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 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.

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 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.

- 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 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 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 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 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 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 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 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				
	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)	Total (A+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

Notes to Financial Statements

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		

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

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.

Notes to Financial Statements
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**

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

₹ 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.

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.

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.

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.

(₹ 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	-	-

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.).

(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.

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

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**

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)**

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.

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

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.

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**

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.

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.

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**

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

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	-

(₹ 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.

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.

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

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.

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	Increase/(decrease) in fair value: 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

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

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.

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

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.

(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:

(₹ 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%**

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)

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)

(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

Notes to Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

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

(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

(₹ 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

(₹ 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.

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.

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.

(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**

(₹ 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**

(₹ 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.

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