tax)	8.39	8.67	-	119.20	-	-
11	Sale of consultancy services	-	100.00	-	-	-	-
12	Management fees income (excluding GST)	21.31	26.16	5.40	35.45	-	-
13	Dividend income	1,226.51	432.12	-	176.41	-	-
14	Performance bank guarantee charge recovered from subsidiary	104.21	-	-	-	-	-
15	Interest income accrued or interest received	19.23	21.97	-	-	-	-
16	Purchase of goods and services (net of taxes)	5,949.07	10,149.31	-	-	-	3.55
17	Interest cost	136.90	258.64	354.33	468.18	130.18	103.08
18	Purchase of power	26.12	34.14	-	-	-	-
19	Loss on forfeiture of investment	-	25.78	-	-	-	-
20	Remuneration (refer note 2 below)	-	-	-	-	89.06	69.25

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S. No.	Particulars	Subsidiaries & Fellow subsidiary		Associate and its subsidiaries		KMP and Director interested parties	
	Transactions	2020-21	2019-20 (restated) (refer note- 51)	2020-21	2019-20 (restated) (refer note- 51)	2020-21	2019-20 (restated) (refer note- 51)
21	Director sitting fees	-	-	-	-	14.65	8.85
22	Commission paid to directors	-	-	-	-	6.49	-
23	CSR expenditure	19.20	6.56	-	-	-	-
24	Availing services	-	-	-	-	1.30	4.61
25	Advance received against contracts (excluding tax)	5,168.76	2,807.23	-	-	-	4.61
26	Purchase of fixed assets	-	-	-	8.00	-	
27	Sale of fixed assets	-	3.51	-	-	-	-
28	Contract asset billed during the year	192.70	-	-	-	-	-
29	Reimbursement of expense paid to related parties	0.57	1.49	-	-	-	-
30	Reimbursement of expense paid on behalf of related parties	2.73	5.82	-	-	-	-
31	Bank guarantee given	582.90	733.50	-	-	-	-

₹ in million

S. No.	Outstanding Balances	31 March 2021	31 March 2020 (restated) (refer note- 51)	31 March 2021	31 March 2020 (restated) (refer note- 51)	31 March 2021	31 March 2020 (restated) (refer note- 51)
1	Management fees receivable (net of TDS)	19.53	6.79	5.16	7.47	-	-
2	Loans and advances receivable	2,147.00	14,157.43	-	-	-	-
3	Short term borrowings	678.33	-	-	6,200.00	1,722.96	1,592.77
4	Investment in non-convertible debentures (NCD)*(net of impairment)	3,290.93	-	-	-	-	-
5	Investment in compulsorily convertible debentures (CCD)	-	1,527.59	-	-	-	-
6	Trade receivables^	3,681.84	3,333.05	-	-	-	-
7	Trade payables	2,184.24	3,090.18	-	-	-	-
8	Amount payable against supplies, services and reimbursement of expenses (net of advance)	22.73	-	-	-	-	3.69
9	Amount receivable against supplies, services and reimbursement of expenses (net of payable)	37.83	23.21	-	27.96	-	-
10	Advances recoverable in cash from related party	-	-	69.05	-	-	-
11	Advance from customers$	9,067.58	6,093.13	-	-	-	-
12	Reimbursement of expenses payable	22.73	-	-	-	-	-
13	Corporate guarantee given outstanding at year end	2,188.60	1,946.68	-	-	-	-
14	Bank/performance guarantee given outstanding at year end#	6,360.24	6,222.47	-	-	-	-

* includes asset held for sale and its also includes ₹ 1,007.88 million pertaining to joint venture

^ includes ₹ 7.10 million pertaining to joint venture

$ includes ₹ 4,463.02 million pertaining to joint venture

includes ₹ 376.40 million pertaining to joint venture

Notes to Financial Statements

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(C) The major transactions with related parties during the year and their outstanding balances are as follows:

(₹ In million)

		Relationship	31 March 2021	31 March 2020 (restated) (refer note- 51)
1	**Subscription/acquisition of equity shares including pending allotment**			
	Sterlite Grid 13 Limited	Subsidiary	0.10	-
	Sterlite Grid 18 Limited	Subsidiary	0.10	-
	Sterlite EdIndia Foundation	Subsidiary	-	0.50
	Sterlite Interlinks Limited	Associate	-	0.05
	One Grid Limited	Subsidiary	0.10	-
	Sterlite Grid 28 Limited	Subsidiary	-	1.00
2	**Loans and advances given by the Company**			
	Sterlite Convergence Limited	Subsidiary	6.00	1.60
	Sterlite Grid 3 Limited	Subsidiary	-	250.10
	Sterlite Grid 4 Limited	Subsidiary	2,630.61	2,855.82
	Sterlite Grid 5 Limited	Subsidiary	105.97	1,013.45
	Sterlite Grid 13 Limited	Subsidiary	2,018.20	0.12
	Sterlite Grid 14 Limited	Subsidiary	510.04	87.92
	Sterlite Grid 18 Limited	Subsidiary	564.76	1,527.50
	East-North Interconnection Company Limited	Subsidiary	-	1,096.68
	Sterlite Interlinks Limited	Associate	70.12	-
3	**Repayment of loans and advances given by the Company**			
	Sterlite Grid 4 Limited	Subsidiary	14,811.62	-
	Sterlite Grid 5 Limited	Subsidiary	234.19	-
	East-North Interconnection Company Limited	Subsidiary	-	757.54
4	**Loan received by the Company**			
	Sterlite Grid 4 Limited	Subsidiary	678.33	-
	Sterlite Interlinks Limited	Associate	-	6,200.00
	PTC Cables Private Limited	Director interested parties	-	1,500.00
5	**Loan repaid by the Company**			
	Sterlite Interlinks Limited	Associate	6,200.00	-
6	**Conversion of loan into Non-convertible debentures (NCD)**			
	Sterlite Grid 13 Limited	Subsidiary	2,015.76	-
	Sterlite Grid 14 Limited	Subsidiary	571.06	-
	Sterlite Grid 18 Limited	Subsidiary	2,092.25	-
7	**Conversion of loan, CCD's and CCPS into equity shares**			
	East North Interconnection Company Limited	Subsidiary	-	209.50
	Sterlite Grid 13 Limited	Subsidiary	2.50	-
8	**Repayment of non-convertible debentures by subsidiary**			
	Sterlite Grid 2 Limited	Subsidiary	-	115.41
9	**Revenue from EPC contract with Customer#**			
	East-North Interconnection Company Limited	Subsidiary	-	169.33
	Udupi Kasargode Transmission Limited	Subsidiary	141.00	-
	Khargone Transmission Limited	Subsidiary	17.67	427.16
	NER-II Transmission Limited	Subsidiary	6,600.29	6,261.06
	Vapi II North Lakhimpur Transmission Limited	Subsidiary	5.64	-
	Sterlite Grid 5 Limited	Subsidiary	43.51	82.15
	Goa-Tammar Transmission Project Limited	Subsidiary	974.22	116.25

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(₹ In million)

		Relationship	31 March 2021	31 March 2020 (restated) (refer note- 51)
	Gurgaon-Palwal Transmission Limited	Subsidiary	(13.79)	864.00
	Lakadia Vadodara Transmission Project Limited	Subsidiary	4,682.47	23.99
	Sterlite Convergence Limited	Subsidiary	-	81.17
	Jabalpur Transmission Company Limited	Subsidiary of Associate	-	1.19
10	**Sale of goods (net of goods and service tax)**			
	Maharashtra Transmission Communication Infrastructure Limited	Fellow Subsidiary	8.39	1.95
	Sterlite Interlinks Limited	Associate	-	114.89
	Sterlite Technologies Limited	Fellow Subsidiary	-	2.31
	Vedanta Limited	Fellow Subsidiary	-	4.41
	Jabalpur Transmission Company Limited	Subsidiary of Associate	-	4.31
11	**Sale of Consultancy Services**			
	East-North Interconnection Company Limited	Subsidiary	-	100.00
12	**Management fees income (excluding GST)**			
	East-North Interconnection Company Limited	Subsidiary	-	14.74
	NRSS XXIX Transmission Limited	Subsidiary	-	2.84
	Gurgaon Palwal Transmission Limited	Subsidiary	4.84	4.75
	Khargone Transmission Limited	Subsidiary	6.52	2.79
	Odisha Generation Phase-II Transmission Limited	Subsidiary	-	1.04
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	9.95	-
	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Associate	5.13	35.45
13	**Dividend income**			
	India Grid Trust	Associate	-	176.41
	Sterlite Brazil Participicoes,S.A., Brazil	Subsidiary	1,226.51	432.12
14	**Performance bank guarantee charge recovered from subsidiary**			
	Sterlite Brazil Participicos,S.A., Brazil	Subsidiary	104.21	-
15	**Interest income accrued or interest received**			
	Sterlite Power Technologies Private Limited	Fellow Subsidiary	11.73	9.26
	Sterlite Technologies Limited	Fellow Subsidiary	7.50	12.71
16	**Purchase of goods and services (net of taxes)**			
	Sterlite Grid 5 Limited	Subsidiary	237.83	-
	Vedanta Limited	Fellow Subsidiary	4,792.49	8,122.29
	Bharat Aluminium Company Limited	Fellow Subsidiary	507.80	1,631.15
	ESL Steel Limited	Fellow Subsidiary	243.18	189.25
	Sterlite Technologies Limited	Fellow Subsidiary	161.66	96.92
	Fujairah Gold FZC	Fellow Subsidiary	-	94.68
	Hindustan Zinc Limited	Fellow Subsidiary	6.11	15.03
17	**Interest cost**			
	Sterlite Interlinks Limited	Associate	354.33	468.18
	PTC Cables Private Limited	Director interested parties	130.18	103.08
	Vedanta Limited	Fellow Subsidiary	120.16	204.24
	Bharat Aluminium Company Limited	Fellow Subsidiary	16.74	54.40
18	**Purchase of power**			
	Vedanta Limited	Fellow Subsidiary	26.12	34.14
19	**Loss on forfeiture of investment**			
	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Subsidiary	-	25.78

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for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ In million)

		Relationship	31 March 2021	31 March 2020 (restated) (refer note- 51)
20	**Remuneration (refer note 2 below)**			
	Mr. Anuraag Srivastav	KMP	30.17	21.16
	Mr. Pratik Agarwal	KMP	49.99	41.20
	Mr. Ashok Ganeshan	KMP	8.90	6.89
21	**Director sitting fees**			
	Mr. Arun Todarwal	Director	4.55	3.48
	Mr. Lalit Tondon	Director	-	0.35
	Mr. A.R Narayanaswamy	Director	5.00	3.45
	Ms. Haixia Zhao	Director	3.40	1.58
	Mr. Anoop Sheth	Director	1.70	-
22	**Commission**			
	Ms. Haixia Zhao	Director	5.86	-
	Mr. Anoop Sheth	Director	0.63	-
23	**CSR expenditure**			
	Sterlite Ed India Foundation	Subsidiary	19.20	6.56
24	**Availing services**			
	Cyril Amarchand Mangaldas (Till February 1 2021)	Director interested parties	0.45	3.90
	Talwandi Sabo Power Limited	Director interested parties	0.85	0.71
25	**Advance received against contracts (excluding tax)**			
	Udupi Kasargode Transmission Limited	Subsidiary	430.85	-
	Vapi II North Lakhimpur Transmission Limited	Subsidiary	4,082.39	-
	NER-II Transmission Limited	Subsidiary	-	460.00
	Lakadia Vadodara Transmission Project Limited	Subsidiary	655.53	2,317.22
	Sterlite Convergence Limited	Subsidiary	-	30.00
26	**Purchase of fixed assets**			
	Sterlite Grid 1 limited	Subsidiary of associate	-	8.00
27	**Sale of fixed assets**			
	Sterlite Technologies Limited	Fellow Subsidiary	-	3.51
28	**Contract asset billed during the year**			
	Sterlite Convergence Limited	Subsidiary	192.70	-
29	**Reimbursement of expense paid to related parties**			
	Sterlite Technologies Limited	Fellow Subsidiary	-	1.49
30	**Reimbursement of expense paid on behalf of related parties**			
	IndiaGrid Investment Managers Limited (erstwhile while Sterlite Investment Managers Limited)	Fellow Subsidiary	-	3.03
	Sterlite Power Technologies Private Limited	Fellow Subsidiary	2.73	0.19
	East North Interconnection Company Limited	Subsidiary	-	2.60
31	**Bank guarantee given**			
	Sterlite Grid 10 Limited	Subsidiary	100.00	-
	Sterlite Grid 20 Limited	Subsidiary	105.00	-
	Sterlite Grid 13 Limited	Subsidiary	376.40	-
	Lakhadia Vadodra Transmission Project Limited	Subsidiary	1.50	-
	Sterlite Grid 14 Limited	Subsidiary	-	261.00
	Sterlite Grid 18 Limited	Subsidiary	-	472.50

Sales disclosed above are based on actual billings made to subsidiaries in respect of EPC contracts. However, the Company recognises revenue based on percentage of completion method.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

Note:

1. All the related party transactions disclosed above have been shown at their nominal values without giving effect to the impact of reclassification into equity and liability and adjustment arising on account of effective interest rate method under Ind AS.

2. Remuneration to key management personnel:

	31 March 2021 (₹ in million)	31 March 2020 (₹ in million)
Short-term employee benefits	89.06	69.25
Post-employment benefits *	-	-
Total	**89.06**	**69.25**

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

NOTE 47: SEGMENT INFORMATION

Operating segment:

The Company has only one operating segment which is power product solution and power transmission infrastructure. On review of all the relevant aspects including, in particular, the system of internal financial reporting to the Board of Directors which is the Chief Operating Decision Maker ('CODM') and considering the economic characteristics of the Company's operations, the Company is of the view that it operates in a single primary segment. Hence no separate disclosure under India Accounting Standard 108 is considered necessary. As permitted by paragraph 4 of Ind AS-108, 'Operating Segments', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements.

Geographic information:

Geographical revenue is allocated based on the location of the customer. information regarding geographical revenue is as follows:

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

(₹ in million)

Particulars	31 March 2021	31 March 2020 (Restated) (refer note 51)
(1) Revenue from external customers		
- Within India	22,142.43	23,583.94
- Outside India	7,196.09	3,170.29
Total revenue per statement of profit and loss	**29,338.52**	**26,754.23**
The revenue information above is based on the locations of the customers		
(2) Non-current operating assets		
- Within India	2,423.04	3,367.99
- Outside India	-	-
Total	**2,423.04**	**3,367.99**

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

NOTE 48: EMPLOYEE STOCK APPRECIATION RIGHTS

ESAR scheme 2017

The Company has granted 0.65 million (31 March 2019: 0.67 million) Employee Stock Appreciation Rights (ESARs) to eligible employees under the Employee Stock Appreciation Rights plan 2017 ("ESAR 2017") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated 8 October 2017.

Following is the reconciliation of provision for ESARs outstanding:

(₹ in million)

Particulars	31 March 2021		31 March 2020 (Restated) (refer note 51)	
	Numbers (in million)	Amount (₹ in million)	Numbers (in million)	Amount (₹ in million)
Opening balance as at the beginning of the year	0.65	43.04	0.67	85.45
ESARs granted during the period	0.03	1.70	0.17	10.94
ESARs cancelled	(0.05)	(3.63)	(0.19)	(18.70)
Payment towards ESARs vested	-	-	-	-
Balance ESAR	**0.63**	**41.10**	**0.65**	**77.69**
Accrual for the year and impact of change in FMV of equity share	-	263.08	-	(34.65)
Closing balance as at the end of the year	**0.63**	**304.18**	**0.65**	**43.04**

Vesting of ESARs is subject to continued employment with the Company. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the SAR price (i.e. the base price defined on the grant date of SAR) specified in the Scheme. The FMV is determined and approved by the Committee and Board of directors based on the valuation and other relevant factors. As at 31 March 2021, excess of FMV over SAR price specified in the ESAR Scheme 2017 is ₹ 423.15 (31 March 2020: 66.09) per share. Accordingly in the current year, the Company has recognised an expenses of ₹ 261.14 million in the statement of profit and loss account. Comparatively, the Company recognised reversal of expense of ₹ 28.55 million in the statement of profit and loss during the year ended 31 March 2020.

NOTE 49: DEMERGER OF POWER PRODUCTS BUSINESS FROM STERLITE TECHNOLOGIES LIMITED

The Board of directors of the Sterlite Technologies Limited on 18 May 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged Company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting Company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of 1 April, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated 22 April 2016 and it became effective from 23 May 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, an amount of ₹ 3,000.15 million being the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. 1 April 2015. This goodwill is being amortised over a period of five years as required under the Scheme. The amortisation charge for the current year is ₹ Nil million (31 March 2020: ₹ 600.04 million).

NOTE 50: OTHER NOTES

(a) The Board of Directors of the Company in its meeting held on March 22,2021 approved a Scheme of amalgamation of Sterlite Grid 4 Limited, a wholly owned subsidiary of the Company under the Companies Act, 2013 with the appointed date of April 1,2020. After obtaining requisite approvals the Company has filed the Scheme with National Company Law Tribunal ('NCLT') and the same is pending for NCLT approval.

(b) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company is assessing the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(c) The board of directors of the Company in its meeting held on 10 May 2021 declared an interim dividend of ₹ 5.30 per share.

NOTE 51: IMPACT OF MERGER OF STERLITE POWER GRID VENTURES LIMITED

The Board of Directors of the Company at its meeting held on May 30, 2018 had approved the Scheme of Amalgamation of Sterlite Power Grid Ventures Limited, a wholly owned subsidiary, with the Company with appointed date of April 1, 2017 ("the Scheme"). During the year, the National Company Law Tribunal approved the Scheme vide order dated May 22,2020 which was received by the Company on October 21,2020 and filed with ROC on November 15,2020. This being a common control merger, the prior year comparatives have been restated as required by Appendix C of Ind AS 103 after considering the impact of the Scheme:

A) Balance Sheet as at 31 March 2020 after considering the impact of merger:

(₹ in million)

Particulars	As at year ended 31 March 2020 (Standalone)	Adjustment on account of merger	As at year ended 31 March 2020 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	2,379.88	233.27	2,613.15
Capital work in progress	2.34	-	2.34
Other intangible assets	83.45	133.55	217.00
Investments in associates	39.07	-	39.07
Financial assets			
i. Investments	43,678.12	(21,584.55)	22,093.57
ii. Trade receivables	-	-	-
iii. Other financial assets	30.74	46.87	77.61
Other non-current assets	296.42	359.30	655.72
Assets classified as held for sale	21.01	-	21.01
Total non-current assets	**46,531.03**	**(20,811.56)**	**25,719.47**
Current assets			
Inventories	3,903.36	19.07	3,922.43
Financial assets			
i. Investments	6,668.55	(6,369.15)	299.40
ii. Loans	335.14	14,157.43	14,492.57
iii. Trade receivables	5,353.65	3,286.23	8,639.88
iv. Cash and cash equivalents	11.50	751.75	763.25
v. Other bank balances	173.54	1,686.48	1,860.02
vi. Other financial assets	227.89	1,638.34	1,866.23
Other current assets	3,458.07	1,900.29	5,358.36
Assets classified as held for sale	-	7,325.63	7,325.63
Total current assets	**20,131.70**	**24,396.07**	**44,527.77**
TOTAL ASSETS	**66,662.73**	**3,584.51**	**70,247.24**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	122.36	-	122.36
Other equity			
i. Securities premium	4,536.80	-	4,536.80
ii. Retained earnings	(7,680.71)	4,269.18	(3,411.53)
iii. Others	22,642.88	(11,153.02)	11,489.86
Total equity	**19,621.33**	**(6,883.84)**	**12,737.49**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

Particulars	As at year ended 31 March 2020 (Standalone)	Adjustment on account of merger	As at year ended 31 March 2020 (Restated)
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	-	18.72	18.72
ii. Other financial liabilities	5.43	(5.43)	-
Employee benefit obligations	47.55	27.41	74.96
Deferred tax liabilities (net)	7,361.50	(4,686.00)	2,675.50
Total non-current liabilities	**7,414.48**	**(4,645.30)**	**2,769.18**
Current liabilities			
Financial liabilities			
i. Borrowings	25,190.19	(11,867.96)	13,322.23
ii. Trade payables			
- total outstanding dues of micro enterprises and small enterprises	835.77	34.55	870.32
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,851.17	6,267.46	13,118.63
iii. Other financial liabilities	4,915.66	12,734.38	17,650.04
Employee benefit obligations	41.41	35.11	76.52
Other current liabilities	1,792.72	6,809.72	8,602.44
Current tax liability (net)	-	1,100.39	1,100.39
Total current liabilities	**39,626.92**	**15,113.65**	**54,740.57**
TOTAL LIABILITIES	**66,662.73**	**3,584.51**	**70,247.24**

B) Statement of profit and loss account as at 31 March 2020 after considering the impact of merger:

(₹ in million)

Particulars	For the year ended 31 March 2020 (Standalone)	Adjustment on account of merger	For the year ended 31 March 2020 (Restated)
INCOME			
Revenue from operations	19,994.01	6,760.22	26,754.23
Other income	390.92	1,071.74	1,462.66
Total income (I)	**20,384.93**	**7,831.96**	**28,216.89**
EXPENSES			
Cost of raw material and components consumed	11,384.81	(728.44)	10,656.37
Purchase of traded goods	1,896.40	-	1,896.40
Construction material and contract expenses	3,598.91	5,692.31	9,291.22
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	(1,514.94)	32.66	(1,482.28)
Employee benefits expense	1,311.60	1,120.03	2,431.63
Other expenses	3,274.26	1,088.83	4,363.09
Reversal of impairment of investment	-	(237.25)	(237.25)
Total expenses (II)	**19,951.04**	**6,968.14**	**26,919.18**

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

Particulars	For the year ended 31 March 2020 (Standalone)	Adjustment on account of merger	For the year ended 31 March 2020 (Restated)
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	**433.89**	**863.82**	**1,297.71**
Depreciation and amortisation expense	813.10	254.48	1,067.58
Finance costs	2,534.93	2,294.25	4,829.18
Finance income	(62.58)	(78.41)	(140.99)
Profit/(loss) before tax before exceptional items and tax	**(2,851.56)**	**(1,606.50)**	**(4,458.06)**
Exceptional items	(2,565.95)	1,640.08	(925.87)
Profit/(loss) before tax	**(5,417.51)**	**33.58**	**(5,383.93)**
Tax expense:			
(i) Current tax	-	-	-
(ii) Income tax for earlier years	-	(1.83)	(1.83)
(iii) Deferred tax	**(88.42)**	**(116.56)**	**(204.98)**
Income tax expense	(88.42)	(118.39)	(206.81)
Profit/(loss) for the year	**(5,329.09)**	**151.97**	**(5,177.12)**
Other comprehensive income			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	(3,210.65)	(357.60)	(3,568.25)
Income tax effect	-	105.66	105.66
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(3,210.65)**	**(251.94)**	**(3,462.59)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans	0.12	(1.21)	(1.09)
Income tax effect	-	0.31	0.31
Net loss on FVTOCI equity securities	(5,478.50)	3,167.75	(2,310.75)
Income tax effect	1,276.28	(659.10)	617.18
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(4,202.10)**	**2,507.75**	**(1,694.35)**
Other comprehensive income/(loss) for the year	**(7,412.75)**	**2,255.81**	**(5,156.94)**
Total comprehensive income/(loss) for the year	**(12,741.84)**	**2,407.79**	**(10,334.06)**

Pursuant to the Scheme, the Company has filed revised income tax returns for respective assessment years. Accordingly, the business losses and unabsorbed depreciation of the Company were set off against the taxable income of erstwhile SPGVL resulting in income tax refund of ₹ 652.26 million for respective assessment years and the total provision for income tax reversed in the current year is of ₹ 1,342.49 million pertaining to earlier years.

Notes to Financial Statements

for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

NOTE 52: IMPACT OF COVID-19

The Company's plants and offices were not operating since 25 March 2020 till mid of April 2020, as a result of the lockdown implemented by the Government of India. However, as electricity is considered as an essential commodity by the Government of India, the operations of the Company relating to manufacturing and supply of components for generation and supply of electricity and other transmissions construction sites resumed in a phased manner since then. In assessing the liquidity position for the next one year and recoverability of Company's assets such as investments, loans, Property, plant and equipment, trade receivables, inventory etc. the Company has considered internal and external information up to the date of approval of these Standalone Financial Statement. The Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Company.

Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Management believes that it has taken all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Standalone Financial Statement. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact. However, the estimate of the impact of COVID-19 may differ from the same ascertained up to the date of approval of these Standalone Financial Statement by the Board of Directors, based on how the COVID-19 situation evolves over the period of time.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: May 21, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: May 21, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Pune | Date: May 21, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: May 21, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi | Date: May 21, 2021

Independent Auditor's Report

To the Members of Sterlite Power Transmission Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Sterlite Power Transmission Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement 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").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 joint venture as at March 31, 2021, their consolidated profit and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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, associates and joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms 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 of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended).The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture 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 the 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture 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.

Those respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 joint venture 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 joint venture 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 joint venture of which we are the independent auditors, 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.

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.

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.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of 24 subsidiaries whose financial statements include total assets of ₹ 13,275.05 million as at March 31, 2021, and total revenues of ₹ 1,831.64 million and net cash outflows of ₹ 6,160.31 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹1.69 million for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion above 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2006 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended);

(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 the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies and joint venture, none of the directors of the Group's companies, its associates and joint venture incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint venture incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries, associates and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and an associate, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint venture in its consolidated financial statements – Refer Note 42 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 – Refer (a) Note 8, Note 19 and Note 20 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint venture and (b) the Group's share of net profit in respect of its associates;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint venture incorporated in India during the year ended March 31, 2021.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAADY4116

Place of Signature: Pune
Date: June 14, 2021

Annexure to the Independent Auditor's Report of even date on the Consolidated Financials Statements of Sterlite Power Transmission Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of Sterlite Power Transmission Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),its associates and joint venture, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the companies included in the Group, its associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 financial statements, whether due to fraud or error.

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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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 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 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 CONSOLIDATED FINANCIAL STATEMENTS

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 controls 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

In our opinion, the Group, its associates and joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 15 subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and an associate incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAADY4116

Place of Signature: Pune
Date: June 14, 2021

Consolidated Balance Sheet

as at 31 March 2021

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,882.85	19,828.37
Capital work-in-progress	3	14,932.90	25,220.05
Other intangible assets	4	443.79	480.58
Intangible assets under development	4	-	65.53
Investment in associates and joint venture	5A	59.73	47.81
Financial assets			
i. Investments	5B	1,406.48	120.83
ii. Other financial assets	8	1,675.86	636.16
Other non-current assets	9	2,173.78	7,298.49
Income tax asset, net		940.67	872.04
Deferred tax assets, net	22	1,313.74	1,475.77
		33,829.80	**56,045.63**
Assets classified as held for sale	10	-	21.01
Total non-current assets		**33,829.80**	**56,066.64**
Current assets			
Inventories	11	3,087.83	3,922.79
Financial assets			
i. Investments	5B	9.07	299.40
ii. Loans	6	302.53	282.84
iii. Trade receivables	7	6,230.12	5,539.54
iv. Cash and cash equivalents	12	6,711.19	2,946.34
v. Other bank balances	13	3,041.43	8,022.89
vi. Other financial assets	8	1,824.04	2,010.62
Other current assets	9	5,376.41	5,048.30
		26,582.62	28,072.72
Assets classified as held for sale	10	7,134.52	7,325.63
Total current assets		**33,717.14**	**35,398.35**
TOTAL ASSETS		**67,546.94**	**91,464.99**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	122.36	122.36
Other equity			
i. Securities premium	15	4,536.80	4,536.80
ii. Retained earnings	15	4,372.21	(5,629.78)
iii. Other reserves	15	1,934.67	1,578.21
Total equity		**10,966.04**	**607.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	19,276.74	39,560.78
Other liabilities	23	3,194.86	89.62
Provisions	20	-	680.00
Employee benefit obligations	21	76.67	74.96
Deferred tax liabilities, net	22	540.51	1,208.47
Total non-current liabilities		**23,088.78**	**41,613.83**
Current liabilities			
Financial liabilities			
i. Borrowings	17	7,798.55	13,769.43
ii. Trade payables	18	6,234.40	7,797.83
iii. Other financial liabilities	19	11,137.16	24,546.38
Employee benefit obligations	21	98.18	76.52
Other current liabilities	23	3,127.84	2,136.70
Current tax liabilities, net		484.48	916.71
		28,880.61	**49,243.57**
Liabilities directly associated with assets classified as held for sale	10	4,611.51	-
Total current liabilities		33,492.12	49,243.57
Total liabilities		**56,580.90**	**90,857.40**
TOTAL EQUITY AND LIABILITIES		**67,546.94**	**91,464.99**
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: June 14, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: June 14, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Mumbai | Date: June 14, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: June 14, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi Date: June 14, 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2021	31 March 2020
INCOME			
Revenue from operations	24	20,923.91	30,043.19
Other income	26	17,245.68	21,539.97
Total income (I)		**38,169.59**	**51,583.16**
EXPENSES			
Cost of raw material and components consumed	28	8,075.52	10,360.19
Construction material and contract expense	29	4,437.61	9,061.15
Purchase of traded goods and subcontracting charges		591.19	1,896.40
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	30	1,280.05	(1,514.94)
Employee benefits expense	31	2,301.34	2,445.68
Other expenses	32	4,506.71	5,278.40
Reversal of impairment of investment	10	(954.98)	-
Total expenses (II)		**20,237.44**	**27,526.88**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**17,932.15**	**24,056.28**
Depreciation and amortisation expense	33	988.15	1,751.91
Impairment expense	34	-	669.40
Finance costs	35	5,736.46	7,648.71
Finance income	25	(379.78)	(300.34)
Profit before exceptional items, share of profit of associates and joint venture and tax expense		**11,587.32**	**14,286.60**
Share of profit of associates and joint venture	5A	**5.75**	**8.74**
Exceptional item	27	**-**	**925.87**
Profit before tax		**11,593.07**	**13,369.47**
Tax expense:	22		
Current tax		2,789.22	2,157.44
Deferred tax		30.40	2,479.53
Income tax for earlier years		75.71	(684.11)
Income tax expense		**2,895.33**	**3,952.86**
Profit for the year		**8,697.74**	**9,416.61**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(654.05)	(1,519.82)
		(654.05)	**(1,519.82)**
Net movement on cash flow hedges		2,416.44	(3,497.46)
Income tax effect		(237.63)	105.66
		2,178.82	**(3,391.80)**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**1,524.77**	**(4,911.62)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(4.55)	(1.09)
Income tax effect		1.15	0.31
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(3.40)**	**(0.78)**
Other comprehensive income for the year		**1,521.37**	**(4,912.40)**
Total comprehensive income for the year		**10,219.11**	**4,504.21**
Earnings per equity share	36		
Basic and diluted			
Computed on the basis of profit for the year before exceptional item (net of tax) (₹)		142.16	169.04
Computed on the basis of profit for the year after exceptional item (net of tax) (₹)		142.16	153.91
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: June 14, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: June 14, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Mumbai | Date: June 14, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: June 14, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi Date: June 14, 2021

Consolidated Cash Flow Statement

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per consolidated statement of profit and loss	8,697.74	9,416.61
Adjustment for taxation	2,895.33	3,952.86
Profit before tax	**11,593.07**	**13,369.47**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	988.15	1,751.91
Provision for doubtful debts and advances	97.64	94.72
Profit on sale of property, plant and equipment, (net)	(1.86)	(5.74)
Loss on sale of stake in subsidiary (loss of control)	-	38.51
Insurance claim written off	-	4.31
Unrealized exchange difference (net)	112.05	(194.52)
Provision (net of reversal) for estimated loss in a contract	-	406.65
Impairment expense	-	669.40
Indemnifcation expesnes incurred under share purchase agreeement	72.88	-
Profit on sale of investment in units of India Grid Trust	(213.92)	-
Reversal of impairment of investment	(954.98)	-
Bad debts / advances written off	-	23.80
Write down related to assets held for sale	670.24	-
Income on investment in India Grid Trust	(537.73)	(957.82)
Share in profit of an associate	(5.75)	(8.74)
Finance costs	5,736.46	7,648.71
Finance income	(379.78)	(300.34)
Net gain on sale of power transmission assets	(15,397.27)	(20,535.16)
Consideration received from India Grid Trust on sale of investments in earlier years	(1,047.29)	-
	(10,861.16)	**(11,364.31)**
Operating profit before working capital changes	**731.91**	**2,005.16**
Movements in working capital:		
Increase/(decrease) in trade payables	(1,527.07)	353.66
Increase/(decrease) in employee benefit obligation	18.71	8.67
Increase/(decrease) in other liabilities	8,707.89	(1,156.00)
Increase/(decrease) in other financial liabilities	2,232.50	1,283.07
(Increase)/decrease in trade receivables	(1,906.08)	650.67
(Increase)/decrease in inventories	834.95	(1,896.00)
(Increase)/decrease in other financial assets	(1,729.04)	(706.61)
(Increase)/decrease in other assets	1,468.62	(6,319.52)
Change in working capital	**8,100.48**	**(7,782.06)**
Cash generated from/(used in) operations	**8,832.39**	**(5,776.90)**
Direct taxes paid (net of refunds)	(3,299.31)	(1,493.87)
Net cash flow from/(used in) operating activities	**5,533.08**	**(7,270.77)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(17,104.17)	(12,192.83)
Proceeds from sale of property, plant and equipment	4.84	20.32
Proceeds from sale of investments, net	290.33	(701.25)
Investment in units of India Grid Trust	-	(2,289.77)
Proceeds from sale of investment in subsidiaries in power transmission and infrastructure business	25,071.08	24,283.08
Proceeds from sale of units of India Grid Trust	8,299.09	-
Investment in bank deposits, net	3,906.29	(7,468.62)
Income on investment in India Grid Trust	537.73	957.82
Payment for indemnification expenses as per share purchase agreement	(42.95)	-
Loans given to related parties, net of repayment	-	(23.79)
Investment in joint venture	(1,010.48)	-
Interest/dividend received	383.36	265.04
Net cash flow from investing activities	**20,335.12**	**2,850.00**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Sterlite Interlinks Limited	-	6,200.00
Repayment of borrowings from Sterlite Interlinks Limited	(6,200.00)	-
Proceeds of long term borrowings	31,120.37	26,846.78
Repayment of long term borrowings	(37,446.15)	(12,543.43)
Proceeds/(repayment) of short term borrowings (net)	148.63	(3,530.51)
Repayment of lease obligation	(107.42)	(120.78)
Finance costs paid	(8,556.96)	(8,740.69)
Net cash flow from/(used in) financing activities	**(21,041.53)**	**8,111.37**

Consolidated Cash Flow Statement

for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020
Net increase in cash and cash equivalents	**4,826.67**	**3,690.60**
Cash and cash equivalents as at beginning of year	2,946.34	4,264.43
Cash and cash equivalents on dispoal of subsidiaries in power transmission and infrastructure business	(1,061.82)	(5,008.69)
Cash and cash equivalents as at year end	**6,711.19**	**2,946.34**

Reconciliation between opening and closing balances for liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowing
01 April 2019	**46,957.17**	**11,241.98**
Cash flow		
- Interest	(6,771.28)	(1,969.41)
- Proceeds/(repayments)	14,303.35	2,667.88
Non-cash changes		
- Classified as current maturities	(12,750.36)	-
- Others	(2,148.28)	(54.83)
- Transferred on sale of subsidiaries	(8,001.82)	(109.50)
Accrual for the period (gross of interest capitalised)	7,972.02	1,993.31
31 March 2020	**39,560.78**	**13,769.43**
Cash flow		
- Interest	(6,694.15)	(1,862.81)
- Proceeds/(repayments)	(6,433.20)	(6,051.37)
Non-cash changes		
- Classified as current maturities	15,710.13	-
- Notional interest	(130.16)	-
- Others	1.04	5.33
- Transferred on sale of subsidiaries	(29,410.64)	-
Accrual for the period (gross of interest capitalised)	6,672.95	1,937.97
31 March 2021	**19,276.75**	**7,798.55**

Components of cash and cash equivalents:

(₹ in million)

	31 March 2021	31 March 2020
Balances with banks:		
On current accounts	3,570.10	1,190.24
Deposit with original maturity of less than 3 months	3,141.06	1,755.93
On current accounts-asset held for sale		
Cash in hand	0.03	0.17
Total cash and cash equivalents (refer Note 12)	**6,711.19**	**2,946.34**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: June 14, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: June 14, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Mumbai | Date: June 14, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: June 14, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi Date: June 14, 2021

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

A. EQUITY SHARE CPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Nos. in million	₹ in million
At April 01, 2019	**61.18**	**122.36**
Movement during the year	-	-
At 31 March 2020	**61.18**	**122.36**
Movement during the year	-	-
At 31 March 2021	**61.18**	**122.36**

B. OTHER EQUITY

(₹ in million)

Particulars	Reserves and surplus							Items of other comprehensive income		Total equity
	Securities premium	Retained earnings	Debenture redemption reserve	Legal reserve	Special unearned income reserve	Capital redemption reserve	Capital reserve	Cash flow hedge reserve	Foreign currency translation reserve	
Balance as at April 01, 2019	**4,536.80**	**(10,406.09)**	**98.88**	**11.94**	**226.90**	**0.02**	**0.35**	**(1,006.23)**	**(340.38)**	**(6,877.81)**
Profit for the year	-	9,416.61	-	-	-	-	-	-	-	9,416.61
Other comprehensive income	-	(0.78)	-	-	-	-	-	(3,391.80)	(1,519.82)	(4,912.40)
Total comprehensive income	**-**	**9,415.82**	**-**	**-**	**-**	**-**		**(3,391.80)**	**(1,519.82)**	**4,504.21**
Add: Impact of adoption of Ind AS 116	-	8.98	-	-	-	-	-	-	-	8.98
Amount transferred from debenture redemption reserve to retained earnings	-	98.88	(98.88)	-	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	-	2,849.85	-	2,849.85
Amount transferred from retained earnings to capital redemption reserve	-	(1,543.65)	-	-	-	1,543.65	-	-	-	-
Amount transferred from retained earnings to special unearned income reserve	-	(3,043.54)	-	-	3,043.54	-	-	-	-	-
Amount transferred from retained earnings to legal reserve	-	(160.19)	-	160.19	-	-	-	-	-	-
Balance as at 31 March 2020	**4,536.80**	**(5,629.79)**	**-**	**172.13**	**3,270.44**	**1,543.67**	**0.35**	**(1,548.18)**	**(1,860.20)**	**485.23**

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Reserves and surplus							Items of other comprehensive income		Total equity
	Securities premium	Retained earnings	Debenture redemption reserve	Legal reserve	Special unearned income reserve	Capital redemption reserve	Capital reserve	Cash flow hedge reserve	Foreign currency translation reserve	
Profit for the year	-	8,697.74	-	-	-	-	-	-	-	8,697.74
Other comprehensive income	-	(3.40)	-	-	-	-	-	2,178.81	(654.05)	1,521.35
Total comprehensive income	**-**	**8,694.34**	**-**	**-**	**-**	**-**	**-**	**2,178.81**	**(654.05)**	**10,219.10**
Amount transferred from/ (to) debenture redemption reserve (refer note 15.7)	-	(200.00)	200.00	-	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	-	139.35	-	139.35
Amount transfer to capital redemption reserve (refer note 15.6)	-	(36.00)	-	-	-	36.00	-	-	-	-
Amount transferred from capital redemption reserve	-	1,543.65	-	-	-	(1,543.65)	-	-	-	(0.00)
Balance as at 31 March 2021	**4,536.80**	**4,372.21**	**200.00**	**172.13**	**3,270.44**	**36.02**	**0.35**	**769.98**	**(2,514.25)**	**10,843.68**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: June 14, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: June 14, 2021

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Managing Director
DIN : 03040062
Place: Mumbai | Date: June 14, 2021

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Chief Financial Officer
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Ashok Ganesan
Company Secretary
Place: New Delhi Date: June 14, 2021

1. CORPORATE INFORMATION

Sterlite Power Transmission Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Park, Pune, Maharashtra, India.

The Company and its subsidiaries (together referred to as 'the Group') are engaged in the business of Power products and solutions. Power products and solutions mainly include manufacturing of power transmission conductors, optical ground wire cables and power cables. It also includes execution of Engineering, Procurement and Construction Contracts for replacement of power transmission conductors, optical ground wire cables and power cables as a part of master system integration business. The Group is also in the business of developing power transmission systems for concessional periods ranging from 25 to 35 years under Build Own Operate & Maintain ("BOOM") and Build, Operate and Transfer ('BOT') models.

The consolidated financial Statements were approved for issue in accordance with resolution passed by the Board of Directors on June 14, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group ('CFS') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The consolidated 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 measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in Indian Rupees Million, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries 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 and when the Group has less than a majority of the voting or similar rights of an investee, 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 Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes,

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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:

(a) 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.

(b) Offset (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.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows 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.

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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. 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 at their carrying amounts at the date when control is lost
- 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 (unless the subsidiary is considered as an asset rather than a business and the investment retained is classified as investment in associate or joint venture in which case the investment retained is carried at cost)
- 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 financial statements:

a) Business Combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the

acquisition are accounted in accordance with Ind AS 12.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or

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liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business Combination under Common control
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

- The assets and liabilities of the combining entities are reflected at the carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. The only adjustments are made to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved, and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

b) Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate or joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognised at cost to the Group. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate or joint ventures subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate or joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture impairment. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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 treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

d) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

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- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

e) Fair value measurement

The Group measures financial instruments such as mutual funds and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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External valuers are involved for valuation of significant liabilities, such as optionally convertible redeemable preference shares. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for the valuation.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management in conjunction with the external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. The valuation results are discussed at the Audit Committee.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 54)
- Disclosures for valuation methods, significant estimates and assumptions (Note 53, 54 and 37)
- Financial instruments (including those carried at amortised cost) (Note 5A, 5B, 6, 7, 8, 12, 13, 16, 17, 18, 19)

f) Revenue recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. Amounts disclosed in revenue are net of goods and service tax (GST).

The Disclosure for significant accounting judgements, estimates and assumptions relating to revenue from operations are provided in Note 37.

Sale of power products

Revenue from the sale of goods is recognised at a point in time control of the goods is transferred to the customer, generally on delivery of the equipment. The normal credit term is 60 to 180 days upon delivery.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods of 25/35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective Central Electricity Regulatory Commission ('CERC') tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

Revenue from Engineering, procurement and construction ('EPC') contracts

In case of revenue from fixed price EPC contracts for power transmission lines and installation of power transmission products, the performance obligation is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that

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total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the profits from the contract cannot be estimated reliably, revenue is recognised equalling to expense incurred to the extent that it is probable that the expense will be recovered.

Revenue from construction of concession assets
The Group constructs transmission infrastructure in Brazil which is used to provide transmission services and operates and maintains that infrastructure for a specified period of time. The infrastructure constructed by the group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider. These arrangements are accounted for under Appendix D to Ind AS 115 Service Concession Arrangements. Such arrangements give rise to contract assets till the transmission services are rendered. The contract asset refers to the Group's right to the consideration as a result of the investments made in the construction of transmission line infrastructure.

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered. For the estimate related to the revenue from construction assets, the Group used a model that calculates the cost of financing the customer (in this case, the Concession Grantor). The discount rates represent a market rate that considers the risks and premiums specific to the service concession transmission asset. The discount rates are fixed over the concession period and reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Remuneration of concession assets
Remuneration from service concession arrangement comprise of interest income recognised using the discount rate that reflects the economic volatility on the future cash flows from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

Rendering of other services
Revenues from services are recognised over the period of the contract as and when services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Contract modifications:
Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. The Group does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

Variable considerations:
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it

is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement".

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Project management and Investment management services

Income from project and investment management services is recognised as per the terms of the agreement on the basis of services rendered.

Dividend

Dividend income is recognised in the consolidated statement of profit and loss only when the right to receive payment is established, provided 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.

Interest Income

The Group recognises the interest income based on the rate of interest as mentioned in the loan agreement. The Group annually assess the recoverability of the loan based by reviewing the financial position of the lender and considers the provision on the recoverability based on the such assessment. Interest accrual is considered in the books only if it is considered to be recoverable.

License Fees

Initial license fees is recognised over the period of time for use of infrastructure assets.

g) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax

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regulations are subject to interpretation considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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 associated with 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of 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 deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the same taxable entity and the same taxation authority.

Goods and Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

i) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Refer note 10 for additional disclosures.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

j) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the 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.

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Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

(Life in number of years)

Asset Category	Useful Life considered	Useful life (Schedule II)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery	2 - 20 Years *	Continuous process plant- 25 Years Others- 15 Years
Substations	25-35 Years*	40 Years
Furniture and fixtures	3 - 10 Years *	10 Years
Power Transmission Lines	25-35 Years*	40 Years
Data processing equipment	3 - 6 Years *	Service and networks- 6 Years and desktops and laptop etc - 3 Years
Office equipment	2 - 5 Years *	5 Years
Electric fittings	4 - 20 Years *	10 Years
Vehicles	3 - 5 Years *	8 Years
Leasehold improvements	Lease period$	Lease period

*Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.
$ Leasehold improvements are depreciated over the useful life of the asset or the lese period whichever is lower

The Group, based on technical assessments made by technical experts and management estimates, depreciates certain items of, plant and equipment, data processing equipment, furniture and fittings, electrical fittings, office equipment and vehicles 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.

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life 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 unless such expenditure forms part of carrying value of another asset.

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

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.

Software are amortised on a straight-line basis over a period of five to six years.

Right of way ("ROW") is amortised on straight line basis over the period of 21 years as per of contract with the authority (Refer note 4).

l) Borrowing Costs

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.

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land- 99 years
- Office building – 1 to 5 years
- Vehicles – 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note16 and note 19).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those

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leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

n) Inventories

Traded goods are valued at lower of cost and net realisable value. Cost is determined on weighted average basis and includes all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis except for aluminium wherein the cost is determined on specific identification method based on the costing details of each project.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis except for aluminium conductors wherein the cost is determined on specific identification method based on the costing details of each project.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

o) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

p) Provisions

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, for example, under an insurance contract, 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 consolidated statement of profit or loss net of any reimbursement.

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 a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group has a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method at Group level.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability),

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are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability. The cost of accumulated leave under the short-term employee benefit plan is determined using the projected unit credit method at Group level.

r) Employee Stock Appreciation Rights Scheme

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for Employee Stock Appreciation Rights (ESARs) (cash-settled transactions). The cost of ESARs is measured as the difference between the fair market value of equity shares of the Group on the reporting date and the SAR price on the Grant date as specified in the ESAR Scheme, and is recognized as employee compensation cost over the vesting period.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to loans, trade and other receivables (refer note 6 and 7)

Debt instrument at FVTOCI
A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have significant financial assets which are subsequently measured at FVTOCI.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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) 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.

Majority of the financial assets of the Group which are not reflected at fair value pertain to Loans to related parties and Trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its Loans and trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the Group does not have any past history of impairment of Trade receivables.

For the financial assets which are reflected at fair value no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instrument.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives.

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Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

t) 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 as they are considered an integral part of the Group's cash management.

u) Cash dividend distribution to equity holders of the Group

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

v) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and commodity future contracts to hedge metal price risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has not classified any hedge as Fair Value hedge or hedge of net investment in foreign operation.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast purchase occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

w) Presentation of EBITDA

The Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the consolidated statement of profit and loss. This is not required by the Ind AS 1. The EBITDA is not defined in the 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 consolidated financial statements when such presentation is relevant to an understanding of the Group's financial position or performance.

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Accordingly, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the consolidated 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 amortisation expense, finance income, finance costs and tax expense.

x) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.4 Changes in accounting policies and disclosures:

Several amendments apply for the first time in March 2021, but do not have an impact on the consolidated financial statements of the Group.

- Amendments to Ind AS 116: COVID-19-Related Rent Concessions.
- Amendments to Ind AS 103 Business Combinations
- Amendments to Ind AS 1 and Ind AS 8: Definition of Material
- Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Freehold land	Lease-hold improve-ments	Buildings	Trans-mission lines	Plant and machin-ery	Data pro-cessing equip-ment	Furniture and fittings	Office equip-ment	Vehicles	Electrical installa-tions	Sub-station	Subtotal (Other than ROU assets)	Right of use asset (land)	Right of use asset (office building)	Right of use asset (vehicles)	Subtotal of ROU assets	Total
Cost																	
As at April 01, 2019	**1,368.31**	**60.59**	**1,008.71**	**12,792.31**	**3,011.26**	**132.11**	**47.67**	**41.97**	**33.16**	**275.10**	**-**	**18,771.19**	**3.17**	**-**	**-**	**3.17**	**18,774.37**
Additions #	68.72	-	20.85	8,137.20	193.10	15.99	2.99	7.53	6.39	6.48	7,954.23	16,413.48	-	261.90	7.85	269.75	16,683.23
Adjustments ^	(25.59)	-	-	-	-	-	-	(0.08)	-	-	-	(25.67)	-	(12.79)	-	(12.79)	(38.46)
Disposals	-	-	-	-	(50.96)	(14.75)	(1.07)	(1.51)	(12.25)	(29.11)	-	(109.65)	-	-	-	-	(109.65)
Transferred to assets held for sale	(9.29)	-	-	(12,484.61)	-	(0.77)	(0.19)	(0.13)	-	-	-	(12,494.99)	-	-	-	-	(12,494.99)
As at 31 March 2020	**1,402.15**	**60.59**	**1,029.56**	**8,444.90**	**3,153.40**	**132.58**	**49.40**	**47.78**	**27.30**	**252.47**	**7,954.23**	**22,554.37**	**3.17**	**249.09**	**7.85**	**260.13**	**22,814.50**
Additions #	37.12	-	-	16,786.01	18.86	4.99	1.49	6.01	-	0.41	9,715.54	26,570.43	-	-	2.29	2.29	26,572.72
Adjustments ^	-	-	(10.00)	-	-	(0.18)	-	-	-	-	-	(10.18)	-	(4.27)	-	(4.27)	(14.45)
Disposals	-	-	-	-	(70.83)	(0.01)	(3.22)	(3.12)	(0.69)	(1.58)	-	(79.45)	-	(4.87)	(1.72)	(6.59)	(86.04)
Disposals on sale of subsidiaries (refer note 37)	(620.63)	-	-	(20,273.35)	(1.32)	-	(0.16)	(2.87)	-	-	(14,090.52)	(34,988.85)	-	-	-	-	(34,988.85)
As at 31 March 2021	**818.64**	**60.59**	**1,019.56**	**4,957.56**	**3,100.11**	**137.38**	**47.51**	**47.80**	**26.61**	**251.30**	**3,579.25**	**14,046.32**	**3.17**	**239.95**	**8.42**	**251.56**	**14,297.88**
Depreciation/ Impairment																	
As at April 01, 2019	**-**	**40.83**	**305.45**	**2,381.91**	**1,845.98**	**76.65**	**32.78**	**26.96**	**7.52**	**128.78**	**-**	**4,846.86**	**0.22**	**-**	**-**	**0.22**	**4,847.08**
Depreciation charge for the year	-	10.47	42.38	570.30	212.37	22.27	5.91	7.49	7.06	15.89	84.36	978.51	0.04	102.61	0.60	103.25	1,081.76
Adjustment#	-	-	-	93.67	-	(0.05)	-	-	-	-	-	93.62	-	-	(1.78)	(1.78)	91.84
Disposal	-	-	-	-	(44.52)	(10.46)	(0.92)	(0.86)	(3.94)	(20.80)	-	(81.50)	(0.01)	-	-	(0.01)	(81.51)
Transferred to assets held for sale (refer note 10)	-	-	-	(2,952.03)	-	(0.77)	(0.16)	(0.10)	-	-	-	(2,953.06)	-	-	-	-	(2,953.06)
As at 31 March 2020	**-**	**51.30**	**347.83**	**93.85**	**2,013.83**	**87.64**	**37.61**	**33.49**	**10.64**	**123.87**	**84.36**	**2,884.44**	**0.25**	**102.61**	**(1.18)**	**101.67**	**2,986.11**
Depreciation charge for the year	-	5.11	47.82	246.03	201.07	17.54	4.30	7.30	5.55	15.03	279.75	829.50	0.03	73.78	2.32	76.13	905.63
Adjustment#	-	-	(1.88)	-	-	(0.04)	-	-	-	-	-	(1.92)	-	-	-	-	(1.92)
Disposal	-	-	-	-	(69.78)	(0.00)	(2.23)	(2.66)	(0.68)	(1.29)	-	(76.64)	-	-	(0.29)	(0.29)	(76.93)
Disposals on sale of subsidiaries (refer note 37)	-	-	-	(173.84)	(0.32)	-	(0.03)	(0.34)	-	-	(223.33)	(397.86)	-	-	-	-	(397.86)
As at 31 March 2021	**-**	**56.41**	**393.77**	**166.04**	**2,144.80**	**105.14**	**39.65**	**37.79**	**15.51**	**137.61**	**140.78**	**3,237.52**	**0.28**	**176.39**	**0.85**	**177.51**	**3,415.03**
Net Book Value																	
As at 31 March 2020	**1,402.15**	**9.29**	**681.73**	**8,351.06**	**1,139.57**	**44.94**	**11.79**	**14.29**	**16.66**	**128.60**	**7,869.87**	**19,669.92**	**2.92**	**146.48**	**9.03**	**158.44**	**19,828.37**
As at 31 March 2021	**818.64**	**4.18**	**625.79**	**4,791.52**	**955.31**	**32.24**	**7.86**	**10.01**	**11.10**	**113.69**	**3,438.47**	**10,808.80**	**2.89**	**63.56**	**7.57**	**74.05**	**10,882.85**

Pending negotiations and settlement of claims/counter claims with EPC contractors/vendors in respect of delays in commissioning of the project /other reasons, the management has considered its best estimate of cost incurred till year end based on the contract terms, purchase/work orders issued and the work completed. Any adjustment arising subsequently would be adjusted to the cost of property, plant and equipment at the time of settlement.

^ Adjustment to the cost of property, plant and equipment pertain to those arising on account of final settlement with EPC Contractors/vendors.

Capital work-in progress*	(₹ in million)
As at 31 March 2020	25,220.05
As at 31 March 2021	14,932.90

*Capital work in progress mainly includes expenditure incurred on construction of transmission infrastructure.

Amount is less than ₹ 0.01 million.

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NOTE 4: INTANGIBLE ASSETS

(₹ in million)

Description	Goodwill	Software/ Licenses	Right of way	Total
April 01, 2019	**3,675.42**	**181.47**	**-**	**3,856.89**
Additions	-	187.56	244.83	432.39
Disposals	-	14.11	-	14.11
Adjustments on account of foreign currency translation	-	(6.53)	-	(6.53)
As at 31 March 2020	**3,675.42**	**348.39**	**244.83**	**4,268.64**
Additions	-	1.95	46.25	48.20
Disposals	-	-	-	-
Adjustments on account of foreign currency translation	-	(3.55)	-	(3.55)
As at 31 March 2021	**3,675.42**	**346.79**	**291.08**	**4,313.29**
Amortisation/Impairment				
April 01, 2019	**3,073.57**	**52.31**	**-**	**3,125.88**
Adjustment on sale of subsidiaries	-	-		-
Amortisation charge for the year	601.85	63.68	4.62	670.15
Disposals	-	6.35	-	6.35
Adjustments on account of foreign currency translation	-	(1.62)	-	(1.62)
As at 31 March 2020	**3,675.42**	**108.02**	**4.62**	**3,788.06**
Amortisation charge for the year	-	71.74	10.79	82.53
Disposals	-	(0.24)	-	(0.24)
Adjustments on account of foreign currency translation	-	(0.85)	-	(0.85)
As at 31 March 2021	**3,675.42**	**178.67**	**15.41**	**3,869.50**
Net Book Value				
As at 31 March 2020	**-**	**240.37**	**240.21**	**480.58**
As at 31 March 2021	**-**	**168.12**	**275.67**	**443.79**

The Group has undertaken a project awarded by Gurugram Metropolitan Development Authority ("GMDA") to a consortium of which the Group is a party which involves laying of four ducts for creation of Optical Fibre cable backbone network for Gurugram smart city as per the designs approved by GMDA. The entire infrastructure shall be in the ownership of GMDA; Out of the four ducts, the Group will be given right of use of two ducts for monetizing its investments. One duct along with Optical Fibre Cable shall be used solely by GMDA and one duct will be spare and will be in the custody of GMDA, revenue earned out of the said duct shall be shared between GMDA and the consortium. The Group shall also undertake maintenance of the above network infrastructure for a period of 21 years on its own cost.

The consideration for the development of infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Group, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Group. The Group has valued the consideration in the form of ROW at fair value which is included in intangible asset and the intangible assets under development. The Group has also recognised contract liability at present value of future cash flows for its performance obligations related to maintenance of the ducts over the period of 21 years.

Intangible assets under development*

Particulars	(₹ in million)
Opening as at 31 March 2020	65.53
Additions during the year	-
Transferred to intangible asset during the year	(65.53)
As at 31 March 2021	**-**

* Intangible assets under development include rights relating to a fibre infrastructure project.

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NOTE 5A: INVESTMENT IN ASSOCIATE AND JOINT VENTURE

(₹ in million)

	31 March 2021	31 March 2020
Non-Current		
Investment in equity shares- unquoted (valued at cost) (associate)		
Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (refer note i below and 10(b))		
16,24,515 (31 March 2020: 16,24,515) equity shares of ₹ 2 each fully paid up	47.14	36.92
Sterlite Interlinks Limited		
4,900 (31 March 2020: 4,900) equity shares of ₹10 each fully paid up (refer note ii below)	12.59	10.89
Investment in equity shares- unquoted (valued at cost) (joint venture)		
Sterlite Grid 13 Limited (refer note iii below)		
3,10,000 (31 March 2020: 50,000) equity shares of ₹ 10 each fully paid up	-	-
Total	**59.73**	**47.81**

Note i

Indigrid Investment Managers Limited ('IIML') is the investment manager of India Grid Trust. The Group holds 26% interest in IIML (also refer Note 10b). The Group's interest in IIML is accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in IIML.

(₹ in million)

	31 March 2021	31 March 2020
Net assets		
Current assets	219.43	154.49
Non-current assets	113.32	72.22
Current liabilities	(116.20)	(48.00)
Non-current liabilities	(35.26)	(36.73)
	181.29	**141.98**
Equity investments (unquoted):		
Proportion of the Group's ownership	26.00%	26.00%
Carrying amount of the investment	47.14	36.92
Investment in associate	**47.14**	**36.92**
Statement of profit and loss		
Revenue from contract with customers	280.28	164.35
Other income	2.07	-
Employee benefit expense	(189.25)	(108.78)
Depreciation expense	(9.68)	(63.53)
Finance cost	(3.17)	(3.19)
Finance income	17.67	(0.82)
Other expense	(50.40)	4.07
Profit/(loss) before tax	**47.52**	**(7.90)**
Income tax	(8.19)	(0.20)
Profit/(loss) for the year	**39.33**	**(8.10)**
Total comprehensive income for the year	**39.33**	**(8.10)**
Group's share of profit/(loss) for the year	**10.22**	**(2.11)**

Note ii

The Group has 49% (31 March 2020: 49%) interest in Sterlite Interlinks Limited ('SIL'), which undertakes activities of construction, maintenance of the infrastructure of Dark Fibre through OPGW / Cabling, ROW, Duct Space and towers on lease/ rent out basis. The Group's interest in SIL is accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in SIL.

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for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020
Net assets		
Current assets	224.16	6,663.47
Non-current assets	125.38	1.36
Current liabilities	(191.91)	(6,635.08)
Non-current liabilities	(131.94)	(7.51)
	25.69	**22.24**
Equity investments (unquoted):		
Proportion of the Group's ownership	49.00%	49.00%
Carrying amount of the investment	12.59	10.90
Investment in associate	**12.59**	**10.90**
Statement of profit and loss		
Revenue from contract with customers	125.04	120.12
Consumption	(58.59)	-
Purchase of traded goods	(35.23)	(79.66)
Finance cost	(5.64)	(0.00)
Other expense	(20.61)	(10.45)
Profit before tax	**4.97**	**30.01**
Income tax	(1.51)	(7.51)
Profit for the year	**3.46**	**22.49**
Total comprehensive income for the year	**3.46**	**22.49**
Group's share of profit for the year	**1.69**	**10.85**

Note iii

Investment in Sterlite Grid 13 Limited has been classified as investment in joint venture which is engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Refer note 40.

(₹ in million)

	31 March 2021	31 March 2020
Net assets		
Current assets	1,751.79	-
Non-current assets	4,875.68	-
Current liabilities	(2,044.43)	-
Non-current liabilities	(4,586.99)	-
	(3.95)	**-**
Equity investments (unquoted):		
Proportion of the Group's ownership	50.00%	50.00%
Carrying amount of the investment	(1.97)	-
Investment in associate*	**(1.97)**	**-**
Statement of profit and loss		
Revenue from operations	-	-
Other expense	-	-
Profit before tax	**-**	**-**
Income tax	-	-
Profit for the year	**-**	**-**
Total comprehensive income for the year	**-**	**-**
Group's share of profit for the year	**-**	**-**

* As the net worth is negative, the investment is shown at Nil value.

Notes to Consolidated Financial Statements

for the year ended 31 March 2021

(All amounts in million unless otherwise stated)

NOTE 5B: INVESTMENTS

(₹ in million)

	31 March 2021	31 March 2020
Non current		
Investments in units- quoted (valued at fair value through profit and loss account)		
India Grid Trust (refer note 10a)		
20,40,457 units (31 March 2020: 1,00,000 units)	286.15	8.38
Investments in equity shares- unquoted (valued at fair value through other comprehensive income)		
Others		
Sharper Shape Group Inc		
26,505 (31 March 2020: 26,505) equity shares of USD 0.01 each fully paid up	112.45	112.45
Investment in non-convertible debentures (unquoted) (valued at amortised cost)		
Sterlite Grid 13 Limited		
10,07,88,150 (31 March 2020: Nil) 12.30% Non-convertible debentures of face value of ₹10 each	1,007.88	-
Current		
Investment in mutual funds - quoted (valued at fair value through profit or loss)		
8,119.47 units (31 March 2020: 1,72,310.206 units) of Axis Liquid Fund direct plan - daily dividend reinvestment ##	9.07	172.50
Nil (31 March 2020: 93,859.73 units) of Invesco India liquid fund direct plan- daily dividend reinvestment #	-	93.95
Nil (31 March 2020: 9,535.71 units) of UTI Liquid cash plan - daily dividend reinvestment ###	-	32.95
Total	**1,415.55**	**420.23**
Current (equity)	**9.07**	**299.40**
Non-current (units)	**286.15**	**8.38**
Non-current (equity)	**112.45**	**112.45**
Non-current (non-convertible debentures)	**1,007.88**	**-**
Aggregate value of quoted investments (equity)	**9.07**	**299.40**
Aggregate value of quoted investments (units)	**286.15**	**8.38**
Aggregate value of unquoted investments (equity)	**112.45**	**112.45**
Aggregate value of unquoted investments (non-convertible debentures)	**1,007.88**	**-**
Out of above units followings are the lien marked		

Includes Nil (31 March 2020: 92,910.843) units which are lien marked

Includes 8,119.47 units (31 March 2020: 1,70,437.06) units which are lien marked

Includes Nil (31 March 2020: 9,535.71) units which are lien marked

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 53 and Note 54 for determination of their fair values.

NOTE 6: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	31 March 2021	31 March 2020
Current		
Loans to related parties (refer note 56)*	302.53	282.84
Total	**302.53**	**282.84**

* The Group has unsecured loan receivable amounting to ₹ 207.35 million (31 March 2020: ₹ 195.12 million) (including accumulated interest accrued) from Sterlite Power Technologies Private Limited ('SPTPL') which is recovered by the Group subsequent to the balance sheet date.

Unsecured loan to Sterlite Technologies Limited (STL) carries interest @ 10% p.a. and is repayable on demand.

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NOTE 7: TRADE RECEIVABLES

(₹ in million)

	31 March 2021	31 March 2020
Non-current		
Trade receivables	592.08	446.02
Total	**592.08**	**446.02**
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	592.08	446.02
	592.08	**446.02**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	592.08	446.02
Total non-current trade receivables	**-**	**-**
Current		
Other trade receivables	6,213.01	5,487.31
Receivables from other related parties (refer note 56)	17.11	52.23
Total	**6,230.12**	**5,539.54**
Break-up for security details:		
- Unsecured, considered good	6,230.12	5,539.54
- Unsecured, credit impaired receivables	-	-
	6,230.12	**5,539.54**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Considered doubtful	-	-
	6,230.12	**5,539.54**
Total current trade receivables	**6,230.12**	**5,539.54**

As at 31 March 2021, there are no trade or other receivable which 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 respectively in which any director is a partner, a director or a member.

Trade receivable includes retention money deducted by customers to ensure performance of the Group's obligations and hence are receivable on the completion of contracts and accordingly no discounting has been done for the same.

Trade receivables are non-interest bearing and credit period varies as per the contractual terms with the customers.

Refer note 51 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTE 8: OTHER FINANCIAL ASSETS

(₹ in million)

	31 March 2021	31 March 2020
Non-current		
Security deposits (unsecured, considered good)	114.42	76.83
Other bank balance* (refer note 13)	1,561.44	559.33
Total other non-current financials assets	**1,675.86**	**636.16**
Current		
Security deposits (unsecured, considered good)	39.44	48.35
Advances recoverable in cash (unsecured, considered good)	71.56	4.34
Unbilled revenue of transmission charges ##	88.63	134.46
Interest accrued on fixed deposits	8.66	14.28
Receivable from related parties (unsecured, considered good) (refer note 56)	37.83	58.56
Receivable from India Grid Trust for sale of investments (unsecured, considered good)	379.66	1,420.77
Earnest money deposit with customer (unsecured, considered good)	24.40	51.48
	650.18	**1,732.24**

Notes to Consolidated Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020
Derivative instruments at fair value through OCI		
- Forward exchange contracts	-	278.38
- Commodity future contracts	1,173.86	-
	1,173.86	**278.38**
Total other current financial assets	**1,824.04**	**2,010.62**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Advances recoverable in cash are non-derivative financial assets. These contain other costs incurred as part of project execution which are recoverable on actual basis.

Earnest money deposit from customers are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity futures, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for foreign currency sales and purchases and foreign currency receivables and payables in US Dollars (USD) and Euros (EUR).

Receivables from related parties are non-derivative financial assets and are refundable in cash.

* During the previous year, the Group has sold its equity stake in Sterlite Novo Estado Energia S.A, Brazil ('Nova Estado'), Arcoverde Transmissao De Energia S.A., Brazil ('Arcoverde'), Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A). Pursuant to this, the Group has established an escrow account of ₹ 482.50 million (31 March 2020: 478.44 million) for Nova Estado and Arcoverde which will be released after a period of more than 12 months on fulfilment of certain conditions prescribed in the share purchase agreement executed for the assets sold.

Unbilled transmission charges pertain to unbilled revenue for the month of 31 March 2021 amounting to ₹ 88.63 million (31 March 2020: ₹ 134.46 million) billed to transmission utilities in the month of April 2021.

NOTE 9: OTHER ASSETS

(₹ in million)

	31 March 2021	31 March 2020
Non-current		
Capital advances (unsecured, considered good)	400.11	1,452.76
Concession contract assets*	1,006.15	5,328.51
Balances with government authorities	642.74	418.34
Prepaid expenses	55.12	44.77
Deposits paid with government authorities under tax litigation (refer note 42)	69.66	54.11
Total other non-current assets	**2,173.78**	**7,298.49**
Current		
Advance income tax, including TDS (net of provisions)	-	0.35
Advances to vendors/contractors (unsecured, considered good)	2,045.66	300.28
Balances with government authorities	1,721.35	1,823.89
Prepaid expenses	167.86	354.16
Contract assets related to EPC contracts (refer note 24)	1,438.35	2,017.04
Concession contract assets*	-	551.34
Others	3.19	1.24
Total other current assets	**5,376.41**	**5,048.30**

*Movement of concession contract assets can be summarized as follows:

Notes to Consolidated Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

	31 March 2021	31 March 2020
Opening balance	5,879.85	7,837.35
Revenue from construction of concession assets	1,263.92	6,448.20
Remuneration of the concession assets	710.99	1,306.08
Assets sold during the year	-	(8,275.54)
Write - off contractual assets (RAP)	(389.60)	-
Asset held for sale (refer note 10)	(5,698.97)	-
Impact of foreign currency conversion	(760.04)	(1,436.24)
Closing balance	**1,006.15**	**5,879.85**
Current	**-**	**551.34**
Non-current	**1,006.15**	**5,328.51**

NOTE 10: ASSETS AND LIABILITIES HELD FOR SALE

Ind AS -105 Non Current Assets Held for Sale and Discontinued Operations requires a disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition and the sale must be highly probable. Based on the assessment performed by the management, it has been determined that the disposal groups as above should be disclosed as held for sale under Ind AS. Consequently the assets and liabilities of the disposal groups held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet.

Following assets and liabilities are classified as held for sale as at 31 March 2021 and as at 31 March 2020:

(₹ in million)

	31 March 2021	31 March 2020
India Grid Trust (refer note 10(a))		
Investment in units of India Grid Trust		
Nil (31 March 2020: 8,74,48,026 units)	-	7,325.63
Total	**-**	**7,325.63**
Indigrid Investment Managers Limited (refer note 10(b))		
Investment in equity shares		
8,74,729 shares (31 March 2020: 8,74,729 shares)	21.01	21.01
Total	**21.01**	**21.01**
NER-II Transmission Limited (refer note 37)		
Investment in equity shares		
6,03,829 shares (31 March 2020: Nil shares)	834.36	-
Total	**834.36**	**-**

The Group has entered into a Share Purchase agreement with Vinci Energeia Fundo De Investimento EM Participacoes Infraestrutura and Cymi Construcoes Participacoes S.A. for selling its stake in Vineyards Participacoes S.A. (referred to as Disposal Group I) and Dunas Transmissao De Energeia S.A. (referred to as Disposal Group II) respectively, at values as agreed in the Share Purchase agreement subject the requisite approvals.

Also, the Group intends to sell São Francisco Transmissão de Energia S.A. (referred to as Disposal Group III) and Marituba Transmissão de Energia S.A (referred to as Disposal Group IV) in the next financial year for which the board of directors of the holding Company has passed the necessary resolutions and the sale of entities is considered as highly probable by the management. Hence the assets and liabilities pertaining to these entities are classified as held for sale.

Notes to Consolidated Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

(₹ in million)

	31 March 2021				
	Disposal Group I	Disposal Group II	Disposal Group III	Disposal Group IV	Total
Assets					
- Non-current assets	-	-	-	-	-
- Current assets	5,761.47	164.49	57.84	295.36	6,279.16
Liabilities					
- Non-current liabilities		-	-	-	-
- Current liabilities	4,466.67	48.79	57.84	38.21	4,611.52

(i) Break up of assets and liabilities of Disposal Group I, Disposal Group II, Disposal Group III and Disposal Group IV as at 31 March 2021:

(₹ in million)

	31 March 2021				
	Disposal Group I	Disposal Group II	Disposal Group III	Disposal Group IV	Total
Assets					
Accounts receivable	38.80	-	-	-	38.80
Cash and cash equivalents	1,012.64	0.73	0.90	0.40	1,014.66
Advances to suppliers	19.13	11.98	13.94	11.30	56.35
Concession infrastructure - contract asset	4,660.22	349.06	318.59	371.10	5,698.97
Taxes receivable	21.12	1.98	6.70	2.37	32.17
Prepaid expenses	5.68	3.48	2.21	1.60	12.97
Other assets	3.88	7.83	4.97	2.80	19.48
Deferred tax assets	-	1.07	12.32	-	13.39
Difference between carrying amount and fair value less costs to sell	-	(211.64)	(301.79)	(94.21)	(607.64)
Total assets held for sale	**5,761.47**	**164.49**	**57.84**	**295.36**	**6,279.15**
Liabilities					
Accounts payable	127.67	16.43	20.79	1.62	166.51
Borrowings	3,657.82	-	-	-	3,657.82
Other financial liabilities	0.01	-	-	-	0.01
Employee benefit & social obligation	11.71	-	7.01	0.02	18.74
Regulatory charges	2.39	-	-	-	2.39
Others liabilities	1.59	0.07	0.57	0.01	2.25
Deferred Pis and Cofins taxes	470.88	32.29	29.47	34.33	566.96
Deferred tax liabilities	194.60	-	-	2.23	196.83
Total liabilities held for sale	**4,466.67**	**48.79**	**57.84**	**38.21**	**4,611.51**

(a) Sale of units in India Grid Trust

Erstwhile Sterlite Power Grid Ventures Limited ('SPGVL') now merged with Sterlite Power Transmission Limited ('SPTL'), being the sponsor of India Grid Trust ('IGT'), entered into "Inter-se sponsor agreement" dated April 30, 2019 ('the Inter-se Agreement') with Esoteric II Pte. Ltd. ('the Investor') to designate the investor as a 'Sponsor' of IGT subject to approval under the SEBI (Infrastructure Investment Trusts) Regulations, 2016. Pursuant to the Inter-se Agreement, SPGVL agreed to sell 60.03 million units ('the Units') of IGT to the Investor at ₹ 83.89 per unit.

On September 24, 2019, SPGVL and Sterlite Interlinks Limited ('SIL') entered into a Unit transfer agreement ('Unit Transfer Agreement') for sale of the Units by SPGVL to SIL and consequently SPGVL, the Investor and SIL entered into an amendment agreement dated September 25, 2019 amending the Inter-se Agreement to include clauses for Unit Transfer Agreement and sale of 87.45 million units by SIL to the Investor.

Pursuant to the Unit Transfer Agreement, SIL had given an interest bearing advance to erstwhile SPGVL of ₹ 6,200.00 million for the purchase of the Units. The Units were owned by erstwhile SPGVL as at 31 March 2020 and were pledged as security, basis which SIL raised funds from its lenders. Accordingly, the advance was presented under short term borrowings as at 31 March 2020 (refer note 17) and investment in the Units was classified as asset held for sale.

Notes to Consolidated Financial Statements

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On August 3, 2020, the parties terminated the Inter-se Agreement. Further, on August 14, 2020, SPTL sold 85.51 million units of IGT in open market through 31 March 2020 Stock Exchange ('NSE') at an average price of ₹ 98 per unit. Accordingly, the Group has classified the balance units of IGT as non-current investments and has also reversed impairment loss of ₹ 954.98 million recognised in earlier year. Further, other income for the year ended 31 March 2021 includes net gain of ₹ 218.23 million on sale of IGT units.

(b) Propose sale of shares held in Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (SIML))

Pursuant to "Share Subscription and Purchase Agreement" executed between Electron IM PTE. LTD ('EIMPT') and the Company on April 30, 2019, the Group had to sell 74% of its stake in its subsidiary IIML in two tranches starting from June 30, 2019 till June 30, 2021. In previous year, the Company sold 60% of its stake in IIML for a consideration of ₹ 60.05 million. Further, the remaining investment in IIML to the extent of 14% i.e. ₹ 21.01 million (31 March 2020: ₹ 21.01 million) has been disclosed as ''asset classified as held for sale". The Group's interest in IIML is accounted for using the equity method in the consolidated financial statements.

NOTE 11: INVENTORIES

(₹ in million)

	31 March 2021	31 March 2020
(Valued at lower of cost and net realisable value)		
Raw materials and components (includes stock in transit ₹ 692.36 million (31 March 2020: ₹ 453.66 million))	1,873.92	1,454.23
Work-in-progress	205.64	264.51
Finished goods (includes stock in transit ₹ 451.22 million (31 March 2020: ₹ 377.92 million))	762.44	2,006.93
Construction material	7.22	19.43
Traded goods	58.21	34.90
Stores, spares, packing materials and others	180.40	142.79
Total	**3,087.83**	**3,922.79**

NOTE 12: CASH AND CASH EQUIVALENTS

(₹ in million)

	31 March 2021	31 March 2020
Balances with banks:		
On current accounts	3,570.10	1,190.24
Deposit with original maturity of less than 3 months	3,141.06	1,755.93
Cash in hand	0.03	0.17
Total	**6,711.19**	**2,946.34**

NOTE 13: OTHER BANK BALANCES

(₹ in million)

	31 March 2021	31 March 2020
Deposit with original maturity for more than 12 months*	1,561.44	0.89
Deposits with original maturity for more than 3 months but less than 12 months**	3,041.43	7,930.17
Escrow account	-	92.72
	4,602.87	**8,023.78**
Amount disclosed under non-current assets	(1,561.44)	(0.89)
Total	**3,041.43**	**8,022.89**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

* Held as lien by bank against bank guarantees.

** Out of total deposits, amount held as lien by banks against bank guarantees includes ₹ 1,783.95 million (31 March 2020: ₹ 650.64 million), ₹ 7.48 million (31 March 2020: ₹ 242.04 million) held in debt service reserve account and deposit of 1,250 million (31 March 2020: Nil) is lien marked with trustee of Non-convertible debentures ('NCD').

Notes to Consolidated Financial Statements

for the year ended 31 March 2021
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NOTE 14: SHARE CAPITAL

(₹ in million)

	31 March 2021	31 March 2020
Authorised shares (nos. million)*		
6,380.00 (31 March 2020: 80.00) equity shares of ₹ 2 each	**12,760.00**	**160.00**
Issued, subscribed and fully paid-up shares (no. million)		
61.18 (31 March 2020: 61.18) equity shares of ₹ 2 each fully paid - up.	122.36	122.36
Total issued, subscribed and fully paid-up share capital	**122.36**	**122.36**

* Authorised share capital has been disclosed after considering the impact of merger order. (refer note 49)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
At April 01, 2019	61.18	122.36
Add: Movement during the year	-	-
At 31 March 2020	**61.18**	**122.36**
Add: Movement during the year	-	-
At 31 March 2021	**61.18**	**122.36**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has declared dividend of ₹ 5.30 per share (31 March 2020 : Nil) after the reporting period but before the financials statements approval date.

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 shareholders.

The shareholding information is based on the legal ownership of shares and has been extracted from the record of the Company including register of shareholder/ member.

c. Shares held by Holding Company and their subsidiaries/associates:

(₹ in million)

	31 March 2021		31 March 2020	
	Nos. in million	% holding	Nos. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
[Ultimate holding company]				
Vedanta Limited	0.95	1.56%	0.95	1.56%

d. Detail of shareholders holding more than 5% of shares in the Company

(₹ in million)

	31 March 2021 (₹ in million)		31 March 2020	
	Nos. in million	% holding	Nos. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%

Notes to Consolidated Financial Statements
for the year ended 31 March 2021
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NOTE 15: OTHER EQUITY

(₹ in million)

	31 March 2021	31 March 2020
Securities premium		
Balance as per last financial statements	4,536.80	4,536.80
Add: Movement during the year	-	-
Closing balance	**4,536.80**	**4,536.80**
Retained earnings		
Balance as per last financial statements	(5,629.78)	(10,406.09)
Add: Effect of adoption of Ind AS 116	-	8.98
Add: Net profit for the year	8,697.74	9,416.61
Less: Remeasurement of post employment benefit obligation, net of tax	(3.40)	(0.78)
Add: Amount transferred from debenture redemption reserve	-	98.88
Less: Amount transferred to debenture redemption reserve	(200.00)	-
Less: Amount transferred to special unearned income reserve	-	(3,043.54)
Less: Amount transferred to legal reserve	-	(160.19)
Add: Balance transferred from capital redemption reserve (refer note 15.6)	1,543.65	-
Less: Transfer to capital redemption reserve (refer note 15.6)	(36.00)	(1,543.65)
Net surplus/(deficit) in the statement of profit and loss	**4,372.21**	**(5,629.78)**
Other reserves		
Debenture redemption reserve		
Balance as per last financial statements	-	98.88
Add: Transferred from retained earnings (refer note 15.7)	200.00	-
Less: Amount reclassified to retained earning	-	(98.88)
Closing balance	**200.00**	**-**
Cash flow hedge reserve		
Balance as per last financial statements	(1,548.18)	(1,006.23)
Add/(less): Cash flow hedge reserve created on hedging contracts	2,178.81	(3,391.80)
Less: Amount reclassified to statement of profit and loss	(139.35)	(2,849.85)
Closing balance	**769.98**	**(1,548.18)**
Foreign currency translation reserve		
Balance as per last financial statements	(1,860.20)	(340.38)
Less: Movement during the year	(654.05)	(1,519.82)
Closing balance	**(2,514.25)**	**(1,860.20)**
Capital redemption reserve		
Balance as per last financial statements	1,543.67	0.02
Add/(less): Movement during the year (refer note 15.6)	(1,507.65)	1,543.65
Closing balance	**36.02**	**1,543.67**
Legal reserve		
Balance as per last financial statements	172.13	11.94
Add: Transferred from retained earnings	-	160.19
Closing balance	**172.13**	**172.13**
Special unearned income reserve		
Balance as per last financial statements	3,270.44	226.90
Add: Transferred from retained earnings	-	3,043.54
Closing balance	**3,270.44**	**3,270.44**
Capital reserve		
Balance as per last financial statements	0.35	0.35
Add/(less): Movement during the year	-	-
Closing balance	**0.35**	**0.35**
Total other reserves	**1,934.67**	**1,578.21**
Total Other equity	**10,843.68**	**485.23**

Notes to Consolidated Financial Statements

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Nature and purpose of reserves:-

15.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

15.2 Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with receivable and payable and commodity risk associated with purchase of aluminium and copper. For hedging commodity and foreign currency, the Group uses commodity future and foreign currency forward contracts. 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 the statement of profit or loss when the hedged item affects statement of profit or loss.

15.3 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

15.4 Legal reserve

Brazilian subsidiaries of the Group recognise 5% of net profit for the year subject to 20% of capital, before any allocation, as legal reserve.

15.5 Special unearned income reserve

The special unearned income reserve includes unrealised profit on construction of concession assets executed during the year.

15.6 Capital redemption reserve

During the year ended 31 March 2020, erstwhile wholly owned subsidiary of the Sterlite Power Transmission Limited ('SPTL'), Sterlite Power Grid Ventures Limited ('SPGVL') redeemed 154.36 million redeemable preference shares of face value of ₹ 10 each which were issued to SPTL and created capital redemption reserve of ₹1,543.65 million as per the requirement of section 69 of the Companies Act, 2013.

During the year, National Company Law Tribunal ('NCLT') approved the scheme of amalgamation ('the Scheme') of SPGVL with SPTL from an appointed date of 1 April 2017 ("Appointed date") which was filed with the Registrar of Companies on 15 November 2020 ("Effective date"). Since the merger of SPGVL with SPTL takes effect from the Appointed date, the capital redemption reserve of ₹1,543.65 million which was created on redemption of redeemable preference shares after Appointed date but before the Effective date of the Scheme has been transferred to retained earnings based on a legal opinion obtained by the management and the shareholders approval obtained in the last AGM.

Also during the current year, the Group has redeemed 18 million redeemable preference shares of face value of ₹ 2 each issued to Clix Finance India Private Limited. Accordingly, the Group created capital redemption reserve of ₹ 36 million in compliance of Section 69 of the Companies Act, 2013.

15.7 Debenture Redemption Reserve

One of the subsidiary of the Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the subsidiary to create DRR out of profits of the Company available for payment of dividend. DRR has been created for an amount which is equal to 10% of the value of debentures issued.

Notes to Consolidated Financial Statements

for the year ended 31 March 2021

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NOTE 16: LONG TERM BORROWINGS

(₹ in million)

	31 March 2021	31 March 2020
Non-current		
Non-convertible debentures (secured)		
Nil (31 March 2020: 2,50,000) Non-convertible debentures of BRL 1,000 each (refer note I b)	-	3,698.07
Term loans (refer note II)		
Indian rupee loans from banks (secured)	8,396.14	9,357.59
Indian rupee loans from financial institutions (secured)	8,390.14	20,561.33
Local bills discounting and acceptances (secured)	2,470.00	5,892.50
Lease liabilities (unsecured)	20.46	51.29
Total non-current borrowings	**19,276.74**	**39,560.78**
The above amount includes		
Secured borrowings	19,256.28	39,509.49
Unsecured borrowings	20.46	51.29
Current maturities		
Non-convertible debentures (secured) (refer note I)		
Nil (31 March 2020: 3500) 12.50% Non convertible debentures of ₹ 1 million each [refer note I a(i)]	-	3,467.37
Nil (31 March 2020: 11,500) Non convertible debentures of ₹ 1 million each [refer note I a(ii)]	-	11,417.08
Interest accrued but not due on debentures	-	887.06
Term loans (secured) (refer note II)		
Indian rupee loans from banks	40.00	271.47
Indian rupee loans from financial institution	665.91	237.36
Interest accrued on term loans	0.18	14.30
Lease liabilities (unsecured)	32.59	112.10
Redeemable preference shares (unsecured) (refer note III)		
Nil (31 March 2020: 18.00 million) redeemable preferences shares of ₹ 2 each	-	42.07
Total current maturities	**738.68**	**16,448.81**
The above amount includes		
Secured borrowings	706.09	16,336.71
Unsecured borrowings	32.59	112.10
	738.68	**16,448.81**
Amount disclosed under the head "other current financial liabilities" (note 19)	738.68	16,448.81
Net amount	-	-

Notes:

I. Non-convertible debentures

a) Sterlite Power Transmission Limited (SPTL)

i) 12.50% non-convertible debentures of ₹ 10,00,000 each

During the year ended 31 March 2019, the Company had issued 3,500 non-convertible debentures (""NCDs"") of face value ₹ 10,00,000/- each amounting to ₹ 3,500 million carrying interest of 12.50%. The debentures were secured by:

a) first and exclusive charge over all present and future fixed assets,

b) investments of the SPTL in erstwhile Sterlite Power Grid Ventures Limited now merged with SPTL (""SPGVL"") including 51% pledge of shares of SPGVL on a fully diluted basis,

c) any loans and advances given to and dividend and any other receivables from SPGVL

d) second charge on all current assets of the SPTL

e) first and exclusive charge over any OCPRS, CCPS, or any other instrument by which money has been infused in SPGVL.

During the current year NCDs have been repaid."

ii) **11.50%-12.30% Non-convertible debentures of ₹ 10,00,000 each**

Erstwhile Sterlite Power Grid Ventures Limited now merged with the SPTL ('SPGVL') had issued 11,500 non-convertible debentures ('NCDs') of ₹ 1 million each on private placement basis between March 2019 and July 2019 in 4 different tranches of ₹ 1,950 million, ₹ 5,500 million, ₹ 1,050 million and ₹ 3,000 million. All these instruments are redeemable after a period of 3 years from the deemed date of allotment of the first tranche (i.e. March 28, 2022) These NCDs carry interest rate between 11.50% p.a. – 12.30% p.a. between different tranches. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

a) First pari-passu charge on loans and advances given by SPGVL to project Sterlite Grid 4 Limited ('SGL-4'), Sterlite Grid 5 Limited ('SGL-5'), Khargone Transmission limited ('KTL'), Gurgaon- Palwal Transmission Limited ('GPTL'), NER-II Transmission limited ('NER-II') and Goa Tamnar Transmission Project Limited ('GTTPL').

b) Pledge of 51% shares of ('SGL 4') and ('SGL 5') on fully diluted basis at all times

c) Non-disposal undertaking for balance 49% shares of SGL 4 and SGL 5.

d) Pledge of 49% shares of the following project SPV's i.e. KTL, GPTL, NER-II & GTTPL.

e) a first rank pari passu charge on Interest Service Reserve Account ('ICRA') and ISRA amount.

During the current year NCDs have been repaid.

b) Sterlite Brazil Participoes,S.A., Brazil

In the previous year the Company has issued 0.25 million non-convertible debentures of 1,000 BRL each with real and fiduciary guarantee. It carried an interest @ IPCA + 1.70% p.a. repayable in 42 semi-annual instalments it the first instalment starting in January, 2022 and the last being in July, 2042. For security of these NCD's as guarantee package, the company had given bank guarantees along with fiduciary assignment of rights and pledge of 100% equity shares of it's wholly owned subsidiary Se Vineyards Power Transmission S.A.

During the current year, the Company has repaid the non-convertible debentures.

II. Term Loans

A) Sterlite Power Transmission Limited (SPTL)

i) India rupee term loan is availed under COVID-19 emergency line of credit from Union Bank of India. The term loan carries interest at the rate of 8% p.a. payable monthly. The term loan is to be repaid in 18 monthly instalments of ₹ 2.50 million after 6 months of moratorium period ending on February 2021 from date of disbursement.
The term loan is secured by:

a) First pari-passu charge by the way of hypothecation of stock and book debts;

b) Second pari-passu charge on movable fixed assets of the Company (present and future)

The loan has been repaid subsequent to year ended 31 March 2021.

ii) The Indian rupee term loan from Clix Capital Services Private Limited carries interest at the rate of 11.75% p.a. payable monthly. Entire loan amount shall be repayable in two equal quarterly instalments starting from 3 months less than final maturity from the date of disbursement 31 March 2021and at the end of final maturity i.e. December 31, 2020 and April 30, 2021 respectively.
The term loan is secured by:

a) First pari-passu charge over all present and future current assets of the borrower;

b) Second pari-passu charge over all present and future immovable and movable fixed assets of the borrower;

c) Demand promissory note

d) DSRA equivalent to 1 month interest ensuing interest service obligation

The Company has satisfied the covenants attached to the borrowings."

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B) Khargone Transmission Limited (KTL)

(i) Indian rupee term loans from banks and financial institutions of ₹ 10,971.18 million (31 March 2020: ₹ 10,022.22 million) carry interest rate ranging between 10.70% p.a. to 13.50% p.a. (31 March 2020: 11.10% p.a. to 14.00% p.a.) (linked to the lead lenders benchmark rate with spread). 60% of total loan amount is repayable in 48 structured quarterly instalments post one year moratorium period in accordance with repayment schedule starting from October 31, 2021. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on July 31, 2033. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by pledge of 51% of share capital of the Company held by Sterlite Grid 4 Limited voting rights of which do not fall below 51%.
The Company is required to ensure compliance of certain financial covenants, after completion of one financial year of full operations of the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from financial institutions. For the financial year ended 31 March 2021, the Company is not required to comply with the said covenants."

C) Gurgaon-Palwal Transmission Limited (GPTL)

(i) Indian rupee term loan of ₹ Nil (31 March 2020: ₹ 6,477.83 million) from bank and financial Institutions carries interest rate in range between 10.65% p.a. to 12.25% p.a. (linked to the Lead Lenders Benchmark Rate with Spread). 60% of total loan amount is repayable in 46 structured quarterly instalments post one year moratorium period in accordance with amortisation schedule starting from 30 June 2020. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on 30 September 2031. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

(ii) Domestic bill discounting amounting to ₹ Nil (31 March 2020: ₹ 924.80 million) carries interest rate 7.00% to 8.80% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 267 to 720 days and upon maturity gets automatically converted in into rupee term loan hence this has been classified under long-term borrowings.

D) NER II Transmission Limited (NER II)

(i) Indian rupee term loan from financial institutions of ₹ Nil (31 March 2020: ₹ 13,077.50 million) carries interest at the rate of 10.50%- 12.65% p.a payable monthly (linked to the Lead Lenders Benchmark Rate with Spread).Total loan amount is repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule (tenure of 15 year). The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

(ii) Domestic bill discounting amounting to ₹ Nil (31 March 2020 : ₹ 2,147.70 million) carries interest rate 9% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 303 days and upon maturity gets automatically converted into rupee term loan hence this has been classified under long-term borrowings.

E) Goa Tamnar Transmission Project Limited (GTTPL)

(i) Indian rupee term loan from financial Institutions carries interest at the rate of 10.75% p.a (Benchmark Rate +/- Spread). Total loan amount is repayable in 63 structured quarterly instalments post 6 months moratorium period in accordance with repayment schedule (tenure of 20 year). The loan together with interest, liquidated damages, fees, costs, charges, expenses and all other amounts is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by at least 51% of equity share capital till final settlement date.

(ii) Domestic bill discounting amounting to ₹ 1,820.00 million (31 March 2020: ₹ 1,820.00 million) carries interest rate 7.10% p.a. to 9.50% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. This will be converted in rupee term loan on maturity. Hence this has been classified under long term borrowings.

The Company is required to ensure compliance of certain financial covenants, after completion of one financial year of full operations of the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from financial institutions. For the financial year ended 31 March 2021, the Company is not required to comply with the said covenants.

F) Lakadia Vadodara Transmission Project Limited (LVTPL)

(i) Indian rupee term loan from banks and financial institution carries interest rate in the range of 10.50% to 11.50% p.a. (benchmark Rate +/- Spread). Total loan amount is repayable to banks and financial institution (other than REC Limited) in 159 structured monthly instalments and to REC Limited in 237 structured monthly instalments post 6 months moratorium period in accordance with repayment schedule. The loan together with interest, liquidated damages, additional interest, fees, costs, charges, expenses and all other monies is secured by first charge on all the immovable properties pertaining to the project, tangible movable assets, current assets, revenue, receivables and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the

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borrower under all insurance contracts and insurance proceeds pertaining to the project. Loan are also secured by pledge of 51% of the equity share capital and CCD of the Company. Further, creation and perfection of securities is under process as on 31 March 2021.

(ii) Domestic bill discounting amounting to ₹ 650.00 million (31 March 2020: ₹ 1,000.00 million) carries interest rate 4.90% p.a. to 7.41% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 360 days and will be converted in Rupee term loan on maturity. Hence this has been classified under long term borrowings.

The Company is required to ensure compliance of certain financial covenants after completion of one financial year of full operations if the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from banks and financial institutions. However, as at 31 March 2021, these covenants are not applicable.

G) The lease liabilities are unsecured and the interest rate implicit in the lease is between 9.83% p.a. to 11.75% p.a for India and 10.24% p.a. for Brazil. The gross investment in the lease i.e. the lease obligation and interest is payable in quarterly instalments.

III. Redeemable preference shares

The preference shares carried 0.01% non-cumulative dividend. Holders of preference shares had a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. There shares carried face value of ₹ 2 per share and are redeemed at a premium of 8% compounded annually in the current year

(₹ in million)

	31 March 2021	31 March 2020
Authorised shares (nos. million)		
36.40 (31 March 2020: 36.40) redeemable preference shares of ₹ 2 each	72.80	72.80
Issued, subscribed and fully paid-up shares (nos. million)*		
Nil (31 March 2020: 18.00) cumulative redeemable preference shares of ₹ 2 each		
- Nominal Value	-	36.00
- Securities Premium	-	-
Terms/rights attached to preference shares		

Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
At April 01, 2019	**18.00**	36.00
Add: Movement during the year	-	-
At 31 March 2020	**18.00**	**36.00**
Add: Movement during the year	(18.00)	(36.00)
At 31 March 2021	-	-

Detail of preference shareholders holding more than 5% of shares in the company

	31 March 2021		31 March 2020	
	Nos. in million	% holding	Nos. in million	% holding
Clix Capital Services Private Limited	-	-	18.00	100.00%

IV. Optionally convertible redeemable preference shares

(₹ in million)

	31 March 2021	31 March 2020
Authorised shares (nos. million)		
470.00 (31 March 2020: 470.00) optionally convertible redeemable preference shares of ₹ 10 each	4,700.00	4,700.00
Issued, subscribed and fully paid-up shares (nos. million)		
Nil (31 March 2020: Nil) optionally convertible redeemable preference shares of ₹ 10 each		
- Nominal value	-	-
- Securities premium	-	-

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Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
As at 1 April 2019	-	-
Add: Issued during the year	-	-
As at 31 March 2020	-	-
Add: Issued during the year	-	-
Less: Redeemed during the year	-	-
As at 31 March 2021	-	-

NOTE 17: SHORT TERM BORROWINGS

(₹ in million)

	31 March 2021	31 March 2020
Cash credit from banks (secured) (refer note 17(i))	1,299.34	799.24
Working capital demand loans from banks (secured) (refer note 17(ii))	1,766.46	2,700.00
Bridge loan from bank (refer note 17(iii))	-	447.19
Export packing credit (secured) (refer note 17(iv))	-	499.80
Suppliers credit (secured) (refer note 17(v))	144.26	878.08
Suppliers credit (unsecured) (refer note 17(vi))	418.73	116.93
Advance from Sterlite Interlinks Limited (secured)(refer note 17(vii)) (refer note 56)	-	6,200.00
Other loans from banks and financial institutions (secured) (refer note 17(viii))	650.00	628.19
Non-convertible debentures (secured) (refer note 17(x))	2,019.76	-
Loans from related parties (unsecured) (refer note 17(ix))(refer note 56)	1,500.00	1,500.00
Total	**7,798.55**	**13,769.43**

Note:

(i) Cash credit from banks is secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable as collateral charge. Some cash credit limits are also secured by way of second charge over immovable fixed assets and some are secured by hypothecation of entire current assets and receivables both present and future. The cash credit is repayable on demand and carries interest @ 9.05% - 13.35% p.a. (31 March 2020: 9.25% to 12.75% p.a.).

(ii) Working capital demand loans from banks are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge. Some working capital demand loans are secured by hypothecation of entire current assets and receivables both present and future. Working Capital Demand Loan is generally taken for a period of less than 365 days and carries interest @ 7.55% - 12.45% p.a. (31 March 2020: 8.15% to 13.35% p.a.).

(iii) Bridge loan taken in Brazil was secured by pledge of shares of SE Vineyards Transmission De Energia S.A and Arcoverde Transmissão De Energia S.A. & hypothecation of receivables along with advance insurance guarantees and performance insurance guarantees received from vendors, both present and future. The loan was repayable within a period of 12-18 months and carried a rate of interest of CDI + (1.9%-2.85%), to a range between 8%-10%..The loan has been repaid in the current year.

(iv) Export packing credits are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge and is generally taken for a period of 180 days. It carries interest @ 9.50% p.a.(31 March 2020: 9.25% - 9.50% p.a).

(v) Secured suppliers' credit arrangements are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Suppliers' credit is generally repaid after a period of six months where foreign currency suppliers credit carry interest @ 1.20% - 3.28% (31 March 2020: 2.30% - 3.37% p.a).(excluding hedging premium) and domestic suppliers credit carry interest @ 6.40% - 10.00% p.a (31 March 2020: 7.90% - 13.27% p.a.).

(vi) Unsecured suppliers credit consists of financing of payable to MSME and other vendors with banks and is generally taken for a period of not more than 90 days. It carries interest @ 8.25% - 9.50% p.a. (31 March 2020: 8.3% - 9.25% p.a.).

(vii) Advance from Sterlite Interlinks Limited ('SIL') was secured against investment made in the units of India Grid Trust which carried interest rate of 14.90% p.a. paid on quarterly basis. Refer note 10 above.

(viii) Other loans from banks and financial institutions:

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a) The Indian rupee loan of ₹500 million from Arka Fincap Limited carries interest at the rate of 12.50% p.a. payable quarterly. Entire loan amount shall be repayable as a bullet repayment on 30 September 2021.
The loan is secured by:

a) First exclusive charge over loans and advances extended by SPTL to any one or more intermediate holding Companies (SGLs) up to an amount of ₹ 750 million;

b) Interest service reserve (ISRA) of 3 months to be maintained in the form of FDs charged in favour of lender at all times during the tenor of the facility

The loan has been subsequently repaid in the FY 2021-22."

b) The Indian rupee loan of ₹ 100 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement.
The loan is secured by:

a) First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;

b) Exclusive pledge of 20,39,880 units of India Grid Trust)''Indigrid Invit'') (including charge on dividend/ distribution received), held by borrower in demat form, providing a minimum facility cover of 2x for ABFL facility at all times.

c) Any dividend/ distribution received from the units by borrower shall be used to purchase ABSLMF's liquid/ overnight debt MF units on the day/net day of such receipt, which shall be lien marked to ABFL. The MF units purchased shall be liquidated on the date of ABFL debt servicing, to service facility dues.

d) Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL
The financial covenants are reviewed periodically. As at 31 March 2021, the Company has satisfied the debt covenants prescribed in the loan agreement."

c) The Indian rupee loan of ₹ 50 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement.
The loan is secured by:

a) First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;

b) Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL.
The financial covenants are reviewed periodically. As at 31 March 2021, the Company has satisfied the debt covenants prescribed in the loan agreement."

d) In the previous year, other borrowings from banks consists of short term facility in the form of vendor financing which is repayable within period of 90 days and carries interest rate @8.25% p.a.

(ix) Loan from related parties include an unsecured demand loan from PTC Cables Private Limited with an interest rate between 9.50% - 10.25% p.a (31 March 2020: 10.25% - 10.90% p.a.) (SBI MCLR + 250 Basis points). Interest will be calculated on the basis of 360 days in a year consisting of 12 months of 30 days. The borrower shall pay the interest on the last day of the term. However, Group can repay the partial or full amount to the lender with prior not less than 10 days irrevocable notice or the lender may ask the repayment by giving 5 business day notice to the Group.

(x) 10.25% Non-Convertible Debentures:
The Non-Convertible Debentures (NCD's) are issued in the form of INR denominated, secured, unlisted, unrated, senior, transferable, redeemable, non-convertible debt securities. NCD's carry coupon rate of 10.25% p.a. and shall be compounded, accrue, become due and payable in arrears, quarterly. The NCD's shall have a charge on the secured assets in accordance with provisions of debenture deed and other debentures documents.

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The outstanding amounts shall be secured by:-

1) A first charge over the mortgaged properties in terms of mortgage documents

2) A first charge by way of pledge of:

   a) 100% equity share capital of the issuer, on a fully diluted basis and

   b) 49% share capital of the project companies on a fully diluted basis.
   in terms of respective deeds of confirmations ranking pari passu inter se the Debenture Trustee and the Pari Passu Lender.

3) A first ranking exclusive fixed charge by way of hypothecation over the issue proceeds account and the DSRA and such other Escrow Accounts

4) A first fixed charge by way of hypothecation over:

   a) All the loans and advances provided by SPGVL (now merged with SPTL) or provided by SPTL to the issuer, present and future;

   b) All the current assets of the issuer, including all its receivables and unsecured loans and advances, provide by the issuer to Project SPV's Kharognoe Transmission Limited and NER II Transmission Limited.

   c) The Escrow accounts (save and except the issue proceeds amount) opened/maintained by the issuer in terms of the applicable Escrow account agreement together with all amounts standing to the credit of each of the said Escrow accounts

5) Corporate guarantee provided by the Corporate Guarantor in favour of the Debenture Trustee in terms of the Corporate Guarantee.

   Since these NCD's are minimum period holding of 10 months from deemed date of allotment i.e. 7 December 2020, therefore it has been classified as short term borrowings.

   NCD's contain certain covenants relating to total debt to EBITDA, total debt to net worth and interest service coverage ratio to be satisfied at SPTL Standalone level. As at 31 March 2021, the covenants prescribed in NCD's deed are complied.

NOTE 18: TRADE PAYABLES

(₹ in million)

	31 March 2021	31 March 2020
Current		
Trade payables	6,234.40	7,797.83
Current		
Trade payables (including acceptances)	4,073.08	4,707.63
Trade payables to related parties (refer note 56)	110.22	75.23
Operational suppliers credit from related parties (refer note 56)	2,051.10	3,014.96
Total	**6,234.40**	**7,797.83**

a) Trade payables are non-interest bearing and are normally settled on 60-180 days terms.

b) Operational supplier's credit are availed in Indian Rupees at an interest rate of 7.50%-8.00% and is backed by standby letter of credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Group.

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NOTE 19: OTHER FINANCIAL LIABILITIES

(₹ in million)

	31 March 2021	31 March 2020
Current		
Derivative instruments fair value through OCI#		
Commodity futures	-	982.49
Forward contracts	115.63	-
	115.63	**982.49**
Other financial liabilities at amortised cost		
Security deposits (refer note 56)	54.00	50.00
Current maturities of long-term borrowings (refer note 16)	705.91	15,435.35
Current maturities of lease liabilities (refer note 16)	32.59	112.10
Interest accrued and not due on long-term borrowings (refer note 16)	0.18	901.36
Interest accrued and not due on short term borrowings	260.71	155.04
Interest free deposit from customers	3.30	0.92
Employee benefit payable	152.14	266.98
Earnest money deposit from vendors	2.01	2.01
Payable for employee stock appreciation rights (refer note 46)	307.65	54.36
Payables for property plant & equipment*		
- Payable to related party (refer note 56)	-	308.16
- Payable to others	7,618.73	5,852.89
Deferred revenue^	1,675.57	-
Others	208.74	424.72
Total	**11,137.16**	**24,546.38**

* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-120 days terms. It also includes the current maturities of long term payables for purchase of property, plant and equipment which have been valued at amortised cost. Payables with period allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity futures, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for foreign currency sales and purchases and foreign currency receivables and payables in US Dollars (USD) and Euros (EUR).

Interest free deposits from customer and earnest money deposits to vendor are non interest bearing.

Other payables are non-interest bearing and have an average term of 30 -180 days.

Interest payable is normally settled within 30 days throughout the financial year.

For explanations on the group's credit risk management processes, refer to note 51.

^ Deferred revenue represents unrealised intercompany profit on sales made to the wholly owned subsidiary which has been converted into an associate Company. Refer note 37.

NOTE 20: PROVISIONS

(₹ in million)

	31 March 2021	31 March 2020
Non-Current		
Provision for onerous contracts	-	680.00
Total	**-**	**680.00**
Movement of provision		
Opening balance	680.00	278.83
Add: Created during the year	-	680.00
Less: Utilised/ (reversed) during the year	(680.00)	(278.83)
Closing balance	**-**	**680.00**

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NOTE 21: EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	31 March 2021	31 March 2020
Non current		
Provision for gratuity (refer note 39)	76.67	74.96
Total	**76.67**	**74.96**
Current		
Provision for gratuity (refer note 39)	23.71	9.76
Provision for leave benefit	74.47	66.76
Total	**98.18**	**76.52**

NOTE 22: DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in million)

		31 March 2021	31 March 2020
I.	**Deferred tax liability**		
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	204.79	98.71
	Fair valuation of land on transition date	38.86	38.86
	Cash flow hedge reserve	230.90	-
	Timing difference on accounting profit and profit chargeable under income tax for Brazil	1.81	1,032.61
	Related to construction of concession assets	-	38.28
	Others	64.15	-
	Gross deferred tax liability	**540.51**	**1,208.47**
	Less: Netted off against deferred tax assets	149.31	-
	Net deferred tax liability	**391.20**	**1,208.47**
II.	**Deferred tax assets**		
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	511.80	528.71
	Unabsorbed tax depreciation	149.31	364.69
	Provision for doubtful debts and advances	122.58	-
	Impairment of investment in India Grid Trust	-	222.47
	On capital loss incurred during current year	-	163.81
	Loss on sale of investment in ENICL	173.78	-
	Deferred tax asset created on elimination of assets and revenue	116.31	-
	Deferred tax asset on expenses disallowed in income tax, allowed as and when incurred	171.14	170.53
	Others	68.82	25.56
	Gross deferred tax assets	**1,313.74**	**1,475.77**
	Less: Netted off against deferred tax liabilities	149.31	-
	Net deferred tax asset	**1,164.43**	**1,475.77**

Reconciliation of deferred tax liability

(₹ in million)

	31 March 2021	31 March 2020
Opening deferred tax asset, (net)	267.30	2,707.63
Deferred tax credit recorded in statement of profit and loss	(30.40)	(2,479.53)
Net deferred tax credit recorded in OCI not to be reclassified to profit and loss in the subsequent period	-	105.66
Deferred tax credit recorded in cash flow hedge reserve	(237.63)	(105.66)
Deferred tax asset/ (liability) classified as asset held for sale (refer note 10)	750.41	-
Others	23.55	39.21
Closing deferred tax asset, net	**773.23**	**267.30**

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The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

(₹ in million)

	31 March 2021	31 March 2020
Profit or loss section		
Current income tax charges:		
Current income tax	2,789.22	2,157.44
Adjustment of tax relating to earlier periods	75.71	(684.11)
Deferred tax		
Relating to origination and reversal of temporary differences	30.40	2,479.53
Income tax expenses reported in the statement of profit or loss	**2,895.33**	**3,952.86**
OCI section		
Deferred tax related to items recognised in OCI during the year:		
Net (gain)/loss on revaluation of cash flow hedges	237.63	(105.66)
Re-measurement loss defined benefit plans	(1.15)	(0.31)
Income tax (debited)/credited through OCI	**236.48**	**(105.96)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

(₹ in million)

	31 March 2021	31 March 2020
Accounting profit before income tax	11,593.07	13,369.47
At India's statutory income tax rate of 25.17% (31 March 2020: 25.17%)	2,917.74	3,364.83
Disallowance of amortisation of goodwill	-	119.79
Permanent difference on account expenses disallowed	193.12	266.04
Effect of income chargeable at reduced rate of tax	-	79.90
Difference in income tax rate considered for deferred tax on capital assets	(71.81)	(375.03)
Adjustments in respect of deferred tax of previous years	-	4.46
Deferred tax asset not recognised	117.91	2.02
Interest expense on income tax under section 234 B and 234 C	(19.48)	-
Deferred tax asset created on provision for doubtful debts of previous year	(112.25)	-
Difference in rate of tax in Brazil and India	(125.86)	455.21
Deferred tax asset utilised against gain on sale of subsidiaries	-	602.54
Exchange rate difference	(115.88)	117.20
Income tax for earlier year*	75.71	(684.11)
Others	36.12	-
At the effective income tax rate of 24.97% (31 March 2020: 29.57%)	**2,895.33**	**3,952.86**
Income tax expense reported in the statement of profit and loss	**2,895.33**	**3,952.86**

NOTE 23: OTHER LIABILITIES

(₹ in million)

	31 March 2021	31 March 2020
Non-Current Liabilities		
Contract liabilities for EPC contracts including advances from customers (refer note 56)*	2,975.76	-
Contract liability (refer note 4)	93.84	89.62
Unearned revenue	125.26	-
Total	**3,194.86**	**89.62**
Current Liabilities		
Advance from customers	486.86	737.17
TDS payable	203.72	186.80
Contract liabilities for EPC contracts including advances from customers (refer note 56)*	1,899.93	365.14
GST payable	4.43	74.18
Other statutory dues payable to central/state government	11.36	-
Unearned revenue	7.29	-
Advance from vendor	-	277.33
Others	514.25	496.08
Total	**3,127.84**	**2,136.70**

* The Company has provided corporate guarantees against the advances received from joint venture.

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NOTE 24: REVENUE FROM OPERATIONS

(₹ in million)

	March 31, 2021	March 31, 2020
Revenue from contracts with customers		
Revenue from sale of conductors and power cables	12,206.75	11,724.68
Revenue from engineering, procurement and construction (EPC) contracts	3,909.48	5,031.53
Revenue from power transmission services	2,076.60	3,300.58
Revenue from construction of concession assets	1,168.67	6,448.20
Remuneration of concession assets	646.50	1,306.08
Revenue from operation & maintenance of concession assets	16.48	39.08
Revenue from sale of traded goods	588.80	1,923.76
Revenue from project consultancy services	75.54	-
Revenue from network infrastructure	6.58	2.37
Total revenue from contracts with customers	**20,695.40**	**29,776.28**
Other operating revenue		
Scrap sales	100.67	93.96
Export incentive	53.98	46.64
Management fees (refer note 56)	68.10	123.13
License fees	5.76	3.19
Total revenue from operations	**20,923.91**	**30,043.19**

(a) Performance obligations

Sale of conductors and power cables

The performance obligation is satisfied upon delivery of conductor, power cable or traded aluminium rods and payment is generally due within 60 to 365 days from delivery. Some contracts provide the Group right to receive price variation from customers on account of changes in metal prices.

Revenue from Engineering, Procurement and Construction (‘EPC’) contracts

The performance obligation is satisfied progressively over the construction period. The Group’s progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

Power transmission services

Power transmission services are rendered to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the company with LTTCs. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group’s performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group’s performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (sharing of Inter State Transmission Charges and Losses) Regulations, 2010 (‘Pooling Regulations’). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount. Applying the practical expedient as given in Ind AS 115, the group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity’s performance completed to date.”

Construction of concession assets

The Group’s performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group’s progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one

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service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered.

Remuneration of concession assets

Remuneration from service concession arrangement comprise of interest income which is recognized at the market interest rate that reflects the economic volatility on the future flow from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

Project consultancy

Project consultancy services represent the performance obligation for providing consultation services in relation to designing and testing of conductors and are satisfied over-time. Payment is generally due within 30 days from provision of service.

(b) Disaggregated revenue information

(₹ in million)

	Within India		Outside India	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(i) Revenue from sale of conductors and power cables recognised at a point in time	5,161.75	8,554.40	7,045.00	3,170.28
(ii) Revenue from engineering, procurement and construction (EPC) contracts recognised over time	3,909.48	5,031.53	-	-
(iii) Revenue from power transmission services recognised at a point in time	2,076.60	3,300.58	-	-
(iv) Revenue from construction of concession assets recognised over time	-	-	1,168.67	6,448.20
(v) Remuneration of concession assets recognised over time	-	-	646.50	1,306.08
(vi) Revenue from operation & maintenance of concession assets recognised over time	-	-	16.48	39.08
(vii) Revenue from sale of traded goods recognised at a point of time	588.80	1,923.76	-	-
(viii) Revenue from professional consultancy services recognised at a point of time	-	-	-	-
(ix) Revenue from network infrastructure recognised over time	6.58	2.37	-	-
(x) Revenue from project consultancy services recognised over time	-	-	75.54	-
Total	**11,743.21**	**18,812.64**	**8,952.19**	**10,963.64**

(c) Assets and liabilities related to contracts with customers

(₹ in million)

	March 31, 2021	March 31, 2020
Balances at the beginning of the year		
Trade receivables	5,539.54	6,911.57
Contract assets*	8,031.34	10,466.91
Contract liabilities (including advances from customers)	365.14	326.12
Balances at the end of the year		
Trade receivables	6,230.12	5,539.54
Contract assets	2,533.12	8,031.34
Contract liabilities (including advances from customers)	4,969.53	365.14

* Also includes contract assets related to construction of concession assets

The Group receives payments from customers based on a billing schedule, as established in the contracts.
Contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) performed under the contract.

Set out below is the amount of revenue recognised from:

(₹ in million)

	March 31, 2021	March 31, 2020
Amounts included in contract liabilities at the beginning of the year	365.14	326.12
Performance obligations satisfied in previous years	-	-

(d) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

	March 31, 2021	March 31, 2020
Revenue as per contracted price	20,656.60	29,647.68
Adjustments:		
Incentives earned for higher asset availabilities	37.59	114.13
Surcharges received for late payments	15.36	32.96
Rebates given for early payments	(14.15)	(18.49)
Total revenue from contracts with customers	**20,695.40**	**29,776.28**

(e) Terms of service concession contracts

The Group has subsidiaries in Brazil which construct power transmission assets / facilities under service concession agreements.

Characteristics of service concession arrangement

The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time which are awarded by Brazilian Electricity Regulatory Agency ('ANEEL') through competitive bidding process. The infrastructure constructed by the Group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract

Periodic revision to annual permitted revenue ('RAP')

In accordance with the service concession agreement every five years after the date of signing the contracts, Brazilian Electricity Regulatory Agency ('ANEEL') will periodically tariff review of RAP of electricity transmission, in order to promote efficiency and low tariffs.

The periodic rate revision recipe comprises repositioning by determining:

a) the change of third-party capital costs in the concession agreement;

b) receipts from reinforcements and improvements;

c) identifying the amount to be considered as reducing rate - Other Income

Variable consideration

In accordance with the service concession agreement, the Group is liable to pay penalty for unavailability of transmission facilities to the Grantor. Further, the Group is eligible for additional RAP as an incentive for improving the availability of transmission facilities. These variable considerations are recognised as revenue from transmission infrastructure and/or operation & maintenance revenue in the period in which they occur.

Details of revenue from construction of service concession assets and related construction costs:

(₹ in million)

	March 31, 2021	March 31, 2020
Revenue from construction of service concession assets	1,168.67	6,448.20
Cost of construction of service concession assets	1,416.03	5,320.43

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(f) Remuneration of concession assets

Remuneration from concession assets comprise of interest income which is recognized at the market interest rate that reflects the economic volatility on the future flow from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset at the time of award of the concession.

(g) Transaction price allocated to the remaining performance obligations

(₹ in million)

	31 March 2021	31 March 2020
Expected to be recognised as revenue over the next one year	30,403.76	6,925.26
Expected to be recognised as revenue beyond next one year	60,938.34	-
Total	**91,342.09**	**6,925.26**

NOTE 25: FINANCE INCOME

(₹ in million)

	31 March 2021	31 March 2020
Interest income on		
- Bank deposits	170.89	207.10
- Loan to related parties (refer note 56)	85.85	21.98
- Others	-	2.74
Fair value gain on investments measured at fair value through profit or loss	82.33	50.95
Gain on sale of mutual funds	5.06	2.68
Others	35.65	14.89
Total	**379.78**	**300.34**

* The Company has provided corporate guarantees against the advances received from subsidiaries and joint venture.

NOTE 26: OTHER INCOME

(₹ in million)

	31 March 2021	31 March 2020
Profit on sale of investment in units of India Grid Trust (refer note 10)	213.92	-
Net gain on sale of power transmission assets (refer note i,iii,iv and v below) (refer note 37)	15,397.27	20,535.16
Profit on sale of property, plant and equipment, (net)	1.86	5.74
Income on investment in India Grid Trust	537.73	957.82
Consideration received from India Grid Trust on sale of investments in earlier years (refer note ii below)	1,047.29	-
Miscellaneous income	47.61	41.25
Total	**17,245.68**	**21,539.97**

(i) Sale of Gurgaon-Palwal Transmission Limited

The Group has entered into share purchase agreement and shareholders' agreement dated August 28, 2020 ("the Agreements") among Gurgaon-Palwal Transmission Limited ('GPTL' referred as "the SPV"), Sterlite Power Transmission Limited ('SPTL'), Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Pursuant to the Agreements, the Group has transferred 49% of equity in the SPV and for transfer of the remaining 51% equity stake, the Group has received consideration in advance which is non-refundable. The remaining stake will be transferred to the buying shareholder on expiry of the mandatory shareholding period in the SPV. Under the Agreements, the Group has also given the following rights to the buying shareholder:

a. Right to nominate all directors on the board of directors of the SPV;

b. Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPV;

c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPV at later dates;

d. Pledge on the remaining 51% equity stake in the SPV;

e. Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in the SPV.

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Basis the above rights and the fact that full non-refundable consideration has been received in advance by the Group from the buying shareholder, the Group has derecognised all the assets and the liabilities pertaining to the SPV and recognised a gain of ₹ 10.50 million on sale of the SPV in the statement of profit and loss."

(ii) In earlier years, the Group sold the investment in various subsidiaries to India Grid Trust. During the year, India Grid Trust has paid earn outs related to claim in increase in tariff due to change in law, income tax refund and VAT refund to the Group.

(iii) Sale of Sterlite Grid 2 Limited and Sterlite Grid 3 Limited
Pursuant to share purchase agreements dated April 30, 2019 executed among the Group, Axis Trustee Services Limited (Trustee to India Grid Trust) and Sterlite Investment Managers Limited (Investment Manager of India Grid Trust), the Group sold 100% stake in Sterlite Grid 2 Limited ('SGL2') [and consequently in NRSS XXIX Transmission Limited ('NRSS') which is a wholly owned subsidiary of SGL2] and Sterlite Grid 3 Limited ('SGL3') [and consequently in Odisha Generation Phase II Transmission Limited ('OGPTL') which is a wholly owned subsidiary of SGL3] to India Grid Trust.
In previous year, pursuant to this sale of power transmission assets in SGL2 and SGL3 to India Grid Trust, the group has recognised gain of ₹ 16,330.59 million through statement of profit and loss account."

(iv) Sale of East-North Interconnection Company Limited
During the previous year, the Group entered into agreement to sale its equity stake in East-North Interconnection Company Limited ('ENICL') to India Grid Trust ('IGT'). The Group transferred 49.00% stake and right to appoint majority of the directors on the board of the ENICL as per the Share Purchase Agreement executed on March 23, 2020 among the Group, Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Subsequently during the current year, the balance 51.00% of stake in ENICL has been transferred to IGT by the Group."

(v) During the previous year, the Group sold its equity stake in Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A), Arcoverde Transmissao De Energia S.A., Brazil & Sterlite Novo Estado Energia S.A, Brazil. Consequent to this, the Group derecognised these Power Transmission Assets and gain of ₹ 4,085.30 million was recognised in the statement of profit and loss account.

(vi) During the previous year, the Group received additional consideration of ₹ 156.72 million from India Grid Trust in respect of the sale of Bhopal Dhule Transmission Company Limited ("BDTCL") project pursuant to the Project Implementation and Management Agreement dated November 10, 2016, as amended, in connection with the additional tariff allowed by CERC for BDTCL project.

NOTE 27: EXCEPTIONAL ITEM

	31 March 2021	31 March 2020
Ineffectiveness of derivative contracts designated as cash flow hedges*	-	925.87
	-	**925.87**

*During the previous year, the Group sold some of its investments in Brazilian transmission project entities. The contract for supply of conductor to these project entitles were subsequently been cancelled, this was considered as a non-recurring event. The loss on cancellation of corresponding cash flow hedges entered for mitigation of risk of fluctuation in prices of aluminium and foreign currency was disclosed as exceptional item.

NOTE 28: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	31 March 2021	31 March 2020
Inventory at the beginning of the year	1,454.23	1,001.96
Add: Purchases during the year	8,492.99	10,812.46
	9,947.22	**11,814.42**
Less: Inventory at the end of the year	1,871.70	1,454.23
Cost of raw material and components consumed	**8,075.52**	**10,360.19**

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NOTE 29: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	31 March 2021	31 March 2020
Construction material purchased	2,743.50	8,143.86
Subcontracting charges*	1,694.11	917.29
Total	**4,437.61**	**9,061.15**

*These charges pertains to services rendered in relation to construction contracts

NOTE 30: DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	31 March 2021	31 March 2020
Opening inventories:		
Traded goods	34.90	7.46
Work-in-progress	264.51	391.96
Finished goods	2,006.93	391.98
	2,306.34	**791.40**
Closing inventories:		
Traded goods	58.21	34.90
Work-in-progress	205.64	264.51
Finished goods	762.44	2,006.93
	1,026.29	**2,306.34**
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	**1,280.05**	**(1,514.94)**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31 March 2021	31 March 2020
Salaries, wages and bonus	1,866.78	2,120.99
Contribution to provident fund and superannuation fund	133.12	175.25
Employees stock appreciation rights expense (refer note 46)	196.98	(21.94)
Gratuity expense (refer note 39)	29.55	24.12
Staff welfare expenses	74.91	147.26
Total	**2,301.34**	**2,445.68**

Employee benefit expense above is net of the amounts capitalised to property, plant and equipment. Refer note 40 for details.

NOTE 32: OTHER EXPENSES

(₹ in million)

	31 March 2021	31 March 2020
Consumption of stores and spares	67.58	84.63
Power, fuel and water	207.07	259.74
Repairs and maintenance		
- Building	6.98	0.57
- Machinery	71.97	80.17
- Others	2.61	0.05
Service expenses and labour charges	224.80	262.01
Consumption of packing materials	296.18	426.63
Transmission infrastructure maintenance charges	108.93	103.70
Sales commission	182.13	411.33
Carriage outwards	464.79	416.79
Rent	19.79	142.44
Insurance	136.26	242.82

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(₹ in million)

	31 March 2021	31 March 2020
Rates and taxes	127.47	114.69
Travelling and conveyance	59.81	316.74
Legal and professional fees	1,067.88	987.47
Advertisement and business promotion expenses	11.68	30.65
Recruitment expense	6.83	31.51
Network maintenance charges	16.05	0.68
Directors sitting fee and commission (refer note 56)	14.50	13.18
Bad debts/advances written off	-	23.80
Provision for doubtful debts and advances	97.64	94.72
Write down related to assets held for sale (refer note 10)	670.24	-
Provision for onerous contracts (refer note 20)	-	406.65
Loss on sale of stake in subsidiary (loss of control)	-	38.51
Indemnification expenses incurred under share purchase agreement	72.88	118.70
Miscellaneous expenses	572.64	670.23
Total	**4,506.71**	**5,278.40**

Other expenses above are net of the amounts capitalised to property, plant and equipment. refer note 40 for details.

*During the year, the Group has spend ₹ 19.51 million (31 March 2020: ₹ 10.94 million) on Corporate Social Responsibility ('CSR activities') as per Section 135 of the Companies Act, 2013.

Details of CSR expenditure:

(₹ in million)

Particulars	31 March 2021	31 March 2020
a) Gross amount required to be spent by the Group during the year	-	-
b) Amount approved by the Board to be spent during the year	19.51	10.94
	In cash	Total
c) Amount spent during the year ending on 31March 2021:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	19.51	19.51
d) Amount spent during the year ending on 31March 2020:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	10.94	10.94
e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	0.99	-
- Other than ongoing project	-	-

NOTE 33: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	31 March 2021	31 March 2020
Depreciation of tangible assets	829.50	978.51
Depreciation of right-of-use assets	76.13	103.25
Amortisation of intangible assets	82.52	68.30
Amortisation of goodwill (refer note 50)	-	601.85
Total	**988.15**	**1,751.91**

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NOTE 34: IMPAIRMENT EXPENSE

(₹ in million)

	31 March 2021	31 March 2020
Impairment of property, plant and equipment (including capital work in progress) (refer note 45)	-	669.40
Total	**-**	**669.40**

NOTE 35: FINANCE COST

(₹ in million)

	31 March 2021	31 March 2020
Interest on financial liabilities measured at amortised cost	4,839.85	6,457.11
Bill discounting charges	248.49	134.64
Interest others	6.89	129.27
Lease charges	7.63	19.50
Bank charges	633.60	905.86
Exchange difference to the extent considered as an adjustment to borrowing costs	-	2.33
Total	**5,736.46**	**7,648.71**

Finance cost above is net of the amounts capitalised to property, plant and equipment. Refer note 40 for details.

NOTE 36: EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

(₹ in million)

	31 March 2021	31 March 2020
Profit before exceptional item attributable to equity shareholders for computation of basic and diluted EPS	8,697.74	10,342.47
Profit after exceptional item attributable to equity shareholders for computation of basic and diluted EPS	8,697.74	9,416.61
Weighted average number of equity shares in calculating basic and diluted EPS (Nos. million)	61.18	61.18
Earnings per share		
Basis and diluted before exceptional item (on nominal value of ₹ 2 per share)	**142.16**	**169.04**
Basis and diluted after exceptional item (on nominal value of ₹ 2 per share)	**142.16**	**153.91**

NOTE 37: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:"

Applicability of Appendix D to Ind AS 115 - Revenue from Contracts with Customers to transmission projects in India:

The Group through its subsidiaries in India is a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. It has also entered into a Transmission Services Agreements (""TSA"") with Long Term Transmission Customers (""LTTC"") in India through a tariff based bidding process and is required to Build, Own, Operate and Maintain (""BOOM"") the transmission infrastructure for a period of 25/35 years. The management of the Group is of the view that the grantor as defined under Appendix D of Ind AS 115 (""Appendix D"") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group in respect of the transmission projects undertaken in India under BOOM model.

Asset held for sale (subsidiaries in Brazil)
The Group has presented certain assets and liabilities as held for sale. Refer note 10.
The management has exercised significant judgement in assessing that these entities are available for immediate sale and can be sold in its current condition, the actions to complete the sale were initiated and the sale of these entities is highly probable within one year from the date and the Group expects approval from relevant regulatory authorities which is administrative in nature.
Accordingly, the management has classified the assets and liabilities related to these entities as held for sale since the carrying amounts of such assets and liabilities will be recovered principally through sale transaction rather than through continuing use."

Disposal of NER II Transmission Limited ("NER") and Gurgaon-Palwal Transmission Limited ("GPTL"):
NER:
The Group entered into a Share purchase agreement dated 05 March 2021, as amended on 25 March 2021 ("SPA") and Shareholders' agreement dated 25 March 2021 ("SHA") with IndiGrid Investment Managers Limited (formerly known as Indigrid Investment Managers Limited), being the Investment Manager of India Grid Trust ('IndiGrid') for the sale of NER II Transmission Limited (""NER"").
Pursuant to the SPA, the Group has sold 49% of the paid-up equity shares of NER on 24 March 2021 for a consideration of ₹ 8,578.70 million. Further, under the SHA, the Group has also transferred control over majority of the Board of Directors of NER to IndiGrid. Also, the Group has received irrevocable advance consideration of ₹ 4,376.89 million for further 25% paid up equity shares of NER before 31 March 2021 and it has transferred such equity shares to an escrow account on an irrevocable basis to be transferred eventually to IndiGrid after the expiry of period for mandatory shareholding by Sterlite Grid 4 Limited in NER as per the relevant Transmission Services Agreement. Under the SHA, the control over the voting power for the 25% equity shares is vested with IndiGrid and it has the right to instruct the Group to vote in accordance with its instructions in respect of the 25% equity shares in NER.
Basis the above, the Group has concluded that it has transferred control over NER to IndiGrid on 25 March 2021 and accordingly the net assets of NER have been derecognised and a net gain (including EPC margin) of ₹ 15,313.40 million corresponding to the sale in substance of 74% equity stake in NER has been recognised in the consolidated financial statements. Since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset/ group of similar identifiable assets, hence the sale of NER has been treated as sale of asset rather than sale of business. Accordingly, the remaining equity holding of 26% in NER as at 31 March 2021 has been carried at cost. There are certain conditions precedent ("CPs") specified in the SPA for transfer of the remaining 26% equity stake in NER which are pending to be completed till date."

GPTL:
The Group has entered into share purchase agreement and shareholders' agreement dated August 28, 2020 ("the Agreements") among Gurgaon-Palwal Transmission Limited ('GPTL' referred as "the SPV"), Sterlite Power Transmission Limited ('SPTL'), Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Pursuant to the Agreements, the Group has transferred 49% of equity in the SPV and for transfer of the remaining 51% equity stake, the Group has received consideration in advance which is non-refundable. The remaining stake will be transferred to the buying shareholder on expiry of the mandatory shareholding period in the SPV. Under the Agreements, the Group has also given the following rights to the buying shareholder:

a. Right to nominate all directors on the board of directors of the SPV;

b. Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPV;

c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPV at later dates;

d. Pledge on the remaining 51% equity stake in the SPV;

e. Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in the SPV.

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Basis the above rights and the fact that full non-refundable consideration has been received in advance by the Group from the buying shareholder, the Group has derecognised all the assets and the liabilities pertaining to the SPV and recognised a gain of ₹ 10.50 million on sale of the SPV in the statement of profit and loss.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur."

Estimates used in the application of Appendix D of Ind AS 115 'Service Concession Arrangement' to transmission projects in Brazil
The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider.

The Group records "Concession contract assets", as per Ind AS 115– Revenue from Contracts with Customers for Brazilian subsidiaries in the consolidated financial statements. The contract asset refers to the Group's right to the consideration as a result of the investments made in the construction of transmission line infrastructure. The measurement of contract assets involves significant estimates, such as: (i) the discount rate used, which represents the financing component embedded in the future receivable, (ii) Determination of fair value of consideration for each identified performance obligation and (iii) expected profit margins in each identified performance obligation.

Revenue from contract with customers - EPC contracts
As described in Note 2.3, revenue and costs in respect of construction contracts are recognised progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. The Group estimates the total cost of the project at each period end. These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Impairment of non-financial assets including investment in associate and joint venture
Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment), investment in associate and joint venture. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on the fair values less costs of disposal/value in use of the projects. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash flows.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity 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 increases and mortality rates. 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 each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 39.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 53 and 54 for further disclosures."

NOTE 38: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE COMPANY'S EFFECTIVE EQUITY SHAREHOLDINGS THEREIN ARE AS UNDER:

Name of the Entity	Effective equity shareholding as on 31 March 2021	Effective equity shareholding as on 31 March 2020	Country of incorporation
List of subsidiaries			
Sterlite Power Grid Ventures Limited^^	-	100.00%	India
Sterlite Convergence Limited	100.00%	100.00%	India
Sterlite Grid 4 Limited (SG4L)	100.00%	100.00%	India
Sterlite Grid 5 Limited (SG5L)	100.00%	100.00%	India
Sterlite Grid 6 Limited (SG6L)	100.00%	100.00%	India
Sterlite Grid 7 Limited (SG7L)	100.00%	100.00%	India
Sterlite Grid 8 Limited (SG8L)	100.00%	100.00%	India
Sterlite Grid 9 Limited (SG9L)	100.00%	100.00%	India
Sterlite Grid 10 Limited (SG10L)	100.00%	100.00%	India
Sterlite Grid 11 Limited (SG11L)	100.00%	100.00%	India
Sterlite Grid 12 Limited (SG12L)	100.00%	100.00%	India
Sterlite Grid 13 Limited (SG13L)	-	100.00%	India
Sterlite Grid 14 Limited (SG14L)	100.00%	100.00%	India
Sterlite Grid 15 Limited (SG15L)	100.00%	100.00%	India
Sterlite Grid 16 Limited (SG16L)	100.00%	100.00%	India
Sterlite Grid 17 Limited (SG17L)	100.00%	100.00%	India
Sterlite Grid 18 Limited (SG18L)	100.00%	100.00%	India
Sterlite Grid 19 Limited (SG19L)	100.00%	100.00%	India
Sterlite Grid 20 Limited (SG20L)	100.00%	100.00%	India
Sterlite Grid 21 Limited (SG21L)	100.00%	100.00%	India
Sterlite Grid 22 Limited (SG22L)	100.00%	100.00%	India
Sterlite Grid 23 Limited (SG23L)	100.00%	100.00%	India
Sterlite Grid 24 Limited (SG24L)	100.00%	100.00%	India
Sterlite Grid 25 Limited (SG25L)	100.00%	100.00%	India
Sterlite Grid 26 Limited (SG26L)	100.00%	100.00%	India
Sterlite Grid 27 Limited (SG27L)	100.00%	100.00%	India
Sterlite Grid 28 Limited (SG28L)	100.00%	100.00%	India
Sterlite Grid 29 Limited (SG29L)	100.00%	100.00%	India
Sterlite Grid 30 Limited (formerly known as NRSS XXIS JS Transmission limited)	100.00%	100.00%	India
One Grid Limited**	100.00%	-	India
Sterlite EdIndia Foundation	99.95%	99.93%	India
East-North Interconnection Company Limited (ENICL)#	-	-	India
Gurgaon-Palwal Transmission Limited (GPTL)^#	-	100.00%	India
Khargone Transmission Limited (KTL)	100.00%	100.00%	India
NER-II Transmission Limited (NER-II)^	-	100.00%	India
Goa-Tamnar Transmission Project Limited (GTTPL)	100.00%	100.00%	India
Udupi Kasargode Transmission Limited (UKTL)	100.00%	100.00%	India
Lakadia Vadodara Transmission Project Limited (LVTPL)	100.00%	100.00%	India

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Name of the Entity	Effective equity shareholding as on 31 March 2021	Effective equity shareholding as on 31 March 2020	Country of incorporation
Sterlite Brazil Participacoes S.A	100.00%	100.00%	Brazil
Se Vineyards Power Transmission S.A.***	100.00%	100.00%	Brazil
Dunas Transmissão de Energia S.A***	100.00%	100.00%	Brazil
Borborema Transmissão de Energia S.A.	100.00%	100.00%	Brazil
São Francisco Transmissão de Energia S.A.***	100.00%	100.00%	Brazil
Goyas Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Marituba Transmissão de Energia S.A.***	100.00%	100.00%	Brazil
Solaris Transmissão de Energia S.A.	100.00%	100.00%	Brazil
List of associates and Joint ventures			
Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	40.00%	40.00%	India
Sterlite Interlinks Limited	49.00%	49.00%	India
India Grid Trust (refer note 10) (associate upto May 07, 2020)	-	15.00%	India
Sterlite Grid 13 Limited (SG13L)	50.00%	-	India
Vapi II North Lakhimpur Transmission Limited (VNLTL)	50.00%	-	India
NER-II Transmission Limited (NER-II)^#	26.00%	-	India

* Includes 14% of the stake classified as asset held for sale (refer note 10)
** Subsidiary incorporated / acquired during the year.
*** Classified as asset held for sale (refer note 10)
^ Subsidiaries sold during the year
^^ Merged during the year with Sterlite Power Transmission Limited. Refer note 49a
# Based on the beneficial ownership

NOTE 39: EMPLOYEE BENEFIT OBLIGATION

The Group has a defined benefit gratuity plan which in unfunded. Every employee working in the Group gets a gratuity on departure at 15 days salary (last drawn salary) for completed period of service.

Changes in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Defined benefit obligation at the beginning of the year	84.72	80.37
Interest cost	4.70	5.76
Current service cost	16.87	17.93
Past service cost	13.35	-
Liability transferred in/acquisitions	-	0.43
Liability transferred out/divestments	-	(1.24)
Benefits paid directly by the Group	(23.82)	(19.63)
Actuarial (gain)/loss due to change in financial assumptions	(3.86)	0.62
Actuarial (gain)/loss on obligation due to experience adjustments	8.01	7.16
Actuarial (gain)/loss on obligation due to demographic assumptions	0.40	(6.69)
Present value of defined benefit obligation at the end of the year	100.37	84.72

Details of defined benefit obligation

(₹ in million)

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation	100.37	84.72
Fair value of plan assets	-	-
Defined benefit liability	100.37	84.72
Current	23.71	9.76
Non Current	76.67	74.96

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Net employee benefit expense recognised in the statement of profit and loss:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Current service cost	16.87	17.93
Past service cost	13.35	-
Liability transferred in/acquisitions	-	0.43
Interest cost on benefit obligation	4.70	5.76
Net benefit expense*	34.92	24.12

Expenses recognised in other comprehensive income (OCI) for current period

(₹ in million)

Particulars	31 March 2021	31 March 2020
Actuarial (gain)/loss on obligation for the year		
- changes in demographic assumption	0.40	(6.69)
- changes in financial assumption	(3.86)	0.62
- experience variance	8.01	7.16
Net (income)/expense for the year recognized in OCI	4.55	1.09

Amounts for the current and previous periods are as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Defined benefit obligation	100.37	84.72
Plan assets	-	-
Deficit	100.37	84.72
Experience adjustments on plan liabilities	8.01	7.16
Experience adjustments on plan assets	-	-

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	31 March 2021	31 March 2020
Discount rate	5.65%	5.55% - 5.76%
Expected rate of return on plan asset	NA	NA
Employee turnover	16.56%-24.85%	20% - 24%
Expected rate of salary increase	7%	8.00%
Actual rate of return on plan assets	NA	NA

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

(₹ in million)

Particulars	31 March 2021	31 March 2020
Projected benefit obligation on current assumptions	100.37	84.72
Delta effect of +1% change in rate of discounting	(4.16)	(3.44)
Delta effect of -1% change in rate of discounting	4.54	3.75
Delta effect of +1% change in rate of salary increase	4.24	3.34
Delta effect of -1% change in rate of salary increase	(3.98)	(3.16)
Delta effect of +1% change in rate of employee turnover	(1.40)	(3.98)
Delta effect of -1% change in rate of employee turnover	3.29	6.36

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Maturity analysis of projected benefit obligation: From the employer (undiscounted basis)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Projected benefits payable in future years from the date of reporting		
1st year	23.71	11.11
2-5 years	57.15	44.68
6-10 years	32.41	35.62
More than 10 years	19.29	33.71

* Includes amount capitalised during the year

NOTE 40: CAPITALISATION OF EXPENDITURE

During the year, the Group has capitalised the following expenses to the cost of fixed assets/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in million)

Particulars	31 March 2021	31 March 2020
A. Opening balance of expenditure included in CWIP	7,489.30	9,503.88
B. Additions to CWIP during the year		
Employee benefits expense (including gratuity)	512.16	478.54
Finance costs*	2,874.45	3,477.40
Travelling and conveyance	75.12	70.97
Professional and consultancy fee	308.80	457.51
Other expenses	201.41	306.73
Total	**3,971.94**	**4,791.15**
C. Transferred to property, plant and equipment during the year	6,687.81	6,805.73
D. Closing balance of expenditure in CWIP (A+B-C)	**4,773.43**	**7,489.30**

* During the year, the Group has capitalised borrowing costs of ₹ 2,874.45 million (31 March 2020: ₹ 3,477.40 million) incurred on the borrowings availed for erection of transmission lines. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's borrowings, in this case 10.50% p.a. to 11.50% p.a. (31 March 2020: 10.50% p.a. to 11.50% p.a).

NOTE 41: CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹ 40,073.57 million (31 March 2020: ₹ 20,580.55 million).

b) Entities in power transmission grid business have entered into transmission service agreements (TSAs) with long term transmission customers pursuant to which these entities have committed to transmit power of contracted capacity and have also committed minimum availability of transmission line over the period of respective TSAs. The TSAs contain provision for disincentives and penalties in case of certain defaults.

c) The Group has entered into agreements with the lenders of following subsidiaries wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital of below mentioned subsidiaries and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

   1. Khargone Transmission Limited (KTL)
   2. Goa Tamnar Transmission Project limited (GTTPL)
   3. Lakadia Vadodara Transmission Limited (LVTPL)

d) The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency if any to the lenders of the project in subsidiaries to the extent as specified in the agreements executed with the respective lenders.

e) The Group has entered into service concession agreement in Brazil for construction & maintenance of service concession assets.

f) The board of directors of the Company have approved purchase of 59.47% equity stake in Maharashtra Transmission Communication Infrastructure Limited ('MTCIL') from Sterlite Technologies Limited ('STL'). STL has filed an application with the Department of Telecommunication for transfer of its equity stake in MTCIL to the Company which is pending for approval.

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NOTE 42: CONTINGENT LIABILITIES

	Particulars	31 March 2021 (₹ in million)	31 March 2020 (₹ in million)
1	Disputed liabilities in appeal		
	a) Excise duty	76.40	76.40
	b) Value Added Tax (VAT) and Central sales tax (refer note i below)	294.06	219.34
2	Bank guarantees given		
	- On behalf of India Grid Trust ('IGT')	25.00	25.00
	- To India Grid Trust ('IGT') for various claim with respect to sale of investments (refer note ii and iii below)	1,000.00	-
3	Corporate guarantees given:		
	- To India Grid Trust ('IGT') for claim under arbitration with respect to sale of ENICL (refer note ii below)	-	1,000.00
	- Given on behalf of its related party revenue contract executed	188.60	188.60
	- To India Grid Trust ('IGT') for clearance of items mentioned in the share purchase agreement with respect to sale of ENICL	350.00	350.00
	- On behalf of its subsidiary for issuance of non-convertible debentures during the year	2,000.00	-

Further, pursuant to share purchase agreement with India Grid Trust, the Group is to indemnify India Grid Trust for entry tax demand of ₹ 252.31 million (31 March 2020 ₹ 234.49 million) sales tax demands of ₹ 43.88 million (31 March 2020: ₹ 11.30 million), custom duty demands of ₹ Nil (31 March 2020: 12.78 million) and income tax act ₹ 27.90 million (31 March 2020: 27.16 million) in relation to the Companies sold to the trust.

(i) The above Value Added Tax, Central Sales Tax and Entry Tax demand (along with the applicable interest, wherever levied) pertains to the following matters.

(a) Central Sales Tax demand of ₹16.80 million (31 March 2020 of ₹ 16.80 million) raised under the Delhi VAT Act, 2004 on account of non-submission of the declaration forms C pending to be received from the customers for the Assessment Year 2014-15.

(b) Value Added Tax, Central Sales Tax and Entry Tax demand of ₹14.31 million (Amount ₹ 19.10 million) raised under the Madhya Pradesh VAT Act, 2002 on account of non-submission of the declaration forms EI/EII and Form 3 pending to be received / submitted for the Assessment Year 2015-16. The Group has deposited an amount of ₹ ₹ 4.77 million (31 March 2020: 4.70 million) while preferring the appeal in this matter.

(c) Central Sales Tax demand of ₹ 5.53 million (31 March 2020 ₹ 5.53 million) raised under the West Bengal VAT Act, 2003 on account of non-submission of the declaration forms C pending to be received / submitted for the Assessment Year 2014-15 and. The Group has deposited an amount of ₹ 0.56 million (31 March 2020: ₹ 0.47 million) while preferring the appeal in this matter.

(d) Central Sales Tax demand of ₹ Nil million (31 March 2020 ₹ 0.19 million) pertains to the demand raised under the Rajasthan VAT Act, 2003 on account of non-submission of the declaration forms EII pending to be received from the suppliers for the Assessment Year 2015-16

(e) VAT demand of ₹ 30.95 million (31 March 2020: ₹ 6.88 million) pertains to Telangana VAT Act, 2003 on account on non discharge of VAT liability by sub- contractor for the period December 2015 to June 2017. Central Sales Tax demand of ₹ 0.68 million on account of non-availability of E-1 form for the period 2017-18.

(f) Central Sales Tax demand of ₹ 185.81 million (31 March 2020: 95.24 million) pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EII forms pending to be received from the suppliers for the Assessment Year 2015-16 and Assessment year 2016-17.

(g) Central Sales Tax demand of ₹ 0.88 million pertains to the demand raised under the Odisha VAT Act, 2004 on account of non-submission of the E1 declaration forms pending to be received from the suppliers for the Assessment Year 2016-17 and 2017-18.The Group has deposited an amount of ₹ 0.10 million while preferring the appeal in this matter.

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h) Value Added Tax demand of ₹ 12.78 million (31 March 2020: ₹ 14.16 million) raised under the Uttarakhand Vat Act,2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2014-15 and 2015-16.

i) Value Added Tax demand of ₹ 12.64 million (31 March 2020: ₹ 15.52 million) raised under the Orissa Value Added Tax Act, 2004 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year October-15 - March-16, April-16 - June-16 and April-14 - September-15.

j) Value Added Tax demand of ₹ 14.36 million (31 March 2020: ₹ 50.99 million) raised under the Dadra & Nagar Haveli Value Added Tax Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13 and 2015-16.

The Group is contesting the demand by way of preferring appeals to the higher tax authorities and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax 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 and results of the operations.

(ii) During the previous year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by in earlier years which is pending before Arbitral Tribunal. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

(iii) Fixed deposits have been lien marked against the same.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

NOTE 43: HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts

Foreign exchange forward contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments, majorly for sales and purchases in USD and EUR. 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, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

Commodity future contracts

Commodity future contracts entered on London Metal Exchange (LME) measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for purchases of aluminium and copper. The futures contract balances vary with the level of expected quantity of purchases of aluminium and copper. The terms of the future contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges during the year ended 31 March 2021 were assessed to be highly effective and a net unrealised gain of ₹ 2,416.44 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended 31 March 2020 were assessed to be highly effective except for as disclosed in note 27 and an unrealised loss of ₹ 3,497.46 million was included in OCI in respect of these contracts. The amounts retained in cash flow hedge reserve at 31 March 2021 of ₹ 769.98 million (31 March 2020: ₹ 1,548.18 million) is expected to mature and affect the statement of profit and loss during the year ended 31 March 2022.

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NOTE 44: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the Group, for hedge purpose, as on March 31, 2021:

Purpose	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
31 March 2021				
Hedge of payables, buyers credit and highly probable foreign currency purchases	USD 95.03	6,985.05	Buy	101.00
Hedge of trade receivables, margin money deposits and highly probable sale	USD 60.44	4,442.84	Sell	66.00
Hedge of payables and highly probable purchases	-	-	Buy	-
Hedge of trade receivables and highly probable sale	EUR 15.94	1,372.60	Sell	20.00
31 March 2020				
Hedge of payables, buyers credit and highly probable foreign currency purchases	USD 85.47	6,443.71	Buy	105
Hedge of trade receivables, margin money deposits and highly probable sale	USD 88.62	6,680.33	Sell	84
Hedge of payables and highly probable purchases	EUR 0.25	20.76	Buy	1
Hedge of trade receivables and highly probable sale	EUR 3.70	307.28	Sell	15

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

Category	Currency type	31 March 2021		31 March 2020	
		Foreign currency (In million)	Amount (₹ in million)	Foreign currency (In million)	Amount (₹ in million)
Import of goods and services	USD	0.85	62.56	0.90	67.55
Import of goods and services	EUR	0.07	5.82	0.02	1.27

(c) Commodity future contracts to hedge against fluctuation in commodity prices:

The following are the outstanding future contracts entered into by the group as on 31 March 2021:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2021	Aluminium	143	60,705	Buy
31 March 2021	Aluminium	31	10,359	Sell
31 March 2021	Copper	4	323	Buy
31 March 2021	Copper	1	275	Sell
31 March 2021	Midwest premium on aluminium	4	100	Buy
31 March 2021	Midwest premium on aluminium	4	100	Sell
31 March 2020	Aluminium	157	1,19,760	Buy
31 March 2020	Aluminium	120	1,02,595	Sell
31 March 2020	Copper	5	137	Buy
31 March 2020	Copper	4	104	Sell
31 March 2020	Midwest premium on aluminium	16	5,650	Buy

NOTE 45: KEY ASSUMPTIONS IN IMPAIRMENT TESTING

The Group had entered into framework agreement with India Grid Trust ('IGT') and Sterlite Investment Management Limited (SIML) on April 29, 2019 to sale entire stake in the "KTL" & "GPTL" at predetermined value subject to commercial operation of the transmission line.

Subsequent to year end, the Group has completed sale of stake in GPTL to India Grid Trust at Enterprise value of 10,850 million. Accordingly for the year ended 31 March 2020 Group has reversed impairment amounting to ₹ 318.44 million in statement of profit & loss account.

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For KTL, the recoverable amount of the transmission assets as determined under the framework agreement was lower than carrying value as on 31 March 2020, by ₹ 987.84 million and accordingly the Group has recorded an impairment charge for that amount during the year ended 31 March 2020.

NOTE 46: EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR)

ESAR scheme 2017

The Group has granted 0.69 million (31 March 2010: 0.67 million) Employee Stock Appreciation Rights (ESARs) to eligible employees under the Employee Stock Appreciation Rights plan 2017 ("ESAR 2017") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated 8 October 2017.

Particulars	31 March 2021		31 March 2020	
	Numbers	Amount (₹ in million)	Numbers	Amount (₹ in million)
Opening balance as at the beginning of the year	6,97,122	54.36	6,65,425	85.45
ESAR granted during the period	25,675	1.70	2,20,397	15.65
ESAR cancelled	(94,325)	(9.09)	(1,88,700)	(18.70)
Payment towards ESARs vested			-	-
Balance	6,28,472	46.97	6,97,122	82.40
Accrual for the year and impact of change in FMV of equity share*	-	260.68	-	(28.04)
Closing balance as at the end of the year	**6,28,472**	**307.65**	**6,97,122**	**54.36**

* Including amount capitalised during the year.

Vesting of ESARs is subject to continued employment with the Group. The vesting period of ESARs ended during the year and the Group has paid the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the SAR price (i.e. the base price defined on the grant date of SAR) specified in the Scheme subsequent to the balance sheet date. The FMV is determined and approved by the Committee and Board of directors based on the valuation and other relevant factors. As at 31 March 2021, excess of FMV over SAR price specified in the ESAR Scheme 2017 is ₹ 423.15 (31 March 2020: 66.08) per share. Accordingly in the current year, the Group has recognised an expenses of ₹ 196.98 million in the statement of profit and loss account. Comparatively, the Group recognised reversal of expense of ₹ 21.94 million in the statement of profit and loss during the year ended 31 March 2020.

NOTE 47: LEASE LIABILITY

The Group has long term lease contacts for office premises and various vehicles. Information about leases for which the Group is lessee is presented below.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	Amount
Less than one year	36.31
One to two years	22.89
Two to five years	1.90
More than five years	-
Total undiscounted lease liabilities at 31 March 2021	**61.10**

Set out below, are the carrying amount of the Group's liabilities and the movement during the year.

Particulars	Amount
Opening lease liabilities as at April 01, 2020	163.39
Add: Additions/(deductions)	(10.55)
Add: Interest expense	7.63
Less: Payments	(107.42)
As at 31 March 2021	**53.05**
Current	32.59
Non-current	20.46

The weighted average incremental borrowing rate for discounting lease payments for India: 9.83% p.a. to 11.75% p.a. (31 March 2020: 9.95% p.a. to 12% p.a.) and for Brazil: 10.24% p.a. (31 March 2020: 10.24% p.a.)

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NOTE 48 (A): STATUTORY GROUP INFORMATION (SHARE IN NET ASSETS)

Name of entity	Net assets, i.e., total assets minus total liabilities (31 March 2021)		Net assets, i.e., total assets minus total liabilities (31 March 2020)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Parent				
Sterlite Power Transmission Limited	-29.65%	(3,251.44)	-2487.42%	(15,113.31)
Subsidiaries				
- Indian				
Sterlite Convergence Limited	0.79%	86.36	30.86%	187.49
Sterlite EdIndia Foundation	0.01%	1.47	0.46%	2.78
Sterlite Grid 4 Limited	23.42%	2,568.22	-0.04%	(0.25)
Sterlite Grid 5 Limited	0.01%	1.41	12.88%	78.23
Sterlite Grid 6 Limited	-0.01%	(0.73)	-0.06%	(0.39)
Sterlite Grid 7 Limited	0.00%	(0.14)	-0.02%	(0.11)
Sterlite Grid 8 Limited	(0.00)	(0.14)	-0.02%	(0.13)
Sterlite Grid 9 Limited	(0.00)	(0.15)	-0.02%	(0.15)
Sterlite Grid 10 Limited	0.00%	(0.14)	0.05%	0.31
Sterlite Grid 11 Limited	0.00%	(0.15)	-0.02%	(0.12)
Sterlite Grid 12 Limited	0.00%	(0.17)	-0.01%	(0.07)
Sterlite Grid 13 Limited		-	-0.02%	(0.14)
Sterlite Grid 14 Limited	0.00%	(0.34)	-0.02%	(0.15)
Sterlite Grid 15 Limited	0.00%	(0.17)	-0.02%	(0.13)
Sterlite Grid 16 Limited	0.00%	0.02	0.10%	0.58
Sterlite Grid 17 Limited	(0.00)	(0.02)	0.10%	0.58
Sterlite Grid 18 Limited	0.00	0.60	-0.01%	(0.08)
Sterlite Grid 19 Limited	(0.00)	(0.02)	0.10%	0.58
Sterlite Grid 20 Limited	0.00%	(0.02)	0.10%	0.59
Sterlite Grid 21 Limited	0.00%	(0.02)	0.16%	0.99
Sterlite Grid 22 Limited	0.00%	(0.02)	0.16%	0.99
Sterlite Grid 23 Limited	0.00%	0.38	0.16%	0.99
Sterlite Grid 24 Limited	0.00%	0.37	0.16%	0.99
Sterlite Grid 25 Limited	0.00%	0.37	0.16%	0.99
Sterlite Grid 26 Limited	0.00%	0.37	0.16%	0.99
Sterlite Grid 27 Limited	0.00%	0.36	0.16%	0.99
Sterlite Grid 28 Limited	0.01%	0.85	0.16%	0.99
Sterlite Grid 29 Limited**	-0.02%	(1.95)	0.16%	1.00
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0.00%	(0.01)	0.02%	0.14
Lakadia Vadodara Transmission Project Limited**	10.30%	1,129.85	-175.59%	(1,066.87)
One Grid Limited*	0.00%	0.10	-	-
Gurgaon-Palwal Transmission Limited^	-	-	573.92%	3,487.09
Khargone Transmission Limited	40.50%	4,440.90	624.45%	3,794.08
NER-II Transmission Limited^	-	-	368.66%	2,239.92
Goa-Tamnar Transmission Project Limited	3.86%	423.45	-96.52%	(586.42)
Udupi Kasargode Transmission Limited**	2.94%	322.04	14.43%	87.70
- Foreign				
Sterlite Brazil Participacoes S.A	9.50%	1042.01	816.44%	4,960.60
Se Vineyards Power Transmission S.A.	11.81%	1294.80	240.12%	1,458.96
Dunas Transmissão de Energia S.A	2.98%	327.31	41.38%	251.44
Borborema Transmissão de Energia S.A.	3.12%	342.24	19.74%	119.93
São Francisco Transmissão de Energia S.A.	2.75%	301.79	46.92%	285.07
Goyas Transmissão de Energia S.A.	3.04%	333.40	14.16%	86.02
Marituba Transmissão de Energia S.A.	3.20%	351.26	25.15%	152.78
Solaris Transmissão de Energia S.A.	3.26%	357.63	20.46%	124.33

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Name of entity	Net assets, i.e., total assets minus total liabilities (31 March 2021)		Net assets, i.e., total assets minus total liabilities (31 March 2020)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Associates				
- Indian				
Sterlite Investment Managers Limited	0.43%	47.14	6.08%	36.92
Sterlite Interlinks Limited	0.11%	12.59	1.79%	10.89
NER-II Transmission Limited	7.61%	834.36	-	-
Joint Venture				
- Indian				
Sterlite Grid 13 Limited (from 31 March 2021)	-	-	-	-
Total	**100.00%**	**10,966.05**	**100.00%**	**607.59**

* Company incorporated during the year
** Company incorporated during the previous year
^ Company sold during the year

NOTE 48 (B): STATUTORY GROUP INFORMATION (SHARE IN PROFIT OR LOSS)

Name of entity	Share in profit or loss (Year ended 31 March 2021)		Share in profit or loss (Year ended 31 March 2020)	
	As % of profit/ loss for the year	(₹ in million)	As % of profit/ loss for the year	(₹ in million)
Parent				
Sterlite Power Transmission Limited	27%	2,327.56	75%	7,069.61
Subsidiaries				
- Indian				
Sterlite Convergence Limited	0%	(25.70)	1%	77.29
Sterlite EdIndia Foundation	0%	(20.52)	0%	(6.58)
Sterlite Grid 2 Limited^	-	-	-1%	(63.90)
Sterlite Grid 3 Limited^	-	-	0%	(2.84)
Sterlite Grid 4 Limited	83%	7,215.77	0%	(0.49)
Sterlite Grid 5 Limited	0%	(5.50)	0%	(5.78)
Sterlite Grid 6 Limited	0%	(0.15)	0%	(0.85)
Sterlite Grid 7 Limited	0%	(0.16)	0%	(0.24)
Sterlite Grid 8 Limited	0%	(0.16)	0%	(0.15)
Sterlite Grid 9 Limited	0%	(0.16)	0%	(0.15)
Sterlite Grid 10 Limited	0%	(0.16)	0%	(0.15)
Sterlite Grid 11 Limited	0%	(0.15)	0%	(0.85)
Sterlite Grid 12 Limited	0%	(0.93)	0%	(0.73)
Sterlite Grid 13 Limited	-	-	0%	(0.15)
Sterlite Grid 14 Limited	0%	(0.42)	0%	(0.20)
Sterlite Grid 15 Limited	0%	(0.75)	0%	(0.74)
Sterlite Grid 16 Limited	0%	(0.61)	0%	(0.01)
Sterlite Grid 17 Limited	0%	(0.61)	0%	(0.01)
Sterlite Grid 18 Limited	0%	(0.30)	0%	(0.15)
Sterlite Grid 19 Limited	0%	(0.61)	0%	(0.01)
Sterlite Grid 20 Limited	0%	(0.73)	0%	(0.60)
Sterlite Grid 21 Limited	0%	(0.61)	0%	(0.01)
Sterlite Grid 22 Limited	0%	(0.61)	0%	(0.60)
Sterlite Grid 23 Limited	0%	(0.61)	0%	(0.01)
Sterlite Grid 24 Limited	0%	(1.21)	0%	(0.01)
Sterlite Grid 25 Limited	0%	(0.62)	0%	(0.01)
Sterlite Grid 26 Limited	0%	(1.21)	0%	(0.01)
Sterlite Grid 27 Limited	0%	(0.63)	0%	(0.01)
Sterlite Grid 28 Limited**	0%	(0.73)	0%	(0.02)
Sterlite Grid 29 Limited	0%	(2.94)	0%	(0.01)

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Name of entity	Share in profit or loss (Year ended 31 March 2021)		Share in profit or loss (Year ended 31 March 2020)	
	As % of profit/ loss for the year	(₹ in million)	As % of profit/ loss for the year	(₹ in million)
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0%	(0.14)	0%	(0.11)
Lakadia Vadodara Transmission Project Limited**	0%	(6.60)	0%	(3.58)
East North Interconnection Company Limited^	-	-	-5%	(440.20)
NRSS XXIX transmission Limited^	-	-	0%	7.76
Odisha Generation Phase-II Transmission Limited (OGPTL)^	-	-	0%	(44.46)
Gurgaon-Palwal Transmission Limited	0%	32.34	4%	366.53
Khargone Transmission Limited	1%	110.89	-8%	(786.67)
NER-II Transmission Limited	-1%	(82.30)	0%	10.16
Goa-Tamnar Transmission Project Limited	0%	(2.74)	0%	0.26
Udupi Kasargode Transmission Limited**	0%	(5.06)	0%	(0.06)
- Foreign				
Sterlite Brazil Participacoes S.A	-8%	(718.62)	22%	2,034.51
Se Vineyards Power Transmission S.A.	0%	(16.69)	5%	487.27
Arcoverde Transmissão De Energia S.A.^	-	-	2%	198.50
Sterlite Novo Estado Energia S.A, Brazil^	-	-	4%	353.53
Dunas Transmissão de Energia S.A	0%	12.69	0%	(24.46)
Borborema Transmissão de Energia S.A.	0%	(35.12)	0%	4.46
São Francisco Transmissão de Energia S.A.	0%	(23.84)	2%	164.50
Goyas Transmissão de Energia S.A.	0%	(16.61)	0%	(0.65)
Marituba Transmissão de Energia S.A.	0%	(14.79)	0%	19.70
Solaris Transmissão de Energia S.A.	0%	(24.11)	0%	2.04
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)^	-	-	0%	(1.71)
Castelo Transmissao de Energia S.A.	-	-	0%	(1.05)
Associates				
- Indian				
Sterlite Investment Managers Limited	0%	10.22	0%	(2.12)
Sterlite Interlinks Limited	0%	1.69	0%	10.85
Total	**99.99%**	**8,697.74**	**100.00%**	**9,416.61**

** Company incorporated during the previous year

^ Company sold during the year

NOTE 48(C): STATUTORY GROUP INFORMATION (SHARE IN OTHER COMPREHENSIVE INCOME)

Name of entity	Share in other comprehensive income (Year ended 31 March 2021)		Share in other comprehensive income (Year ended 31 March 2020)	
	As % of OCI for the year	(₹ in million)	As % of OCI for the year	(₹ in million)
Parent				
Sterlite Power Transmission Limited	142.99%	2,175.42	69.06%	(3,392.58)
Subsidiaries				
- Indian				
Sterlite Power Grid Ventures Limited (refer note 49(a))	-	-		-
- Foreign				
Sterlite Brazil Participacoes S.A	-42.99%	(654.05)	30.94%	(1,519.82)
Total	**100.00%**	**1,521.37**	**100.00%**	**(4,912.40)**

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NOTE 49: OTHER NOTES

(a) The Board of Directors of the Group at its meeting held on May 30, 2018 had approved the Scheme of Amalgamation of Sterlite Power Grid Ventures Limited, a wholly owned subsidiary, with Sterlite Power Transmission Limited with appointed date of April 1, 2017 ("the Scheme"). During the year, the National Company Law Tribunal approved the Scheme vide order dated May 22,2020 which was received by Sterlite Power Transmission Limited on October 21,2020 and filed with ROC on November 15,2020.

(b) The Board of Directors of the Group in its meeting held on March 22, 2021 approved a Scheme of amalgamation of Sterlite Grid 4 Limited, a wholly owned subsidiary of the Group under the Companies Act, 2013 with the appointed date of April 1,2020. After obtaining requisite approvals, the Group has filed the Scheme with National Company Law Tribunal ('NCLT') and the same is pending for NCLT approval.

(c) The Group has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital') dated December 28, 2020 ('the Framework Agreement') for investment in the subsidiaries of the Group which are engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India wherein the Group and AMP Capital (together referred as investors) each will own 50% of the equity capital of such entities. Both the investors would invest in equal proportions in the projects being developed in the form of equity capital, NCDs and other convertible instruments. The returns on sale of the projects post completion would be shared between the two investors in a graded manner in accordance with the Framework Agreement. There is no guaranteed minimum return to AMP Capital under the Framework Agreement.

Pursuant to the Framework Agreement as above and the Share purchase and Shareholders' agreements dated December 28, 2020 executed among the Company, AMP Capital, Sterlite Grid 13 Limited ('SGL13') and Vapi-II North Lakhimpur Transmission Limited, AMP Capital invested ₹ 3.10 million which is equivalent to 50% of the paid up equity share capital of SGL13 on 31 March 2021 and it has also acquired from the Company, 50% of the NCDs issued by SGL13 to the Company for a consideration of ₹ 1,074.01 million. SGL13 was a wholly owned subsidiary of the Company before the above transaction and it is the holding company of Vapi-II North Lakhimpur Transmission Limited which is the project SPV developing the transmission project in the states of North east, Maharashtra and Gujrat. Accordingly, based on the inter-se rights available to the Group and AMP Capital under the aforesaid agreements and the equal equity shareholdings of both the investors, the investment in SGL13 has been classified as investment in joint venture with effect from 31 March 2021.

Subsequent to balance sheet date, on April 6, 2021, AMP Capital subscribed 50% of the paid up equity share capital of Sterlite Grid 14 Limited ('SGL14'), Sterlite Grid 18 Limited ('SGL18') and Sterlite Grid 29 Limited ('SGL 29') pursuant to the Framework Agreement and the respective Share purchase and Shareholders' agreements dated December 28, 2020 executed among the Company, AMP Capital, SGL14/SGL18/SGL5/SGL29 and their respective project SPVs viz. Udupi Kasargode Transmission Limited / Lakadia-Vadodara Transmission Project Limited / Goa Tamnar Transmission Project Limited. Accordingly, as per the terms of the Agreement and the inter-se rights available to the Group and AMP Capital under the aforesaid agreement, investment in SGL13 has been classified as investment in joint venture with effect from 31 March 2021. AMP Capital also acquired NCDs of ₹ 285.53 million of SGL14, ₹ 1,046.13 million of SGL18 and ₹ 561.90 million of SGL29 from the Company for considerations of ₹ 313.84 million, ₹ 1,093.37 million and ₹ 658.95 million respectively. Accordingly, based on the inter-se rights available to the Group and AMP Capital under the aforesaid agreements and the equal equity shareholdings of both the investors, SGL14/SGL18/SGL29 have become joint ventures for the Group subsequent to the balance sheet date.

(d) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group is assessing the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(e) The board of directors of the Company in its meeting held on 10 May 2021 declared an interim dividend of ₹ 5.30 per share.

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NOTE 50: GOODWILL ON CONSOLIDATION

The Board of directors of the Sterlite Technologies Limited on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged Company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting Company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of April 1, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated April 22, 2016 and it became effective from May 23, 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. 1 April 2015. This goodwill is being amortised over a period of five years as required under the Scheme. The amortisation charge for the current year is ₹ Nil million (31 March 2020: ₹ 601.85 million). Under Ind AS, the differential amount would have been ajdusted to reserves and no goodwill would have been recognised since the business combination was a common control transaction.

NOTE 51: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's 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 derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management 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 may be undertaken. The Group reviews and agrees policies for managing each of these risks, which are summarised below.

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 reviewed regularly 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.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analyses have been prepared on the basis that the amount of net 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 March 31, 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:
• The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 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 market interest rates. The Group's exposure to the risk of changes in market interest rate primarily relates to the Group's long term debt obligations with floating interest rates.

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The Group is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At March 31, 2021, 11.90% of the Group's borrowings are at a fixed rate of interest (March 31, 2020: 19.93%).
Further, the Group does not record borrowings at fair value through profit and loss."

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of loans and borrowings affected. 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 ₹ million)

Particulars	Increase/ decrease in basis points	Effect on profit before tax / pre-tax equity *
31 March 2021		
Base Rate	+50	(193.37)
Base Rate	-50	193.37
31 March 2020		
Base Rate	+50	(219.45)
Base Rate	-50	219.45

*Part of the interest costs pertaining to under construction projects get capitalised. The figures for sensitivity in the above table are before considering the capitalisation of interest costs.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in a foreign currency) and foreign currency borrowings.

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.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged 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 the exposure of 94.36% as at March 31, 2021 and 99.95% as at March 31, 2020.

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR 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 million)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
31 March 2021*	+5%	(11.16) / (8.35)	+5%	(0.29) / (0.22)
	-5%	11.16 / 8.35	-5%	0.29 / 0.22
31 March 2020*	+5%	(3.38)/(2.20)	5%	(0.06)/(0.05)
	-5%	3.38/2.20	-5%	0.06/0.05

*Does not include sensitivity with respect to interest on borrowings associated with assets classified as held for sale. Refer note 10.

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Commodity price risk
The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of aluminium and copper for manufacture of conductor and OPGW, power cables and therefore require a continuous supply of aluminium and copper. Due to the volatility of the price of aluminium and copper, the group enters into various purchase contracts for aluminium and copper on London Metal Exchange. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1 month forecast of the required copper, and aluminium 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.

Equity price risk
The Group's investment in 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 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 reviews and approves all equity investment decisions.

At the reporting date, the exposure to non-listed equity shares at fair value was ₹ 398.60 million (March 31, 2020: ₹ 112.45 million). Refer note 53.

In previous year, as referred in note 10, the Company entered into an agreement to sell 87.54 million units of India Grid Trust at an agreed amount hence these units were not considered for sensitivity analysis. Further, the Company continued to hold 0.10 million units in the India Grid Trust which were carried at cost. In the current year, the Company has sold 85.51 million units of India Grid Trust and the balance have been included for sensitivity analysis."

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value	
			31 March 2018	31 March 2017
Investment at fair value of India Grid Trust	140.24 per unit	0.50%	1.43	NA
		-0.50%	(1.43)	NA

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables
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 based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this 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 insurance.

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 calculation is based on losses historical data. 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.

The Group is also engaged in transmission infrastructure development business under BOOM (Build, Own, Operate and Maintain) and currently derive its revenue primarily from BOOM contracts with long term transmission customers

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('LTTC'). The Group being transmission licensee receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables of transmission business. During the various periods presented, there has been no change in the credit risk of trade receivables of transmission business. However, this assessment may need a review if there is any change in the Pooling Regulations.

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 Board of Directors 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. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the bank deposits which are made with AAA rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 44 and the liquidity table below.

(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 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in million)

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	2,799.34	2,829.64	2,875.67	8,675.84	10,580.44	27,760.93
Other financial liabilities	-	2,088.42	575.69	-	-	2,664.11
Trade payables	-	-	6,234.40	-	-	6,234.40
Payables for Property, plant and equipment	-	-	7,618.73	93.84	-	7,712.57
Derivatives	-	115.63	-	-	-	115.63
Lease liability	-	14.61	17.98	20.46	-	53.05
	2,799.34	**5,048.30**	**17,322.47**	**8,790.14**	**10,580.44**	**44,540.69**

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(₹ in million)

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, 2020						
Borrowings	11,199.24	2,570.18	15,435.35	3,698.07	35,811.42	68,714.26
Other financial liabilities	-	1,323.39	532.01	-	-	1,855.39
Trade payables	-	-	7,797.83	-	-	7,797.83
Payables for Property, plant and equipment	-	308.16	5,852.89	89.62	-	6,250.67
Derivatives	-	982.49	-	-	-	982.49
Lease liability	-	-	112.10	51.29	-	163.39
	11,199.24	**5,184.21**	**29,730.17**	**3,838.98**	**35,811.42**	**85,764.03**

NOTE 52: CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the 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, trade and other payables less cash and cash equivalents excluding discontinued operations.

(₹ In million)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest bearing loans and borrowings	27,813.98	69,779.02
Trade payables	6,234.40	7,797.83
Other financial liabilities	10,492.32	8,187.18
Less: cash and short-term deposits and current investments	(9,761.69)	(11,268.63)
Net debt (A) *	**34,779.01**	**74,495.39**
Equity share capital	122.36	122.36
Other equity	10,843.68	485.23
Total capital (B)	**10,966.04**	607.59
Capital and net debt [C = (A+B)]	**45,745.05**	75,102.98
Gearing ratio	0.76	0.99

* Does not include amounts associated with disposal groups classified as held for sale (Refer note 10).

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 period specified in note 16 and 17.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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NOTE 53: FAIR VALUES

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:

(₹ in million)

Particulars	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Investment in units	286.15	8.38	286.15	8.38
Investment others	112.45	112.45	112.45	112.45
Investment in mutual funds	9.07	299.40	9.07	299.40
Derivative instruments	1,173.86	278.38	1,173.86	278.38
Total	**1,581.53**	**698.61**	**1,581.53**	**698.61**
Financial liabilities				
Derivative instruments	115.63	982.49	115.63	982.49
Total	**115.63**	**982.49**	**115.63**	**982.49**

Fair values of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities and borrowings are considered to approximate their carrying amounts.

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 price quotations at the reporting date.
- The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast 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 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 fair values of commodity futures contracts are based on price quotations on LME at the reporting date. 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.

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 March 31, 2021 and March 31, 2020 are as shown below:

Description of significant unobservable inputs to valuation:
A. FVTOCI assets - Unquoted equity instruments of Sharper Shape Group Inc.
Valuation technique: Discounted Cash Flow (DCF) method

Sr No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value of equity shares	
				March 31, 2021	March 31, 2020
(i)	Long-term growth rate for cash flows for subsequent years	March 31, 2021: 3%	2% increase	11.36	6.92
		March 31, 2020: 3%	2% decrease	(9.33)	(5.69)
(ii)	WACC (pre-tax)	March 31, 2021: 23.40%	1% increase	(11.02)	(7.83)
		March 31, 2020: 23.40%	1% decrease	12.36	8.68
(iii)	Discount for lack of marketability	March 31, 2021 : 10%	5% increase	(6.99)	(6.27)
		March 31, 2020: 10%	5% decrease	6.99	6.27

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NOTE 54: FAIR VALUES HIERACHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021 and March 31, 2020

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at 31 March 2021	9.07	9.07	-	-
As at 31 March 2020	299.40	299.40	-	-
Investment in units				
As at 31 March 2021	286.15	286.15	-	-
As at 31 March 2020	8.38	8.38	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at March 31, 2021	112.45	-	-	112.45
As at March 31, 2020	112.45	-	-	112.45
Derivative assets				
As at March 31, 2021	1,173.86	-	1,173.86	-
As at March 31, 2020	278.38	-	278.38	-
Derivative liabilities				
As at March 31, 2021	(115.63)	-	(115.63)	-
As at March 31, 2020	(982.49)	-	(982.49)	-

There have been no transfers among level 1, level 2 and level 3.

NOTE 55: SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

- Power product and solutions segment, which produces power conductors, power cables and optical power ground wire and also master system integration of power transmission lines.
- Power transmission grid business, which develops power transmission infrastructure on build, owns, operate and maintain basis in India and executes service concession arrangement of power transmission infrastructure in Brazil.
- Others includes leasing of dark fibre ducts and other miscellaneous activities.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating segments are mutually agreed between the segments taking into account the market prices and other relevant factors.

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Particulars	March 31, 2021					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Segment revenue (Gross)						
External customer	16,985.59	3,918.86	19.45	-	-	20,923.91
Inter-segment	12,352.91	-	-	-	(12,352.91)	-
Total Revenue	**29,338.50**	**3,918.86**	**19.45**	**-**	**-12,352.91**	**20,923.91**
Segment results (PBIT)	5,478.45	17,262.67	-13.85	-	(5,777.50)	16,949.77
Less: Finance cost (net)	2,886.25	2,476.44	12.49	-	(18.50)	5,356.68
Profit/(loss) before tax	**2,592.20**	**14,786.23**	**(26.34)**	**-**	**(5,796.00)**	**11,593.08**
Less: Tax expense	296.78	1,942.30	0.72		655.53	2,895.33
Profit/(loss) for the year	**2,295.42**	**12,843.93**	**(27.06)**	**-**	**(6,451.53)**	**8,697.75**
Segment assets	48,254.97	51,866.34	380.37	-	(34,268.47)	66,233.19
Common assets	-	-	-	1,313.74	-	1,313.74
Total assets	**48,254.97**	**51,866.34**	**380.37**	**1,313.74**	**(34,268.47)**	**67,546.94**
Segment liabilities	41,118.01	48,290.11	405.99	-	(34,258.20)	55,555.90
Common liabilities	-	-	-	1,024.99	-	1,024.99
Total liabilities	**41,118.01**	**48,290.11**	**405.99**	**1,024.99**	**(34,258.20)**	**56,580.90**
Additions to non-current assets*	31.90	26,542.76	46.25			26,620.92
Depreciation and amortization	425.71	551.49	10.95	-	-	988.15
Impairment of property, plant and equipment (including capital work in progress)	-	-	-	-	-	-

*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, concession contract assets and intangible assets.

Particulars	March 31, 2020					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Segment revenue (Gross)						
External customer	18,722.25	11,238.32	82.62	-	-	30,043.19
Inter-segment	1,307.22	-	-	-	(1,307.22)	-
Total Revenue	**20,029.47**	**11,238.32**	**82.62**	**-**	**(1,307.22)**	**30,043.19**
Segment results (PBIT)	(2,936.42)	23,573.14	8.01	-	73.11	20,717.84
Less: Finance cost (net)	2,472.36	4,975.00	2.36	-	101.35	7,348.37
Profit / (Loss) before tax	**(5,408.78)**	**18,598.14**	**5.65**	**-**	**174.46**	**13,369.47**
Less: Tax expense	(1,394.24)	5,303.76	0.58		42.77	3,952.86
Profit / (Loss) for the year	**(4,014.54)**	**13,294.38**	**5.07**	**-**	**131.70**	**9,416.61**
Segment assets	42,813.73	73,549.50	388.97	-	(26,762.92)	89,989.28
Common assets	-	-	-	1,475.77	-	1,475.77
Total assets	**42,813.73**	**73,549.50**	**388.97**	**1,475.77**	**(26,762.92)**	**91,465.05**
Segment liabilities	39,679.89	75,410.54	388.06	-	(26,752.92)	88,725.57
Common liabilities	-	-	-	2,131.90	-	2,131.90
Total liabilities	**39,679.89**	**75,410.54**	**388.06**	**2,131.90**	**(26,752.92)**	**90,857.47**
Additions to non-current assets*	242.78	12,822.60	85.30	-	-	13,150.68
Depreciation and Amortization	813.10	853.72	4.71	-	80.39	1,751.92
Impairment of property, plant and equipment (including capital work in progress)	-	669.40	-	-	-	669.40

*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

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Geographical Information

The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(₹ in million)

Particulars	31 March 2021	31 March 2020
(1) Segment revenue - external turnover		
- Within India	**11,971.72**	19,079.55
- Outside India	**8,952.19**	10,963.64
Total	**20,923.91**	30,043.19
The revenue information above is based on the locations of the customers		
(2) Non-current assets*		
- Within India	**24,503.89**	39,676.36
- Outside India	**1,755.65**	5,918.17
Total	**26,259.54**	**45,594.53**

*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, concession contract assets and intangible assets. It excludes assets held for sale of ₹ 6,279.15 million. Refer note 10

Information about major customers

For Power transmission grid segment, under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of revenue of ₹ 2,076.60 million (31 March 2020: ₹ 3,300.58 million) from power transmission projects in India is receivable from PGCIL.

NOTE 56: RELATED PARTY DISCLOSURE

(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)

(ii) **Ultimate 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) **Associates**

India Grid Trust (till May 07, 2019)

Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (from July 31, 2019))

Sterlite Interlinks Limited (from May 29, 2019)

NER-II Transmission Limited (from March 25, 2021)

(ii) **Joint ventures**
Sterlite Grid 13 Limited (from March 31, 2021)

(iii) **Subsidiaries of associate (till May 07, 2019)**

Indigrid 1 Limited (formerly know as Sterlite Grid 1 Limited)

Indigrid 2 Limited (formerly known as Sterlite Grid 2 Limited)

Jabalpur Transmission Company Limited

(iv) **Subsidiary of joint venture**
Vapi II North Lakhimpur Transmission Limited (from March 31, 2021)

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(v) Key management personnel (KMP)

Mr. Pratik Agarwal (Managing Director)

Mr. Pravin Agarwal (Chairman)

Mr. Anuraag Srivastava (Chief Financial Officer)

(vi) Fellow subsidiaries

Vedanta Limited

Fujairah Gold FZE

Bharat Aluminium Company Limited

Hindustan Zinc Limited

Sterlite Technologies Limited

Sterlite Power Technologies Private Limited

Maharashtra Transmission Communication Infrastructure Limited

ESL Steels Limited (formerly know as Electro steel Steels Limited)

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)

Mr. Arun Todarwal (Director)

Ms. Avaantika Kakkar (Director) (till 01 February 2021)

Mr. Anoop Sheth (Director) (from 31 July 2020)

Mr. Lalit Tandon (Director) (till 15 May 2019)

Ms. Zhao Haixia (Director)

Mr. A.R. Narayanswamy (Director)

Mr. Ashok Ganesan (Company secretary)

(ii) Entities in which directors are interested

PTC Cables Private Limited

Talwandi Sabo Power Limited

Cyril Amarchand Mangaldas

(B) The transactions with related parties during the year and their outstanding balances are as follows:

Sr. No.	Particulars	Associate and joint venture/ subsidiaries of associate and joint venture		KMP		Entities in which directors are interested		Fellow subsidiaries	
	Transactions	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Purchase of goods	-	-	-	-	-	-	5,711.24	10,149.31
2	Sale of services	17.79	5.16	-	-	-	-	-	-
3	Sale of goods (net of excise duty)	-	119.20	-	-	-	-	8.39	8.68
4	Interest income	-	-	-	-	-	-	19.23	21.98
5	Loans and advances given	70.12	-	-	-	-	-	-	-
6	Management fees paid	-	0.50	-	-	-	-	-	-
7	Reimbursement of expenses paid to related parties	-	-	-	-	-	-	-	1.49
8	Reimbursement of expenses recovered from related parties	-	-	-	-	-	-	2.73	0.19

Notes to Consolidated Financial Statements

for the year ended 31 March 2021

(All amounts in   million unless otherwise stated)

Sr. No.	Particulars	Associate and joint venture/ subsidiaries of associate and joint venture		KMP		Entities in which directors are interested		Fellow subsidiaries	
	Transactions	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
9	Purchase of power	-	-	-	-	-	-	26.12	34.14
10	Rent Expenses	-	-	-	-	-	-	-	1.94
11	Remuneration	-	-	89.06	69.25	-	-	-	-
12	Sitting fees	-	-	14.65	8.85	-	-	-	-
13	Commission	-	-	6.49	-	-	-	-	-
14	Corporate guarantee given	-	-	-	-	-	-	-	188.60
15	Dividend income from investment in associate	-	176.41	-	-	-	-	-	-
16	Redemption of NCDs / loans in the SPVs sold	-	115.41	-	-	-	-	-	-
17	Management fees income (excluding GST)	5.13	-	-	-	-	-	9.95	-
18	Investment in equity shares of related parties	-	0.05	-	-	-	-	-	-
19	Loans and advances received	-	6,200.00	-	-	-	1,500.00	-	-
20	Loan repaid	6,200.00	-	-	-	-	-	-	-
21	Interest expenses	354.33	468.18	-	-	130.18	103.08	136.90	258.64
22	Purchase of fixed assets	-	8.00	-	-	-	-	-	-
23	Sale of fixed assets	-	-	-	-	-	-	-	3.51
24	Services availed	-	-	-	-	1.30	4.61	-	-
25	Security deposits	4.00	50.00	-	-	-	-	-	-
26	Revenue from EPC contract with customer	-	1.19	-	-	-	-	-	-
	Outstanding balances	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Loans/advance receivables	-	-	-	-	-	-	302.53	282.84
2	Short term borrowings (including interest payable)	-	6,200.00	-	-	1,722.96	1,592.77	-	-
3	Management fee receivable	4.91	-	-	-	-	-	-	-
4	Trade receivables	17.11	46.98	-	-	-	-	-	5.25
5	Trade payables (including operational supplier's credit)	-	-	-	-	-	-	2,161.31	3,090.19
6	Others receivables	-	35.43	-	-	-	-	37.83	23.16
7	Other payables	-	-	-	4.08	-	-	-	-
8	Security deposits	54.00	50.00	-	-	-	-	-	-
9	Contract liabilities	-	5.30	-	-	-	-	-	-
10	Corporate and bank guarantees given and outstanding	-	500.00	-	-	-	-	188.60	188.60
11	Advance from customers	4,463.02	-	-	-	-	-	-	-
12	Investment in non convertible debentures (NCD) (refer note 5A)	1,007.88	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2021

(All amounts in   million unless otherwise stated)

(C) Disclosure in respect of material related party transactions during the year:

	Particulars	Relationship	March 31, 2021	March 31, 2020
1	**Purchase of goods**			
	Vedanta Limited	Fellow subsidiary	4,792.49	8,122.29
	Bharat Aluminium Company Limited	Fellow subsidiary	507.80	1,631.15
	Hindustan Zinc Limited	Fellow subsidiary	6.11	15.03
	Sterlite Technologies Limited	Fellow subsidiary	161.66	96.92
	ESL Steel Limited	Fellow subsidiary	243.18	189.25
	Fujairah Gold FZC	Fellow subsidiary	-	94.68
2	**Sale of services**			
	Sterlite Interlinks Limited	Associate	17.79	5.16
3	**Sale of goods (net of excise duty)**			
	Sterlite Interlinks Limited	Associate	-	114.89
	Jabalpur Transmission Company Limited	Subsidiary of associate	-	4.31
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	8.39	1.95
	Sterlite Technologies Limited	Fellow subsidiary	-	2.31
	Vedanta Limited	Fellow subsidiary	-	4.41
4	**Interest income**			
	Sterlite Power Technologies Private Limited	Fellow subsidiary	11.73	9.26
	Sterlite Technologies Limited	Fellow subsidiary	7.50	12.71
5	**Loans and advances given**			
	Sterlite Interlinks Limited	Associate	70.12	-
6	**Management fees paid**			
	Sterlite Investment Managers Limited	Associate	-	0.50
7	**Reimbursement of expenses paid to related parties**			
	Sterlite Technologies Limited	Fellow subsidiary	-	1.49
8	**Reimbursement of expenses recovered from related parties**			
	Sterlite Power Technologies Private Limited	Fellow subsidiary	2.73	0.19
9	**Purchase of power**			
	Vedanta Limited	Fellow subsidiary	26.12	34.14
10	**Rent Expenses**			
	Vedanta Limited	Fellow subsidiary	-	1.94
11	**Remuneration**			
	Mr. Anuraag Srivastava	KMP	30.17	21.16
	Mr. Pratik Agarwal	KMP	49.99	41.20
	Mr. Ashok Ganesan	KMP	8.90	6.89
12	**Sitting fees**			
	Mr. Arun Todarwal	Director	4.55	3.48
	Mr. Lalit Tondon	Director	-	0.35
	Mr. A. R. Narayanswamy	Director	5.00	3.45
	Ms. Haixia Zhao	Director	3.40	1.58
	Mr. Anoop Sheth	Director	1.70	-
13	**Commission**			
	Ms. Haixia Zhao	Director	5.86	-
	Mr. Anoop Sheth	Director	0.63	-
14	**Corporate guarantee given**			
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	-	188.60
	Particulars	Relationship	March 31, 2021	March 31, 2020
15	**Dividend income from investment in associate**			
	India Grid Trust	Associate	-	176.41
16	**Redemption of NCDs / loans in the SPVs sold**			
	Indigrid 2 Limited (formerly known as Sterlite Grid 2 Limited)	Subsidiary of associate	-	115.41
17	**Management fees income (excluding GST)**			
	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Associate	5.13	-
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	9.95	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

	Particulars	Relationship	March 31, 2021	March 31, 2020
18	**Investment in equity shares of related parties**			
	Sterlite Interlinks Limited $	Associate	-	0.05
19	**Loans and advances received**			
	PTC Cables Private Limited	Entity in which director is interested	-	1,500.00
	Sterlite Interlinks Limited	Associate	-	6,200.00
20	**Loan repaid**			
	Sterlite Interlinks Limited	Associate	6,200.00	-
21	**Interest expenses**			
	PTC Cables Private Limited	Entity in which director is interested	130.18	103.08
	Vedanta Limited	Fellow subsidiary	120.16	204.24
	Bharat Aluminium Company Limited	Fellow subsidiary	16.74	54.40
	Sterlite Interlinks Limited	Associate	354.33	468.18
22	**Purchase of fixed assets**			
	Indigrid 1 Limited (formerly know as Sterlite Grid 1 Limited)	Subsidiary of associate	-	8.00
23	**Sale of fixed assets**			
	Sterlite Technologies Limited	Fellow subsidiary	-	3.51
24	**Services availed**			
	Cyril Amarchand Mangaldas	Entity in which director is interested	0.45	3.90
	Talwandi Sabo Power Limited	Entity in which director is interested	0.85	0.71
25	**Security deposits given**			
	Sterlite Interlinks Limited	Associate	4.00	50.00
26	**Revenue from EPC contract with Customer**			
	Jabalpur Transmission Company Limited	Subsidiary of associate	-	1.19

(D) Compensation of Key management personnel of the Group:

(₹ in million)

Particulars	March 31, 2021	March 31, 2020
Short term employee benefits #	89.06	69.25
Post employment benefits#	-	-
Total	**89.06**	**69.25**

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel are not included above.

$ Share of Sterlite Interlinks Limited are bought from Mr. Pratik Agarwal (Managing Director) at fair value of ₹ 10 per share.

NOTE 57: IMPACT OF COVID-19 PANDEMIC

The Group's plants and offices in India were not operating since March 25, 2020 till mid of April 2020, as a result of the lockdown implemented by the Government of India. However, as electricity is considered as an essential commodity by the Government of India, the operations of the Group relating to manufacturing and supply of components for generation and supply of electricity and other transmissions construction sites resumed in a phased manner since then. In assessing the liquidity position for the next one year and recoverability of Group's assets such as investments, loans, Property, plant and equipment, trade receivables, inventory etc. the Group has considered internal and external information up to the date of approval of these Consolidated Financial Statement. The Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Group.

Notes to Consolidated Financial Statements

for the year ended 31 March 2021
(All amounts in million unless otherwise stated)

Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Management believes that it has taken all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Consolidated Financial Statement. Basis above, the management has estimated its future cash flows for the Group which indicates no major change in the financial performance as estimated prior to COVID-19 impact. However, the estimate of the impact of COVID-19 may differ from the same ascertained up to the date of approval of these Consolidated Financial Statement by the Board of Directors, based on how the COVID-19 situation evolves over the period of time."

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune | Date: June 14, 2021

For and on behalf of the board of directors of Sterlite Power Transmission Limited

sd/-
Pravin Agarwal
Chairman
DIN : 00022096
Place: Pune | Date: June 14, 2021

sd/-
Pratik Agarwal
Managing Director
DIN : 03040062
Place: Mumbai | Date: June 14, 2021

sd/-
Anuraag Srivastava
Chief Financial Officer
Place: Mumbai | Date: June 14, 2021

sd/-
Ashok Ganesan
Company Secretary
Place: New Delhi Date: June 14, 2021

DEFINITIONS AND ABBREVIATIONS

Term	Description
“our Company” or “the Company”	Sterlite Power Transmission Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 4th Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001, Maharashtra, India and its corporate office at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road New Delhi 110 065, India
“we”, “us”, “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries. Where the context indicates, refers to the Associates, Investee HoldCos and Investee SPVs as well
AMP Capital	AMP Capital Infrastructure Investment No.2 S.A.R.L
AMP Framework Agreement	Restated framework agreement dated March 30, 2021 entered into between our Company and AMP Capital
AMP Investment Agreements	Four investment agreements dated December 28, 2020, as amended on March 30, 2021, entered into between (i) our Company, AMP Capital, SGL13 and VNLTL; (ii) our Company, AMP Capital, SGL14 and UKTL; (iii) our Company, AMP Capital, SGL18 and LVTPL; and (iv) our Company, AMP Capital, SGL5, SGL29 and GTTPL
Articles of Association or AoA	Articles of association of our Company, as amended
Associates	Associates as consolidated in restated consolidated summary statements as per the relevant Ind AS 28 in the relevant reporting period
Audit Committee	Audit committee of our Board, as described in the section entitled “Our Management - Committees of the Board” on page 274
Auditors or Statutory Auditors	S R B C & CO LLP, Chartered Accountants, the statutory auditors of our Company
BDTCL	Bhopal Dhule Transmission Company Limited
Board or Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Chief Financial Officer or CFO	Chief financial officer of our Company, Anuraag Srivastava
Company Secretary	Company secretary of our Company, Ashok Ganesan
Corporate Promoter	Twin Star Overseas Limited
Demerger Scheme	Scheme of arrangement entered into between our Company and STL and their respective shareholders and creditors which was approved and sanctioned by the High Court of Bombay by way of its order dated April 22, 2016
Director(s)	Directors on our Board
ENICL	East-North Interconnection Company Limited
GPTL	Gurgaon Palwal Transmission Limited
Group Companies	The group companies of our Company identified in terms of Regulation 2(1)(t) of the SEBI ICDR Regulations, including companies (other than the Corporate Promoter and the Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Summary Statements as covered under the applicable accounting standards, and any other companies as considered material by the Board, in accordance with the resolution dated August 7, 2021 passed by the Board, as described in the section entitled “Our Group Companies” on page 288
GTTPL	Goa-Tamnar Transmission Project Limited
IGL	IndiGrid Limited (formerly, Sterlite Grid 1 Limited)
KTL	Khargone Transmission Limited
LVTPL	Lakadia-Vadodara Transmission Project Limited
NER	NER II Transmission Limited
SPGVL	Sterlite Power Grid Ventures Limited
STL	Sterlite Technologies Limited
UKTL	Udupi Kasargode Transmission Limited
VNLTL	Vapi II - North Lakhimpur Transmission Limited

Technical/Industry Related Terms or Abbreviations

Term	Description
ANEEL	Agência Nacional de Energia Elétrica
BOOM	Build, own, operate and maintain
COD	Commercial Operations Date
CRISIL / CRISIL Research	CRISIL Research, a division of Credit Rating Information Services of India Limited
CRISIL Report	Report entitled “CRISIL Research - Indian Power & Transmission Sector” released in Mumbai in July 2021
DISCOM	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
EPA or Environment Protection Act	Environment Protection Act, 1986
Fitch	Fitch Solutions Group Limited
Fitch Report	Report entitled “Brazil Power Report” issued by Fitch dated June 2021
HVDC	High Voltage Direct Current
HVPNL	Haryana Vidyut Prasaran Nigam Limited
MoP	Ministry of Power
MVA	Mega Volt Ampere
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
RSA	Revenue Sharing Agreement
SCOD	Schedules Commercial Operations Date
SEB(s)	State Electricity Boards
TBCB	Tariff Based Competitive Bidding
TEECL	Techno Electric & Engineering Company Limited
TSA	Transmission Services Agreement

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
£/Pounds	Pound Sterling
AGM	Annual general meeting
BRL/Real/R$	Brazil Real
CRISIL Report	Report entitled “CRISIL Research - Indian Power & Transmission Sector” released in Mumbai in July 2021
DISCOM	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
EPA or Environment Protection Act	Environment Protection Act, 1986
Fitch	Fitch Solutions Group Limited
Fitch Report	Report entitled “Brazil Power Report” issued by Fitch dated June 2021
HVDC	High Voltage Direct Current
HVPNL	Haryana Vidyut Prasaran Nigam Limited
MoP	Ministry of Power
MVA	Mega Volt Ampere
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
RSA	Revenue Sharing Agreement
SCOD	Schedules Commercial Operations Date
SEB(s)	State Electricity Boards
TBCB	Tariff Based Competitive Bidding
TEECL	Techno Electric & Engineering Company Limited
TSA	Transmission Services Agreement

Notes

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Notes

Sterlite Power

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