

Directors' Report

To,
The Members/Shareholders,
Sterlite Power Transmission Limited

Your Directors are pleased to present the 7th Annual Report on the business and operations of the Company along with the audited financial statements of the Company for the financial year ended March 31, 2022 (**FY2022**).

1. FINANCIAL SUMMARY/HIGHLIGHTS

The financial performance of the Company for FY2022, is summarized below:

(₹ Million)

Summary of Key Financial Parameters	Standalone		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Description				
Revenue from operations	37,973.84	29,338.52	51,974.83	20,923.91
EBITDA	3,655.15	5,895.25	13,538.29	17,932.15
Less: Finance cost (net of finance income)	270.28	2,886.24	3,372.16	5,356.68
Less: Depreciation/Amortisation/Impairment Expense	390.65	425.48	803.56	988.15
Share of Profit/ (loss) of Associate	-	-	(2,675.60)	5.75
Exceptional item	(117.00)	-	(117.00)	-
Profit Before Tax (PBT)	2,877.22	2,583.53	6,569.97	11,593.07
Less: Tax expense	411.43	(1,045.71)	2,168.55	2,895.33
Profit After Tax (PAT) (A)	2,465.78	3,629.24	4,401.42	8,697.74
Other Comprehensive Income/ (loss) (OCI) (B)	3,413.39	(2,774.18)	5,218.15	1,521.37
Total Comprehensive Income/ (loss) (A+B)	5,879.18	855.06	9,619.57	10,219.11

2. PERFORMANCE

Standalone	Consolidated
FY2022 closed with Revenues of ₹ 37,973.84 million, EBITDA of ₹ 3,655.15 million, PAT of ₹ 2,465.78 million.	FY2022 closed with Revenues of ₹ 51,974.83 million, EBITDA of ₹ 13,538.29 million, PAT of ₹ 4,401.42 million.

3. BUSINESS OPERATIONS

Highlights of your Company's operations and state of affairs for the FY2022, including the Management Discussion and Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, forms part of this Annual Report.

4. KEY EVENTS DURING FY2022

(i) Approval of Draft Red Herring Prospectus

In order to fund the growth strategy/plans of the Company, the Company initiated the process of launching an Initial Public Offer through a fresh issuance of the equity shares of face value of ₹ 2/- each; and to list the equity shares on one or more of the recognised Stock Exchanges in India for an issue size of ₹ 12,500 million (hereinafter referred to as an "Issue"). The Board of directors and the Members/Shareholders accorded their approval for the Issue on July 02, 2021 and August 01, 2021, respectively. Post approval of the Board of directors

and Members/Shareholders, the Draft Offer document was filed with Securities and Exchange Board of India ("SEBI") on August 16, 2021, and the final observations of SEBI on the Draft Offer document have been received vide its Letter dated December 02, 2021.

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

The Company entered into a scheme of amalgamation with Sterlite Grid 4 Limited ("SGL4")- wholly owned subsidiary, and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, which was sanctioned by the National Company Law Tribunal, Mumbai Bench ("NCLT") by way of its order dated February 17, 2022 (the "Merger Scheme"). The Merger Scheme provided for, amongst other things, the amalgamation and vesting of the assets, liabilities, and entire business of SGL4, with the Company, on a going concern basis. The order of NCLT was filed with the Registrar of Companies, Pune and the Merger Scheme became effective from March 14, 2022.

(iii) **Disinvestment in IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)**

The Company had entered into a 'Share Subscription and Purchase Agreement' with Electron IM Pte. Ltd ("Electron") to disinvest its stake in IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) ("IIML"). Pursuant to the said agreement the Company had diluted 60% of its stake in IIML till March 31, 2019 in the following manner:

- i. IIML had issued and allotted equity shares representing 19.99% of the share capital of IIML to Electron, an affiliate of KKR & Co.
- ii. Further, the Company had sold equity shares representing 40.01% of the share capital of IIML to Electron.
- iii. With the consummation of the above transactions the Company held 40% stake in IIML as compared to 100% stake on March 31, 2019.

Transactions during the year under review

- iv. The Company sold investment to the extent of 14% for a consideration of ₹ 109.96 million on July 02, 2021.
- v. The Company has executed an amendment agreement to 'Share Subscription and Purchase Agreement' and pursuant to such amendment agreement, the Company sold its remaining stake of 26% in IIML for consideration of ₹ 250.00 million on January 14, 2022.
- vi. As on March 31, 2022, the Company did not hold any share in IIML.

(iv) **Status of holding units in India Grid Trust**

The Company was one of the two Sponsors of India Grid Trust ("Trust") and held Units in the Trust. The details of the holding of the Company in the Trust and subsequent sale thereof, during the year under review, is as under:

Particulars	Number of Units held	% shareholding
Opening balance as on March 31, 2021	20,40,457	0.35
Rights Issue allotment on April 22, 2021	4,06,539	0.35
Sold during the year under review	24,46,996	0.35
Closing balance as on March 31, 2022	0	0

(v) **Introduction of AMP Capital as investment partners**

During the year 2020-21, the Company had entered into a framework agreement with AMP Capital ("AMP Capital Framework Agreement") for the development of four of the ongoing power transmission projects of the Company in India. Pursuant to the AMP Capital Framework Agreement read with the investment agreements executed inter-alia between the Company, AMP Capital and the project - Special Purpose Vehicles ("AMP Capital Investment Agreements"), the Company and AMP Capital had agreed to invest in the immediate

holding company of four projects - Special Purpose Vehicles; being Sterlite Grid 13 Limited ("SGL 13"), Sterlite Grid 14 Limited("SGL 14"), Sterlite Grid 18 Limited ("SGL 18") and Sterlite Grid 29 Limited ("SGL29") (which were wholly owned subsidiaries of the Company prior to the investments made in terms of the AMP Capital Investment Agreements and the AMP Capital Framework Agreement); in a manner wherein the Company and AMP Capital each are now owning 50% of the equity capital of these companies.

These companies are engaged in the business of developing, constructing, owning, operating and maintaining power transmission systems and providing project management services in relation to power transmission systems in India.

Pursuant to the above arrangement, during the year under review, AMP Capital had invested in 50% of the paid-up equity share capital of Sterlite Grid 14 Limited, Sterlite Grid 18 Limited and Sterlite Grid 29 Limited on April 06, 2021. As on March 31, 2022, the Company and AMP Capital had a joint ownership of 50% each in SGL 13, SGL 14, SGL 18 & SGL29; and indirectly held 50% in their respective subsidiaries - namely SGL 13 & Mumbai Urja Marg Limited (formerly known as Vapi II North-Lakhimpur Transmission Limited), SGL 14 & Udupi Kasargode Transmission Limited, SGL 18 & Lakadia-Vadodara Transmission Project Limited and SGL29 & Goa-Tamnar Transmission Project Limited.

(vi) **Acquisition of Nangalbibra - Bongaigaon Transmission Limited**

The Company through its wholly owned subsidiary Sterlite Grid 26 Limited on December 16, 2021, had acquired Nangalbibra-Bongaigaon Transmission Limited, a Special Purpose Vehicle ("SPV") from PFC Consulting Limited. Through this SPV, the Company is executing a transmission Project for setting up Transmission System that will transmit over 1,000 MW of power from Assam to western parts of Meghalaya, which was won through a tariff-based competitive bidding process, under the Build, Own, Operate and Maintain model.

(vii) **Acquisition of stake in Maharashtra Transmission Communication Infrastructure Limited**

Pursuant to the Share purchase agreement ("SPA") dated March 29, 2022, executed between the Company, Sterlite Technologies Limited ('STL'), Maharashtra State Electricity Transmission Company Limited ('MSETCL') and Maharashtra Transmission Communication Infrastructure Limited ('MTCIL'), the Company has purchased 51% stake, on fully diluted basis in MTCIL from STL for an agreed consideration of ₹ 430 million. Further, as on March 31, 2022, the effective equity shareholding in MTCIL stands at 64.98%.

As on the date of this report, MTCIL is a Joint Venture (51:49) between the Company (51%) and MSETCL (49%), to develop 48F Optical Power Ground Wire (OPGW) based optical fibre network riding over MSETCL's EHV

transmission infrastructure in the State of Maharashtra in India, connecting major cities like Navi Mumbai, Pune, Nasik, Nagpur, Aurangabad, Kolhapur and several other cities, semi-urban and rural areas.

(viii) Disinvestment in NER II Transmission Limited

In the year FY2020-21, the Company entered into a marquee deal with India Grid Trust for sale of its commissioned projects thereby transferring NER II Transmission Limited (“NER II”) to India Grid Trust. Pursuant to the above arrangement, the Company had sold 74% of beneficial ownership in NER-II Transmission Limited to India Grid Trust in March’2021.

During the year under review, the Company sold remaining 26% beneficial ownership in NER-II Transmission Limited to India Grid Trust.

5. IMPACT OF COVID-19

Your Company continues to take efforts to fight waves of the COVID-19 pandemic, the Company’s priority remains the safety and well being of employees, and business continuity.

During the covid times, we revamped the office infrastructure to provide touchless accessibility to comply with the COVID-19 norms and implemented protocols in line with State and National Guidelines. Several sessions were conducted to create awareness among employees for managing infections. Special Covid Task Force team was created to fight the COVID-19 situation and support employees in all possible ways.

As an Organisation we tried to take care of physical, financial and emotional wellbeing of the employees during the first and second wave. Various changes in policies were made to support employees during these tough times.

Your Company was among the first companies to announce work from home. Quarantine leaves of 14

days were introduced for the employees suffering from COVID-19 to ensure they can take proper rest and recover without having loss of pay. Reimbursement policy for COVID-19 test was introduced. Also, provision for financial assistance through advance salary was made, to take care of financial needs of employees in case of any emergency.

During first and second wave, the situation in hospitals was critical and employees were forced to be quarantined at home. Considering this, we introduced coverage for home quarantine in Group Medical Policy. Apart from normal coverage, we facilitated top-up plan for employees who may want to enhance their medical cover limits at a very nominal rate. We also engaged Ekincare to ensure employees can get 24*7 online doctor consultations along with medical support for home quarantine for mild cases.

We tried to build psychological and financial resilience by conducting live sessions by experts on managing stress and enhancing financial wellness during these tough times. Under EAP program we engaged the services of Santulan which provided 24*7 telephonic e-counselling to the employees of the Company.

Further, in the endeavors for the employee safety, we facilitated Company-sponsored vaccination drives at the projects, plant sites and various offices of the Company. As on the date of this report, all employees are fully vaccinated. The Company also took initiatives to help the families of the employees/ workers who lost their lives to COVID-19. With the rise in COVID-19 cases in recent times, the necessary steps are being taken for Booster/Precautionary vaccination for employees.

Currently, all the facilities of the Company are operating and at the corporate offices we are operating with a hybrid model.

6. DIRECTORS

The Board of Directors of the Company is validly constituted and as on March 31, 2022, comprised of 5 Directors:

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

Note 1: Ms. Kamaljeet Kaur was appointed as a Whole Time Director (Additional Director) of the Company w.e.f. June 29, 2022. Detailed disclosure is included in “Additional Disclosures” under Point b.

Note 2: Ms. Haixia Zhao ceased to be an Independent Director w.e.f. March 31, 2022.

Changes in Directorships during the year under review are as under:

- a. Mr. Arun Lalchand Todarwal, ceased to be an Independent Director of the Company effective July 24, 2021, due to completion of his tenure of 5 years. Your Directors' place on record their appreciation for the valuable contribution made by Mr. Todarwal during his tenure as director of the Company.
- b. Mr. Manish Agrawal was appointed as an Additional Director (Executive, Professional) effective December 17, 2021, upon the recommendation of the Nomination and Remuneration Committee. He was also appointed as a Whole Time Director, for one year up to December 16, 2022, and is holding such office up to the date of 7th Annual General Meeting of the Company and will be regularised as Whole Time Director w.e.f. December 17, 2021, subject to approval of Members/Shareholders in the ensuing Annual General Meeting.
- c. Mr. Pravin Agarwal, Chairman being a director liable to retire by rotation, and being eligible, was re-appointed as a director liable to retire by rotation in the Annual General Meeting held on September 29, 2021.
- d. Mr. Pratik Pravin Agarwal, Managing Director, will retire by rotation at the ensuing Annual General Meeting ("**AGM**") and being eligible, offers himself for re-appointment, pursuant to Section 149, read with Section 152 of the Companies Act, 2013. The Board recommends his re-appointment. Details of the aforesaid proposal for re-appointment of Mr. Pratik Pravin Agarwal are provided in the Annexure to the Notice of the AGM. Mr. Pratik Pravin Agarwal, Managing Director, was re-appointed as the Managing Director of the Company for a period of three (3) years commencing from June 01, 2021. The Members/Shareholders had approved the said re-appointment in their meeting held on December 31, 2020.
- e. Ms. Zhao Haixia, Independent Director of the Company ceased to be a Director of the Company on March 31, 2022, pursuant to her resignation due to her pre-occupations. Your Directors' placed on record their appreciation for the valuable contribution made by Ms. Haixia during her tenure as director of the Company
- f. Except as mentioned above, there was no other change in the Board of Directors of the Company during FY 22.

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

they hold highest standards of integrity. Further, the Independent Directors also confirmed that they are independent of the Management of the Company.

7. COMPOSITION OF BOARD COMMITTEES

Details of the composition, terms of reference and meetings held during the year of all the Committees of the Board are given in the Corporate Governance Report, which forms a part of this Directors' Report as **Annexure A**. The Board of directors has accepted all the recommendations of the Committees, during FY2022.

8. CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility Committee ("**CSR Committee**") which comprises of Mr. Pravin Agarwal - Chairman and non-executive Director, Mr. Pratik Pravin Agarwal - Managing Director, Mr. A.R. Narayanaswamy - Independent Director, as Members of the Committee as on March 31, 2022. Mr. Arun Todarwal, Independent Director and former Chairman and Ms. Haixia Zhao, Member of the Committee ceased to be a member of the Committee on July 24, 2021, and March 31, 2022, respectively.

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

During the year under review, the Company was not required to spend on CSR Activities covered under Schedule VII of the Act due to losses. However, the Company had spent ₹ 3,32,09,950/- on the CSR activities during the period under review. Pursuant to the amended provisions, the Company may carry forward and set off such amount against the liabilities. The Annual Report on CSR activities pursuant to Section 135 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is enclosed as Annexure G to this Report.

9. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 15 (Fifteen) meetings of the Board of Directors were held. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (hereinafter also referred to as "**the Act**") and Secretarial Standard 1 on Board meetings issued by the Institute of Company Secretaries of India read with MCA circulars, as issued from time to time. The dates on which these meetings were held are May 04, 2021, May 10, 2021, May 21, 2021, June 14, 2021, June 22, 2021, July 02, 2021, August 07, 2021, August 30, 2021, September 24, 2021, November 16, 2021, December 17, 2021, February 03, 2022, February 11, 2022, March 14, 2022, and March 30, 2022. Owing to the COVID-19 restrictions, except meeting held on March 30, 2022, all the board meetings were held through, audio-visual facility.

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

10. KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Act, and the Rules made thereunder, following were the Key Managerial Personnel of the Company as on March 31, 2022:

Sr. No	Name	Designation	Date of Appointment
1.	Mr. Pratik Pravin Agarwal ¹	Managing Director	June 01, 2016 ¹
2.	Mr. Manish Agrawal	Whole Time Director (Additional Director)	December 17, 2021
3.	Mr. Sanjeev Bhatia	Chief Financial Officer	October 01, 2021
4.	Mr. Ashok Ganesan	Company Secretary	May 29, 2017

¹Mr. Pratik Pravin Agarwal was re-appointed as Managing Director from June 01, 2021.

Note: Ms. Kamaljeet Kaur was appointed as the Whole Time Director (Additional Director) of the Company w.e.f. June 29, 2022.

Changes in Key Managerial Personnel during FY2022 are as under:

- During the year under review, Mr. Anuraag Srivastava resigned from the post of Chief Financial Officer w.e.f. September 30, 2021.
- During the year under review, Mr. Sanjeev Bhatia was appointed as Chief Financial Officer w.e.f. October 01, 2021.
- Mr. Pratik Pravin Agarwal, Managing Director, was re-appointed as the Managing Director of the Company for a period of three (3) years commencing from June 01, 2021. The Members/Shareholders had approved the said re-appointment in their meeting held on December 31, 2020.
- Mr. Manish Agrawal was appointed as an Additional Director (Executive, Professional) effective December 17, 2021, upon the recommendation of the Nomination and Remuneration Committee. He was also appointed as a Whole Time Director, for one year up to December 16, 2022, and is holding such office up to the date of 7th Annual General Meeting of the Company and will be regularised as Whole Time Director w.e.f. December 17, 2021, subject to approval of Members/Shareholders in the ensuing Annual General Meeting.

by the Members/Shareholders of a company in the subsequent AGM for the first term of 5 consecutive years and thereafter can be re-appointed for a second term of 4 consecutive years so that overall period served including appointment under section 139 (6) cannot exceed 10 years.

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

(b) Secretarial Auditors

Pursuant to Section 204 of the Act, M/s. DMK Associates, Practising Company Secretaries, were appointed to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2022. The Report of the Secretarial Auditors is annexed as **Annexure-E** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

(c) Cost Auditors

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

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its power products are required to be audited. Mr. Kiran Chand Naik, Cost Accountant, was appointed as the Cost Auditor to audit the cost accounts of the Company for FY2022. The Cost Audit Report for FY2022 has been concluded. The Cost Audit Report does not contain any qualification, reservation, or adverse remark

Further, Mr. Kiran Chand Naik (FRN 103055) has also been appointed as the Cost Auditor for FY23, and he has confirmed that his appointment is within the prescribed limits. As required by the provisions of the Act, a resolution seeking approval of the Members/Shareholders for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included in the Notice convening the ensuing AGM.

11. AUDITORS AND AUDITORS' REPORT

(a) Statutory Auditors

M/s. S R B C & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company from the conclusion of 6th Annual General Meeting held on September 29, 2021, for a period of 4 years up to the conclusion of 10th Annual General Meeting to be held for FY2025.

Based on internal analysis of M/s. S R B C & Co. LLP, the total maximum period which can be served by an auditor for an entity where rotation is applicable, is 10 years. In light of the aforesaid, as M/s. S R B C & Co. LLP were appointed as the first statutory auditors by the Board of directors under Section 139(6) of the Companies Act, 2013, such period is considered for computation of maximum period of 10 years. Therefore, an audit firm can be appointed or re-appointed

12. CHANGES IN SHARE CAPITAL

Pursuant to the approval of Scheme of Amalgamation of Sterlite Grid 4 Limited- wholly owned subsidiary with the Company and their respective Shareholders by Hon'ble National Company Law Tribunal, Mumbai Bench, the authorised share capital of the Company was altered from the effective date of merger i.e. March 14, 2022, as per below mentioned details:

Type of capital	Previous capital structure		Revised capital structure	
	No. of shares	Amount (In ₹)	No. of shares	Amount (In ₹)
Equity shares	6,38,00,00,000	12,76,00,00,000	6,38,02,50,000	12,76,05,00,000
Optionally Convertible Redeemable Preference Shares	47,00,00,000	4,70,00,00,000	47,00,00,000	4,70,00,00,000
Redeemable Preference Shares	3,64,00,000	7,28,00,000	3,64,00,000	7,28,00,000
Total		17,53,28,00,000		17,53,33,00,000

The issued, subscribed, and paid-up share capital of the Company remain unchanged. As on March 31, 2022, the issued, subscribed, and paid-up share capital was as per details given below:

Type of capital	Capital structure as on March 31, 2022	
	No. of shares	Amount (In ₹)
Equity shares	6,11,81,902	12,23,63,804
Total	6,11,81,902	12,23,63,804

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

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

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

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

14. INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company had documented a

comprehensive Internal Control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with the policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. The formalised system of control facilitates effective compliance as per relevant provisions of the Companies Act, 2013 and other applicable Law(s).

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

15. BUSINESS RISK MANAGEMENT

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

The Board has constituted a Risk Management Committee comprising of Mr. A.R. Narayanaswamy and Mr. Pratik Pravin Agarwal as Members as on March 31, 2022, to review, identify, evaluate and monitor both business and non-business-related risks and take

requisite action to mitigate the same through a properly defined framework.

The Company has framed a Risk Management Policy to identify and assess the risk areas, monitor and report compliance and effectiveness of the policy. Copy of the Risk Management policy is available on the website of the Company at www.sterlitepower.com. A detailed exercise is being carried out regularly to identify, evaluate, manage and monitor both business and non-business risks. The policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The Risk Management Policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

16. LEGAL COMPLIANCES MANAGEMENT

The Compliance function independently tracks, reviews and ensures compliance with Regulatory and Statutory Laws and promotes compliance culture in the Company. We track and monitor compliance details on compliance portal which is updated on a timely manner. The compliance report is also provided independently to senior management by the compliance function. The compliance portal is a software which facilitates in operating an effective compliance management system that allows for keen monitoring of the compliance status with respect to applicable laws and regulations and keeps the Board informed in case of any amendments in existing laws and regulations. The portal also provides a robust governance structure and a streamlined reporting system that ensures cohesive compliance reporting to the Board. The compliance certificate is presented to the Board on a quarterly basis. The compliance certificates are presented by the Compliance Department and independently reviewed by Senior Management, allowing for robust and effective oversight across compliance practices.

17. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

Issue of Bonus Shares

Pursuant to the provisions of Section 63 of the Companies Act, 2013 and other applicable provisions, if any, including Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Articles of Association of the Company and subject to the approval of the Members/ Shareholders of the Company and also subject to such consents and approvals as may be required from the appropriate authorities/Government, your directors propose to capitalize a sum of ₹ 12,23,63,804 (Indian Rupees Twelve Crores Twenty-Three Lakhs Sixty-Three Thousand Eight Hundred Four only) out

of free reserves, securities premium account and/ or capital redemption reserve account (except the reserves created by revaluation of assets), by issue and allotment of 6,11,81,902 (Six Crores Eleven Lakhs Eighty-One Thousand Nine Hundred Two) fully paid-up equity shares of face value of ₹ 2/- each as bonus shares ("**Bonus Shares**") to the holders of existing fully paid-up equity shares of face value of ₹ 2/- each of the Company, whose names will appear in the Register of Members / Beneficial Owners' Position of the Company as on Record date ("**Record Date**"), as fixed by the Board of Directors for this purpose, in the proportion of 1:1, that is 1 (One) new bonus equity share of ₹ 2/- each for every 1 (One) existing fully paid-up equity share of ₹ 2/- each held by the existing shareholders, and the Bonus Shares so allotted shall be treated as an increase in the paid up equity share capital of the Company held by each such member and not as income in lieu of dividend. The Bonus Shares if issued and allotted shall rank pari-passu in all respects with existing equity shares and carry the same rights as the existing fully paid equity shares of the Company. The allotment of such Bonus Shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999, if necessary.

19. FINANCIAL STATEMENTS

The Ministry of Corporate Affairs and SEBI has provided several relaxations, in view of difficulties faced by the Companies, on account of threat posed by Covid-19. Pursuant to General Circular Nos. 14/2020 dated April 08, 2020; 17/2020 dated April 13, 2020; 22/2020 dated June 15, 2020; 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 03/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs, the Company shall not be dispatching physical copies of financial statements, and the Annual Report shall be sent only by email to the Members.

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

20. AMOUNT TRANSFERRED TO GENERAL RESERVE

No amount is being proposed to be transferred to the reserves out of profits for FY2022.

21. DIVIDEND

The Board of Directors of your Company, after considering holistically, has decided that it would be prudent to reinvest the profits back into the business and hence do not recommend Dividend for the year under review.

22. CHANGE IN NATURE OF BUSINESS, IF ANY.

There is no change in the nature of business of the Company during the **FY2022**.

23. CORPORATE GOVERNANCE

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

24. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts and arrangements with related parties, entered by the Company during the FY2022, were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act in the prescribed Form AOC-2 are enclosed as **Annexure-B** to the Directors' Report. Details regarding the policy, approval and review of Related Party Transactions are provided in the Corporate Governance Report enclosed as **Annexure A** to this Report.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments are provided in Note no. 5A, 5B, 6, 16A & 16B to the Financial Statements forming part of this Annual Report for FY2022.

26. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company had 39 subsidiaries, 1 associate company and 8 Joint Ventures as on March 31, 2022. The list of subsidiaries, associates and joint ventures is enclosed as **Annexure - C**. In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary / associate and joint venture companies in Form AOC-1, is enclosed as **Annexure -D** to this report and is also provided as a part of consolidated financial statement.

During the year under review, following companies have become/ceased to be subsidiaries/associates/joint ventures of the Company:

A. Companies that have become subsidiaries/associates/joint ventures during FY2022:

- Nangalbibra -Bongaigaon Transmission Limited (became subsidiary w.e.f. December 16, 2021)
- Maharashtra Transmission Communication Infrastructure Limited (became Subsidiary w.e.f. March 31, 2022)
- GBS Participações S.A (*Erstwhile Borborema Participações S.A*) (became Subsidiary w.e.f. April 16, 2021)
- Jaçanã Energia Ltd (became Subsidiary w.e.f. February 21, 2022)
- Olindina Participações S.A. (*Erstwhile Jaçanã Transmissão de Energia S.A*) (became Subsidiary w.e.f. February 01, 2022)
- Goa-Tamnar Transmission Project Limited (GTTPL) (Became JV w.e.f. April 06, 2021)
- Lakadia-Vadodara Transmission Project Limited (LVTPL) (Became JV w.e.f. April 06, 2021)

- Udupi Kasargode Transmission Limited (UKTL) (Became JV w.e.f. April 06, 2021)
- Sterlite Grid 14 Limited (SGL 14) (Became JV w.e.f. April 06, 2021)
- Sterlite Grid 18 Limited (SGL 18) (Became JV w.e.f. April 06, 2021)
- Sterlite Grid 29 Limited (SGL29) (Became JV w.e.f. April 06, 2021)

B. Companies which have ceased to be subsidiaries during FY2022:

- Sterlite Grid 4 Limited (SGL4) (Merged with SPTL w.e.f. March 14, 2022)
- Goa-Tamnar Transmission Project Limited (GTTPL) (Became JV w.e.f. April 06, 2021)
- Lakadia-Vadodara Transmission Project Limited (LVTPL) (Became JV w.e.f. April 06, 2021)
- Udupi Kasargode Transmission Limited (UKTL) (Became JV w.e.f. April 06, 2021)
- Sterlite Grid 14 Limited (SGL 14) (Became JV w.e.f. April 06, 2021)
- Sterlite Grid 18 Limited (SGL 18) (Became JV w.e.f. April 06, 2021)
- Sterlite Grid 29 Limited (SGL29) (Became JV w.e.f. April 06, 2021)
- Dunas Transmissão de Energia S.A (Ceased to be the subsidiary w.e.f. June 02, 2021)

C. Companies which have ceased to be associates during FY2022:

- IndiGrid Investment Managers Limited (*Erstwhile Sterlite Investment Managers Limited*) (Ceased to be an Associate Company w.e.f. January 14, 2022)

SGL4 merged with the Company w.e.f. March 14, 2022, pursuant to the Scheme of Amalgamation of SGL4 with the Company and their respective Shareholders approved by Hon'ble National Company Law Tribunal, Mumbai Bench.

SGL 14, SGL 18, SGL29, GTTPL, LVTPL and UKTL were wholly owned subsidiaries of the Company up to April 05, 2021 and became the joint venture companies/Associates w.e.f. April 06, 2021

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

27. DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

During the period under review, the Company had received no complaints of harassment and no complaints were pending to be resolved as on March 31, 2022. Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Act, relevant amounts of Dividend which remained unpaid or unclaimed for a period of seven years are to be transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed dividend lying with the Company as on March 31, 2022, is also available on the Company's website at www.sterlitepower.com. However, no amount was required to be transferred during the year under review.

29. TRANSFER OF SHARES LYING IN UNCLAIMED SUSPENSE ACCOUNT

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

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

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

31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

32. PERFORMANCE AND RETENTION CASH PLAN 2021

In order to provide strategic direction to the Organisation and ensuring achievement of high growth, the Nomination and Remuneration Committee had adopted 'Performance and Retention Cash Plan 2021' ("**Plan**") on September 24, 2021, for the key employees including Managing Director of the Company to ensure a continuous focus on creating value and participating actively in growth journey.

The Plan is in line with Company's philosophy of sharing benefits of growth with its key growth drivers.

33. LITIGATION BY THE COMPANY UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The details of application made by the Company and proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with the status as at March 31, 2022 is as under:

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

34. ADDITIONAL DISCLOSURES

a. Details of Board meetings of Sterlite Grid 4 Limited now merged with the Company

The Company had entered into a scheme of amalgamation with Sterlite Grid 4 Limited- wholly owned subsidiary of the Company ("**SGL4**"), and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, which was sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated February 17, 2022 and which became effective from March 14, 2022, therefore, the details of meetings of the Board of SGL4 is also being reported herein-under.

During the period April 01, 2021, to March 14, 2022, the Board of Directors of SGL4 met 7 (Seven) times. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (**hereinafter also referred to as “the Act”**) and Secretarial

Standard 1 on Board meetings issued by the Institute of Company Secretaries of India read with MCA circulars, as issued from time to time. The dates on which these meetings were held are May 26, 2021, June 12, 2021, July 14, 2021, August 29, 2021, September 29, 2021, December 24, 2021, and February 22, 2022.

The composition of the Board of SGL4 during FY2022 and its attendance in the meetings are as follows:

Sr. No.	Name of the Directors	Designation	No. of Board meetings of SGL4 held during the period April 01, 2021 to March 13, 2022.		
			Held	Entitled to attend	Attended
1	Mr. Amarendranath Reddy Tatimakula	Director	7	7	6
2	Mr. Amitabh Prasad	Director	7	7	5
3	Mr. Kamlesh Garg ¹	Director	7	7	5
4	Mr. A.R. Narayanaswamy ²	Independent Director	7	4	3

¹Regularised as Director in Annual General Meeting held on September 30, 2021.

²Appointed as an Additional Director (Independent) w.e.f August 04, 2021 and regularised as Director in Annual General Meeting held on September 30, 2021.

b. Non-Convertible Debentures

During the year under review, the Company did not issue/redeemed any debt securities. However, erstwhile Sterlite Grid 4 Limited (SGL4- *now merged with the Company*) had issued 2000 non-convertible debentures ('NCDs') of ₹ 10,00,000 each on private placement basis. The said NCDs were redeemed on April 07, 2022:

As on the date of this report, there are no debt securities.

35. DISCLOSURES WITH RESPECT TO EVENTS POST MARCH 31, 2022

- a. Ms. Kamaljeet Kaur was appointed as an Additional Director (Executive, Professional) effective June 29, 2022, upon the recommendation of the Nomination and Remuneration Committee. She was also appointed as a Whole Time Director (Key Managerial Personnel), for one year up to June 28, 2023, and is holding such office up to the date of 7th Annual General Meeting of the Company and will be regularised as Whole time Director w.e.f. June 29, 2022, subject to the approval of Members/Shareholders in the ensuing Annual General Meeting.

b. Restricted Stock Unit Scheme – 2022

Adopting a progressive approach from a long-term perspective for retention and value creation for the Company, its shareholders and the employees, the Board and Members/Shareholders of the Company have approved Restricted Stock Unit Scheme Plan - 2022 for key employees of the Company. The shareholders approval for the same has been obtained on July 06, 2022. The Company believes that this scheme will provide an opportunity to the employees to partner in the growth of the Organisation as a shareholder.

Your Board of Directors has proposed issue of Bonus equity shares to the holder of existing equity shares of the Company at the ensuing 7th Annual General Meeting, once the same is approved by the Members/

Shareholders, the number of stocks to be created, offered and granted, from time to time, in one or more tranches ("RSUs"); under the 'Sterlite Power Transmission Limited Restricted Stock Unit Scheme 2022' (hereinafter referred to as the "RSU Scheme 2022"), as approved by the Board and Members/ Shareholders vide their respective resolutions dated May 20, 2022 and July 06, 2022, respectively, shall appropriately be adjusted in a manner that number of RSUs under the RSU Scheme 2022, which shall not exceed 1% (One percent) of the number of increased paid-up equity shares of the Company (excluding outstanding warrants and conversions), Accordingly, such RSUs shall stand increased from 6,11,819 to 12,23,638 equity shares, without affecting any other rights or obligations of the RSU grantees and without requiring any further action/ approval of the Members/ Shareholders.

36. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year April 1, 2021 to March 31, 2022.
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d. they have prepared the annual accounts on a going concern basis.
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

37. GENERAL

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

- a. The Company has not accepted any deposits from the public or otherwise in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of Balance Sheet.
- b. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- c. The Managing Director of the Company do not receive any remuneration or commission from any of its subsidiaries.
- d. No significant or material orders were passed by the Regulators or Courts or Tribunals which has an impact on the going concern status and Company's operations in future.
- e. The Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.
- f. The Company has not made any one-time settlement in respect of any loan from Banks or Financial Institutions,

hence, no details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, are required to be given.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

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

39. ANNUAL RETURN

Pursuant to Section 92(3) of the Act, the Annual Return of the Company for the FY2022 shall be available on the website of the Company at www.sterlitepower.com.

40. ACKNOWLEDGEMENTS

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

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

sd/-
Pravin Agarwal
 Chairman
 DIN-00022096

Date: August 23, 2022
 Place: Aurangabad