Independent Auditor's Report

To The Members of Sterlite Grid 5 Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Sterlite Grid 5 Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

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ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section143(3) of the Act, we report that:

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

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

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

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

e. On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2023 from being appointed as a director in terms of Section164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, the same is not applicable on the Company and hence not commented upon.

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has no pending litigations which requires disclosure in its Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

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iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entity ("Intermediaries"), with the understanding , whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. Management has represented that, no dividend has been declared or paid during the year by the Company hence compliance with section 123 of the Act in not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For KNPS & Associates
Chartered Accountants
Firm Registration No.: 024073N

KNPS & Associates Gurgaon Chartered Accountants

Kumar Nagmani
Partner
Membership No.: 506310
UDIN: 23506310BGWAHJ9147
Place: Gurugram
Date: 06 July, 2023

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. The company did not have any property, plant and equipment during the year and hence reporting under clause 3(i) (a), (b), (c), (d) and (e) of the Order is not applicable.

ii. a. The Company does not have any inventory and hence reporting under clause 3(ii) (a) of the Order is not applicable.

   b. The Company has not been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.

iii. During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a),(b),(c),(d),(e) and (f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence reporting under clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposit within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder, where ever applicable. Hence reporting under clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, cost records specified by the Central Government under section 148(1) of the Companies Act, 2013 are not applicable to the Company, hence reporting under clause 3(vi) is not applicable.

vii. According to the information and explanations given to us in respect of statutory dues:

   a. The Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

   b. The Company had no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax and other material statutory dues outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.

   c. The Company had no dues of Income Tax, Goods and Service Tax, Provident Fund, Employees' State Insurance which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. .

   b. The company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

   c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year, hence reporting under clause 3(ix)(c) of the Order is not applicable.

   d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

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e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

b. The Company has not made any preferential allotment or private placement of shares fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. a. The Company represented that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. As represented to us by management there are no whistle blower complaints received by the company during the year.

xii. The Company is not a Nidhi company hence reporting under clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given by the management, all transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.

xiv. The Company is not required to maintain an internal audit system and hence reporting under clause 3(xiv) (a) and (b) of the Order is not applicable and hence not commented upon.

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

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b), (c) and (d), of the Order is not applicable.

xvii. The company has incurred cash losses in the financial year and immediately preceding financial year of amounting to INR 2.67 million and INR 21.32 million respectively.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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xx. a. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note 17 to the financial statements.

b. There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 17 to the financial statements.

For **KNPS & Associates**
Chartered Accountants
Firm's Registration No.: 024073N

Kumar Nagmani
Partner
Membership No.: 506310
UDIN: 23506310BGWAHJ9147
Place: Gurugram
Date: 06 July, 2023

KNPS & Associates
Gurgaon
Chartered Accountants

Annexure B to the Independent Auditors' Report of even date on the Ind AS Financial Statements of Sterlite Grid 5 Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Sterlite Grid 5 Limited ("the Company") as of March 31, 2023 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of Management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KNPS & Associates**
Chartered Accountants
Firm's Registration No.: 024073N

KNPS & Associates
Gurgaon
Chartered Accountants

Kumar Nagmani
Partner
Membership No.: 506310
UDIN: 23506310BGWAHJ9147
Place: Gurugram
Date: 06 July, 2023

STERLITE GRID 5 LIMITED
BALANCE SHEET AS ON 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
ASSETS			
Non-current assets			
Financial assets			
i. Investments	3	1,497.99	1,497.99
Income tax asset (net)		-	0.05
		1,497.99	1,498.04
Current assets			
Financial assets			
i. Trade receivables	4	22.73	22.73
ii. Cash and cash equivalents	5	0.14	0.36
iii. Other financial assets	6	0.11	0.11
Other current assets	7	0.13	0.13
		23.11	23.33
Total assets		1,521.10	1,521.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	0.50	0.50
Other equity	9		
Equity component of loan		651.70	305.72
Retained earnings		(0.85)	109.92
		651.35	416.14
Non-current liabilities			
Financial liabilities			
Borrowings	10	848.21	1,083.24
		848.21	1,083.24
Current liabilities			
Financial liabilities			
Trade payables	11		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		21.54	21.96
Other current liabilities	12	0.00*	0.02
		21.54	21.98
Total equity and liabilities		1,521.10	1,521.36
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For KNPS & Associates
Firm Registration No. 024073N
Chartered Accountants

per Kumar Nagmani
Partner
Membership Number: 506310
Place: Gurugram
Date:

KNPS & Associates Gurgaon Chartered Accountants

For and on behalf of the Board of Directors of Sterlite Grid 5 Limited

Amrendranath Tatimakula Reddy
Director
DIN: 07107290
Place: Gurugram
Date:

Ashok Gandhi
Director
DIN: 09851129
Place: Gurugram
Date:

Sterlite Grid 5 Limited

STERLITE GRID 5 LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Income			
Total income		-	-
Expenses			
Other expenses	13	2.33	22.40
Total expenses		2.33	22.40
Earning before interest, tax, depreciation and amortisation (EBITDA)		(2.33)	(22.40)
Finance costs	14	108.10	94.38
Finance income		-	(1.23)
Loss before tax		(110.43)	(115.54)
Tax expense			
-Income tax for earlier years	16	0.34	0.15
		0.34	0.15
Loss for the year		(110.77)	(115.70)
Other comprehensive income			
Other comprehensive income/(loss) to be reclassified to profit or loss		-	-
Other comprehensive income/(loss) not to be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income/(loss) for the year, net of tax		(110.77)	(115.70)
Earnings per equity share			
Basic and diluted (Rupees per share)	17	(2,215.40)	(2,313.97)
Computed on the basis of profit/(loss) for the year			
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For KNPS & Associates
Firm Registration No. 024073N
Chartered Accountants

per Kumar Nagmani
Partner
Membership Number: 506310
Place: Gurugram
Date:

KNPS & Associates Gurgaon Chartered Accountants

For and on behalf of the Board of Directors of
Sterlite Grid 5 Limited

Amrendranath Tatipakula Reddy
Director
DIN: 07107290
Place: Gurugram
Date:

Ashok Gandhi
Director
DIN: 09851129
Place: Gurugram
Date:

Sterlite Grid 5 Limited

STERLITE GRID 5 LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

A. Equity share capital

	No. in million	Rs. in million
Equity shares of Rs 10 each issued, subscribed and fully paid up		
As at 1 April 2021	0.05	0.50
Changes in equity share capital during the year	-	-
As at 31 March 2022	0.05	0.50
Changes in equity share capital during the year	-	-
As at 31 March 2023	0.05	0.50

B. Other equity

	Equity component of loan	Retained earnings	Total
As at 1 April 2021	378.65	225.64	604.29
Loss for the year	-	(115.70)	(115.70)
Other comprehensive income	-	-	-
Total comprehensive income	-	(115.70)	(115.70)
Add: Equity component of loan recognised during the year	(72.93)	-	(72.93)
As at 31 March 2022	305.72	109.94	415.66
Loss for the year	-	(110.77)	(110.77)
Other comprehensive income	-	-	-
Total comprehensive income	-	(110.77)	(110.77)
Add: Equity component of loan recognised/(reversed) during the year (net)	345.98	-	345.98
As at 31 March 2023	651.70	(0.83)	650.86

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For KNPS & Associates
Firm Registration No. 024073N
Chartered Accountants

KNPS & Associates Gurgaon Chartered Accountants

per Kumar Nagmani
Partner
Membership Number: 506310
Place: Gurugram
Date:

For and on behalf of the Board of Directors of
Sterlite Grid 5 Limited

Amrendranath Tatimakula Reddy
Director
DIN: 07107290
Place: Gurugram
Date:

Ashok Gandhi
Director
DIN: 09851129
Place: Gurugram
Date:

Sterlite Grid 5 Limited

STERLITE GRID 5 LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
A. Cash flow from operating activities		
Net profit/(loss) as per statement of profit and loss	(110.77)	(115.70)
Adjustment for taxation	0.34	0.15
Profit before tax	(110.43)	(115.54)
Non cash adjustments for to reconcile profit/ (loss) before tax to net cash flows		
- Finance cost	108.10	94.38
- Loss on sale of investment in Goa-Tamnar Transmission Limited	-	18.66
- Finance income	-	(1.23)
Operating profit before working capital changes:	(2.33)	(3.74)
Movements in working capital:		
- Decrease in trade payables	(0.42)	(0.02)
- Increase in other current asset	-	(0.13)
- Decrease in other current liabilities	(0.02)	(4.94)
Changes in working capital	(0.44)	(5.09)
Cash flow from operations	(2.77)	(8.83)
Income tax refund /(paid) (net)	(0.29)	7.79
Net cash from (used in) operating activities (A)	(3.06)	(1.04)
B. Cash flow from investing activities		
Acquisition of investment in fellow subsidiary	-	(570.37)
Proceeds from sale of investment in and loan to Goa-Tamnar Transmission Project Limited	-	1,105.14
Finance income	-	1.23
Net cash from investing activities (B)	-	536.01
C. Cash flow from financing activities		
Proceeds of borrowings from related party	2.84	602.51
Repayment of borrowings to the related party	-	(1,157.64)
Finance cost	-	(0.09)
Net cash flow from (used in) financing activities (C)	2.84	(555.23)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(0.22)	(20.26)
Cash and cash equivalents as at beginning of the year	0.36	20.62
Cash and cash equivalents as at end of the year	0.14	0.36
Components of cash and cash equivalents:		
Balance with banks on current accounts	0.14	0.36
Total cash and cash equivalent (refer note 5)	0.14	0.36

Reconciliation between opening and closing balances for liabilities arising from financing activities:

Particulars	Long term borrowings	Short term borrowings
01 April 2021	1,471.16	-
Cash flow		
- Proceeds/(repayments)	(555.13)	-
Non-cash changes		
Equity component of loan classified as equity	72.93	-
Interest expense on loan taken from holding company measured at amortised cost	94.28	-
31 March 2022	1,083.24	-
Cash flow		
- Proceeds/(repayments)	2.84	
Non-cash changes		
Equity component of loan recognised/(reversed) during the year (net)	(345.98)	-
Interest expense on loan taken from holding company measured at amortised cost	108.10	-
31 March 2023	848.21	-

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For KNPS & Associates
Firm Registration No. 024073N
Chartered Accountants

per Kumar Nagmani
Partner
Membership Number: 506310
Place: Gurugram
Date:

For and on behalf of the Board of Directors of Sterlite Grid 5 Limited

Amrendranath Tatmakula Reddy
Director
DIN: 07107290
Place: Gurugram
Date:

Ashok Gandhi
Director
DIN: 09851129
Place: Gurugram
Date:

KNPS & Associates Gurgaon Chartered Accountants

Sterlite Grid 5 Limited

1. Corporate information

Sterlite Grid 5 Limited ("the Company") is a wholly owned subsidiary of Sterlite Power Transmission Limited. The Company was incorporated under the provisions of the Companies Act, 2013 on 27 September 2016. The Company acts as a developer on Build Own Operate and Maintain ('BOOM') basis, for designing, financing, construction and maintenance of power transmission system. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1 Pune MH 411001. The CIN of the Company is U29190PN2016PLC209044.

The financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on 06 July 2023.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time), as notified under Section 133 of the Companies Act 2013 (the 'Act').

The financial statements have been prepared on a historical cost basis, except for the certain financial assets which have been measured at fair value (refer accounting policy regarding Financial instruments).

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

The financial statements are prepared at standalone level and no consolidated financial statements have been prepared as the Holding Company of the Company prepares consolidated financial statement consolidating the Company including its subsidiary Company.

2.2 Summary of significant accounting policies

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

a) 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. The Company has identified twelve months as its operating cycle.

KNPS & Associates Gurgaon Chartered Accountants

Sterlite Grid 5 Limited

b) Foreign currencies

The Company's financial statements are presented in INR, which is its functional currency. The Company does not have any foreign operation and has assessed the functional currency to be INR.

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.

c) Fair value measurement

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 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 property plant and equipment. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for the valuation.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the 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 the external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

d) Revenue from operations

Revenue from contracts with customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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.

Revenue from service contracts:
In case of revenue from service contract, 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.

e) Interest income and Dividend

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends
Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established.

f) Taxation

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement 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.

KNPS & Associates Gurgaon Chartered Accountants
Sterlite Grid 5 Limited

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Service Tax paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the amount of Goods and Service Tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

g) 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.

h) 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.

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Sterlite Grid 5 Limited

In determining fair value less costs of disposal, recent market transactions are considered. 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 are prepared for the entire project life.

Impairment losses of continuing operations 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.

i) Provisions

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.

j) 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:

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a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering 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.

Debt instrument at fair value through OCI (FVTOCI)
A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have significant financial assets which are subsequently measured at FVTOCI.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the 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 or loss.

This category is generally applied to cash and short-term deposits.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the 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 or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the 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;

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Sterlite Grid 5 Limited

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

Majority of the financial assets of the Company pertains to cash and cash equivalents. The Company does not foresee any credit risk on such financial assets which may cause an impairment.

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 borrowings and related costs and other payables.

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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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Sterlite Grid 5 Limited

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 or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised Cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined 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.

k) 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, that are readily convertible to a known amount of cash and 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.

l) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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Sterlite Grid 5 Limited

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Investments in subsidiaries and joint ventures

The Company accounts for its investments in subsidiaries at cost less accumulated impairment losses (if any) in its separate financial statements. Investments accounted for at cost are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

n) Presentation of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. This is not required by the Ind AS 1. The EBITDA is not defined in the Ind AS. Ind AS compliant schedule III allows companies to present line items, sub line items and sub totals to be presented as an addition or substitution on the face of the 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 earnings before interest, tax, depreciation and amortisation (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 amortisation expense, finance income, finance costs and tax expense.

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement. The Company does not expect this amendment to have any significant impact in its financial statements.

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Sterlite Grid 5 Limited

Note 3: Non-current investment

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Non-current		
Investment in fellow subsidiary		
-Equity investments, at cost (unquoted)		
Sterlite Brazil Participacoes S.A.		
[93.02 (31 March 2022: 93.02 million shares) million equity shares of R$1 each fully paid up]	1,497.99	1,497.99
Total	1,497.99	1,497.99

Note 4: Trade receivables

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Trade receivables	22.73	22.73
Total	22.73	22.73

Ageing of current trade receivables (Rs. in million)

Particulars	Amount not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Undisputed Trade receivables – considered good*	-	-	-	22.73	-	-	**22.73**
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	-	-	22.73	-	-	22.73
As at 31 March 2022							
Undisputed Trade receivables – considered good*	22.73	-	-	-	-	-	**22.73**
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	22.73	-	-	-	-	-	22.73

As at 31 March 2023, there are no trade receivables which have significant increase in credit risk or receivable where credit is impaired.

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 60 days. See Note 20 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

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Sterlite Grid 5 Limited ★

Note 5 : Cash and cash equivalents

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Balance with banks on current accounts	0.14	0.36
Total	**0.14**	**0.36**

Note 6: Other financial assets

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Management fees receivable	0.11	0.11
Total	**0.11**	**0.11**

Note 7: Other assets

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Balance with government authorities	0.13	0.13
Total	**0.13**	**0.13**

Note 8: Share capital

	Number of shares (Rs. in million)	Amount (Rs. in million)
Authorised equity shares (nos. milliion)		
Authorised equity shares as on 1 April 2021	0.05	0.50
Increase / (decrease) in authorised share capital	-	-
Authorised equity shares as on 31 March 2022	0.05	0.50
Increase / (decrease) in authorised share capital	-	-
Authorised equity shares as on 31 March 2023	0.05	0.50
0.05 million (31 March 2022: 0.05 million) equity shares of Rs.10 each		
Issued, subscribed and fully paid-up shares		
0.05 million (31 March 2022: 0.05 million) equity shares of Rs.10 each	0.05	0.50
Total issued, subscribed and fully paid-up share capital	**0.05**	**0.50**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	Number of shares (Rs. in million)	Amount (Rs. in million)
As at 01 April 2021	**0.05**	**0.50**
Add: Changes during the year	-	-
As at 31 March 2022	**0.05**	**0.50**
Add: Changes during the year	-	-
As at 31 March 2023	**0.05**	**0.50**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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 the shareholders. The Company has not declared any dividend in current year (31 March 2022: Nil).

c. Shares held by holding/ ultimate holding company and/or their subsidiaries

	31 March 2023		31 March 2022	
	No. in million	% holding	No. in million	% holding
Sterlite Power Transmission Limited (Immediate holding company)	0.05	100%	0.05	100%

d. Details of shareholders holding more than 5% of shares in the company

	31 March 2023		31 March 2022	
	No. in million	% holding	No. in million	% holding
Sterlite Power Transmission Limited (Immediate holding company)	0.05	100%	0.05	100%

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Sterlite Grid 5 Limited

e. Detail of shareholding of promoters

Promoter name	31 March 2023				
	No. of share in million at the beginning	Change	No. of share in million at the end	% of Total shares	Change
Sterlite Power Transmission Limited (Immediate holding company)	0.05	Nil	0.05	100%	Nil
Total	**0.05**		**0.05**	**100%**	

Promoter name	31 March 2022				
	No. of share in million at the beginning	Change	No. of share in million at the end	% of Total shares	Change
Sterlite Power Transmission Limited (Immediate holding company)	0.05	Nil	0.05	100%	Nil
Total	**0.05**		**0.05**	**100%**	

Out of total 50,000 equity shares, 6 equity shares (31 March 2022 : 6 equity shares) are held by nominee shareholders.
The shareholding information is based on the legal ownership of shares and has been extracted from the record of the Company including register of shareholders / member.

Note 9 : Other equity

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Equity component of loan	651.70	305.72
Retained earnings		
Balance as per last financial statements	109.92	225.62
Add: Profit/(loss) for the year	(110.77)	(115.70)
Total	(0.85)	109.92

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Sterlite Grid 5 Limited

Note 10: Non current borrowings

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Loan from immediate holding company (unsecured)*	848.21	1,083.24
Total	**848.21**	**1,083.24**

*The unsecured loan from immediate holding company carries Nil (31 March 2022: Nil) rate of interest. Since, the interest rate of the loan is below the market rate of interest, Rs. 651.70 million (31 March 2022: Rs. 305.72 million) is considered as equity contribution from parent under 'Other equity'.

Note 11: Trade payables

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises (MSME)	21.54	21.96
	21.54	21.96

Ageing of trade payables

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31 March 2023							
Billed dues							
MSME	-	-	-	-	-	-	-
Others	-	-	20.84	-	-	-	20.84
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Unbilled dues							-
MSME	-	-	-	-	-	-	-
Others	0.70	-	-	-	-	-	0.70
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	0.70	-	20.84	-	-	-	21.54
31 March 2022							
Billed dues							
MSME	-	-	-	-	-	-	-
Others	20.84	-	-	-	-	-	20.84
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Unbilled dues							-
MSME	-	-	-	-	-	-	-
Others	1.12	-	-	-	-	-	1.12
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	21.96	-	-	-	-	-	21.96

Details Of Dues To Micro And Small Enterprises As Defined Under Msmed Act, 2006

Description	31 March 2023	31 March 2022
(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		
Principal amount due to micro and small enterprises Interest due on above	NA	NA
(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.	NA	NA
(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.	NA	NA
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NA	NA
(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.	NA	NA

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Sterlite Grid 5 Limited

Note 12: Other current liabilities

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Withholding taxes (TDS) payable	0.00*	0.02
Total	0.00*	0.02

Note 13: Other expenses

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Legal and professional fees	0.08	0.72
Payment to auditors		
- Statutory audit fees (including tax)	0.02	0.25
Corporate social responsibility (CSR) expense#	2.21	2.21
Rates and taxes	0.01	0.48
Loss on sale of investment in Goa Tamnar Transmission Limited (refer note 18)	-	18.66
Miscellaneous expenses	-	0.08
Total	2.33	22.40

As per Section 135 of the Companies Act. 2013, the Company is required to contribute Rs. 2.19 million (31 March 2022: 2.20) towards Corporate Social Responsibility activities, which is calculated basis 2% of its average net profits of the last three financial years. During the period, the Company has spent Rs. 2.21 million (31 March 2022: 2.21) on the Corporate Social Responsibility ('CSR activities'). Further details of CSR expenditure are as follows:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
a) Gross amount required to be spent by the Company during the year	2.19	2.20
b) Amount approved by the Board to be spent during the year	2.21	2.21

Particulars	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended 31 March 2023			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.21	-	2.21
d) Amount spent during the year ended 31 March 2022			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.21	-	2.21

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

KNPS & Associates Gurgaon Chartered Accountants

Sterlite Grid 5 Limited

Note 14: Finance cost

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Interest on financial liabilities measured at amortised cost	108.10	94.28
Bank charges	0.00*	0.09
Total	**108.10**	**94.38**

Note 15: Finance income

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Interest on deposit with banks	-	0.30
Interest on refund of income tax	-	0.93
Total	**-**	**1.23**

Note 16: Income taxes

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:		
Current income tax charge	-	-
Income tax for earlier years	0.34	0.15
Total	**0.34**	**0.15**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Accounting Profit/(loss) before income tax	**(110.43)**	**(115.54)**
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	(27.79)	(29.08)
Permanent disallowance of expenditure under income tax act	27.79	24.29
Deferred tax asset not recognised on capital loss on sale of investment in subsidiary	-	4.70
Income tax for earlier years	0.34	0.15
Others	-	0.09
At the effective income tax rate	**0.34**	**0.15**
Income tax expense reported in the statement of profit and loss	0.34	0.15

Note 17: 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 computation

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Profit/(loss) after tax for calculating basic and diluted EPS	**(110.77)**	**(115.70)**
Weighted average number of equity shares in calculating basic and diluted EPS (No. million)	0.05	0.05
Earnings per share		
Basic and diluted (on nominal value of Rs. 10 Per Share) rupees/share	**(2,215.40)**	**(2,313.97)**

Note 18: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, 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. During the year ended 31 March 2023 and 31 March 2022 there was no judgments, estimates and assumptions made by the management that could result in outcomes requiring material adjustment to the carrying amount of assets or liabilities other than those mentioned below in note 23.

Assets classified as held for sale

Ind AS -105 Non Current Assets Held for Sale and Discontinued Operations requires a disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition and the sale must be highly probable. In previous year, on 03 April 2021, a Share Purchase Agreement ("Agreement") was executed among the Company, its wholly owned subsidiary Goa- Tamnar Transmission Project Limited ("GTTPL") and fellow subsidiary Sterlite Grid 29 Limited ("SGL 29"). As per the terms of agreement 100% share held by the Company in GTTPL were transferred to SGL 29 as per consideration agreed. Further, on 3 April, 2021, a novation agreement was also been executed between the Company and SGL 29 for assignment of Promoter loan given to GTTPL of Rs. 627.59 million to SGL 29. Based on the assessment performed by the management investment in equity shares of GTTPL and loan given to GTTPL were classified as assets held for sale as at 31 March 2021. Pursuant to the agreement the Company had sold its investments in GTTPL to SGL 29 in last year and had recognised a loss of Rs 18.66 million in the statement of profit and loss.

KNPS & Associates Gurgaon Chartered Accountants

Sterlite Grid 5 Limited

Note 19: Segment reporting

The Company acts as a developer on Build, Own, Operate and Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems in India. 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 Companies operations, the Company is of the view that it operates in a single primary segment. The said treatment is in accordance with the guiding principles enacted in Indian Accounting Standard 108 Operating Segment (Ind AS 108).

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Note 20: Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade 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 trade receivables, cash and cash equivalents and other financials assets bank balances that derive directly from its operations. The Company also holds investments in equity instruments.

The Company is exposed to credit risk, liquidity risk, and market 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 management 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) 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 did not have credit risk towards the above as of the reporting dates.

(B) 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 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 to 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs. in million)

Particulars	Less than 1 year	1 to 5 years	Total
31 March 2023			
Borrowings	-	848.21	848.21
Trade payables	21.54	-	21.54
Total	**21.54**	**848.21**	**869.75**
31 March 2022			
Borrowings		1,083.24	1,083.24
Trade payables	21.96	-	21.96
Total	**21.96**	**1,083.24**	**1,105.20**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, bank deposits and Investments in short-term mutual funds etc. As at 31 March 2023 and 31 March 2022, the Company did not have any financial instrument subject to market risk.

KNPS & Associates Gurgaon Chartered Accountants

Sterlite Grid 5 Limited

Note 21: 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, borrowings less cash and cash equivalents.

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Borrowings (refer note 10)	848.21	1,083.24
Less: Cash and cash equivalents	(0.14)	(0.36)
Net debt	**848.07**	**1,082.88**
Equity share capital	0.50	0.50
Other equity	651.35	416.14
Total capital	**651.85**	**416.64**
Gearing ratio (in times) (Net debt/equity)	**1.30**	**2.60**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

Note 22: Fair value measurement

There are no financial instruments which are measured at fair value as at year end. The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values of borrowings (other than fixed rate) approximate their carrying amounts mainly due to the variable interest rates. For fixed rate borrowings, the fair values approximate their carrying amounts largely due to movements in interest rates from the recognition of such financial instrument till year end not being material.

Note 23: Contingent Liabilities

As at 31 March 2023, the company has contingent liabilities of Rs Nil (31 March 2022: Nil)

Note 24: Capital and Other Commitments

As at 31 March 2023, the company has commitment of Rs Nil (31 March 2022: Nil) on account of capital nature.

KNPS & Associates Gurgaon Chartered Accountants

Sterlite Grid 5 Limited

Note 25: Related party disclosures

(A) Name of related party and nature of its relationship:

Related parties where control exists	
a. Holding Companies	
Sterlite Power Transmission Limited	Immediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company
b. Subsidiaries	
Goa-Tamnar Transmission Project Limited	Wholly owned subsidiary company (till 5 April 2021)
c. Additional related parties as per the Companies Act, 2013 with whom transactions has taken place during the year	
Sterlite Brazil Participacoes S.A	Subsidiary of immediate holding company i.e. fellow subsidiary
Sterlite Edindia Foundation	Subsidiary of immediate holding company i.e. fellow subsidiary
Sterlite Grid 29 Limited	Subsidiary of immediate holding company i.e. fellow subsidiary

(B) The transactions with related parties during the year and their outstanding balances are as follows:-

(Rs. in million)

Particulars	Sterlite Power Transmission Limited		Goa Tamnar Transmission Project Limited		Sterlite Edindia Foundation		Sterlite Grid 29 Limited		Sterlite Brazil Participacoes S.A	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Transactions during the year										
Unsecured loan taken	2.84	-	-	-	-	-	-	-	-	-
Unsecured loan repaid (net)	-	555.13	-	-	-	-	-	-	-	-
Investment in equity shares	-	-	-	-	-	-	-	-	-	570.37
CSR contribution	-	-	-	-	2.21	2.21	-	-	-	-
Sale of investments in and loan to Goa Tamnar Transmission Project Limited	-	-	-	-	-	-	-	1,105.14	-	-
Outstanding balances	**31 March 2023**	**31 March 2022**	**31 March 2023**	**31 March 2022**	**31 March 2023**	**31 March 2022**	**31 March 2023**	**31 March 2022**	**31 March 2023**	**31 March 2022**
Investment in equity shares	-	-	-	-	-	-	-	-	1,497.99	1,497.99
Trade receivable	22.73	22.73	-	-	-	-	-	-	-	-
Management fees receivable	-	-	0.11	0.11	-	-	-	-	-	-
Unsecured loan payable	1,196.61	1,193.74	-	-	-	-	-	-	-	-

Sterlite Grid 5 Limited

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STERLITE GRID 5 LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

Note 27: Ratio analysis and its elements

Ratio	March 31, 2023	March 31, 2022	% change	Reason for variance above 25%
Current ratio^	1.07	1.06	1.09%	Not applicable
Debt-equity ratio^	1.30	2.60	-49.91%	Not applicable
Return on equity ratio^	(0.21)	(0.23)	-8.60%	Not applicable
Return on capital employed^	(0.00)	(0.01)	-85.11%	The decrease in ratio is mainly on account of nil revenue in the current year.
Return on investment^	-	(0.01)	-100.00%	No investment and income earned in current year.

* Other ratios mentioned in schedule III are not applicable

^ Current Ratio	Current assets / Current liabilities
Debt-Equity ratio	Total debt / Shareholder's equity
Return on equity ratio	Profit/(loss) after tax / Average shareholder's equity
Return on capital employed	Earnings before interest and taxes / Capital employed
Return on investment	Return / Investment

As per our report of even date

For KNPS & Associates
Firm Registration No. 024073N
Chartered Accountants

per Kumar Nagmani
Partner
Membership Number: 506310
Place: Gurugram
Date:

KNPS & Associates Gurgaon Chartered Accountants

For and on behalf of the Board of Directors of
Sterlite Grid 5 Limited

Amrendranath Tatimakula Reddy
Director
DIN: 07107290
Place: Gurugram
Date:

Ashok Gandhi
Director
DIN: 09851129
Place: Gurugram
Date:

Sterlite Grid 5 Limited