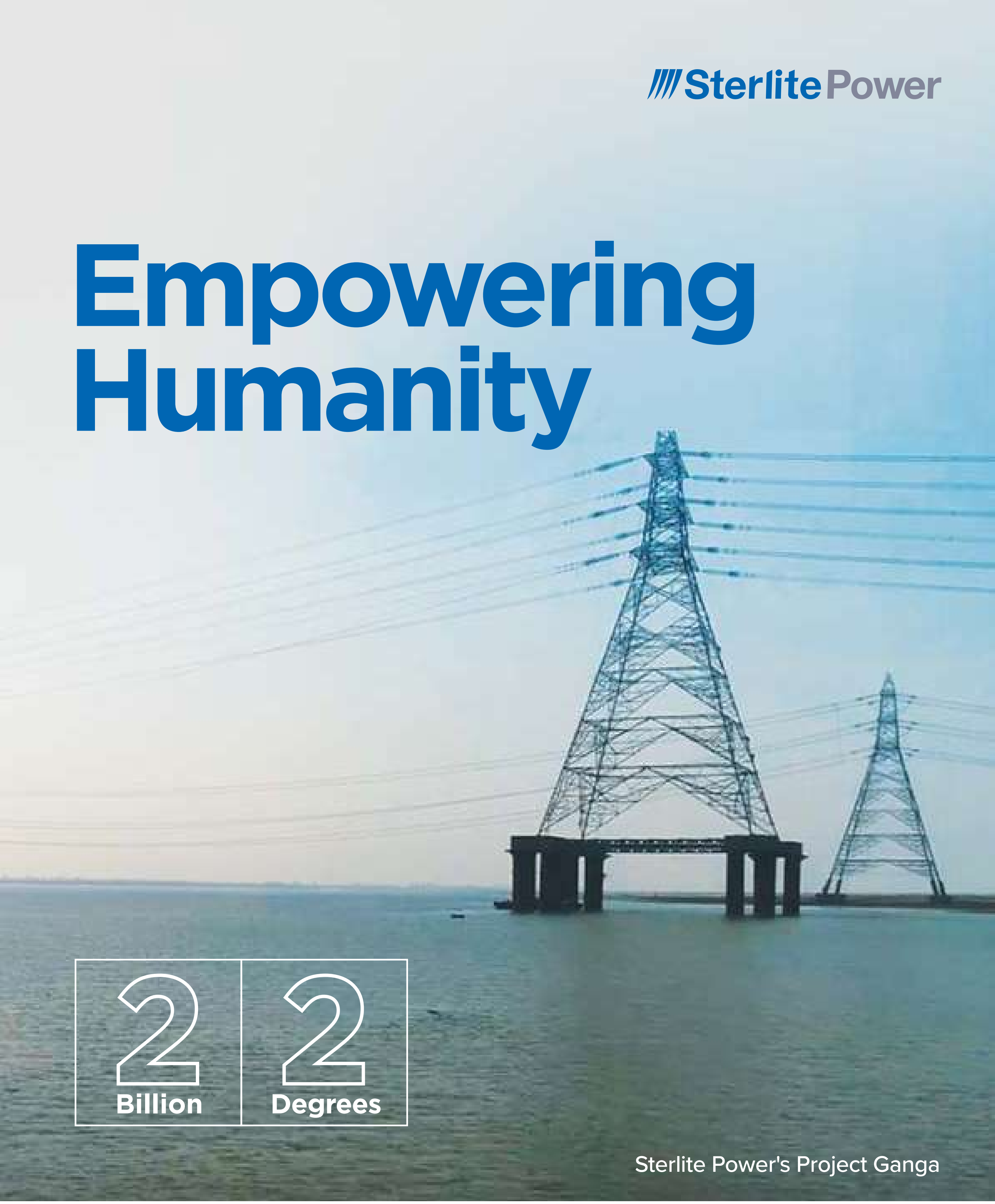
Sterlite Power



Empowering Humanity

2 Billion | 2 Degrees

Sterlite Power's Project Ganga

S&P GLOBAL PLATTS
GLOBAL ENERGY AWARDS
2019 WINNER

Sterlite Power Transmission Limited

ANNUAL REPORT 2019-20

Inside this Report

EXCHANGE RATE (30TH NOV, 2020)

US$ 1 = ₹73.79
R$1 = ₹13.87

FY 2019-20 KEY HIGHLIGHTS

↗ growth (y-o-y) › Previous year

Total Income

₹5,158 Crore [US$ 699 Million]

↗ 44%

› ₹3,571 Crore [US$ 484 Million]

EBIDTA

₹2,406 Crore [US$ 326 Million]

↗ 434%

› ₹450 Crore [US$ 61 Million]

Profit/(Loss)

₹942 Crore [US$ 128 Million]

↗ 280%

› (₹524 Crore) (US$ 71 Million)

NETWORTH

₹61 Crore [US$ 8 Million]

↗ 109%

› (₹676 Crore) (US$ 92 Million)

CAUTIONARY STATEMENT

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

Empowering Humanity by Addressing the Toughest Challenges of Energy Delivery

The world is progressing towards a future where 24x7 reliable power is a reality. However, despite recent advances in electrification, ~2 Billion people globally still do not have access to reliable power. Addressing this requirement by leveraging the existing power portfolio will mean burning more fossil fuels and will aggravate another world-wide crisis – the global warming.

The landmark International Panel on Climate Change (IPCC) report released in October 2018 highlights the aim of strengthening the global response to the threat of climate change. The world now has a global goal of 'limiting the increase in the global average temperature to well below 2°C above pre-industrial levels'.

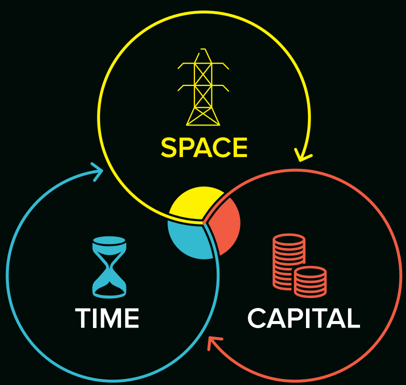
The dual challenge of 2 Billion and 2 Degrees, can be resolved by shifting to Renewable Energy (RE) sources. In many countries, infrastructure readiness pales in comparison to the pace of energy transition, posing a huge constraint of time. Further, the unavailability of adequate space, given the rate of urbanisation, casts a long shadow on the ambitious plans. The third and final piece of the puzzle is the scale of capital investment that is required to transform the existing transmission and distribution infrastructure, in order to cater to this transition. At Sterlite Power, we have been focusing on solving these complex challenges at the intersection of time, space and capital.

2	2
Billion	Degrees

Our performance in the year is but one of the many testimonies to our endeavour. While the sections of this Annual Report will further elaborate on each of these aspects, it is important to reiterate that 'Empowering Humanity by Addressing the Toughest Challenges of Energy Delivery' remains our True North, guiding us in the choices we make as businesses and individuals.

We strongly believe that building a more sustainable world is a real driver of innovation, a lever for growth and the true hallmark of success. We want what we do to be meaningful and through our out-of-the-box innovation and thought leadership, we aim to bring energy and efficiency to enable life, progress and sustainability for all.

We believe, that solving the time, space and capital trilemma in the power sector, can help address the twin challenge of ensuring access to reliable electricity for 2 Billion lives without impacting the global goal of restricting the increase in temperatures below 2 Degrees.

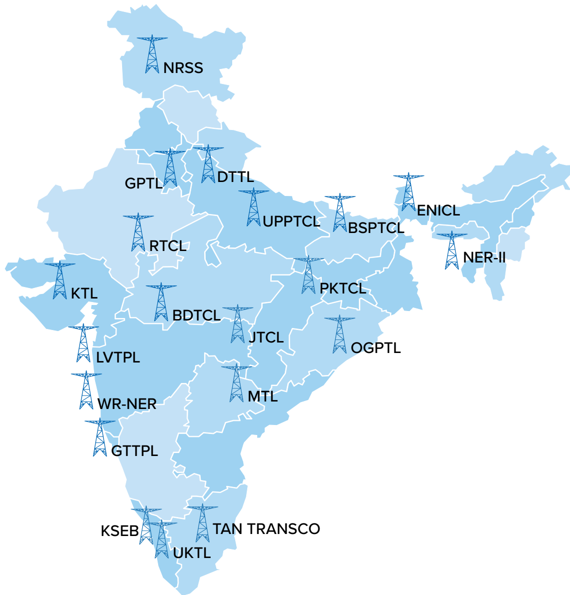


Sterlite Power at a Glance

Sterlite Power Transmission Limited (Sterlite Power) is a leading global developer of power transmission infrastructure with projects of ~13,700 circuit km (ckm) and 26,100 mega-volt ampere (MVA) in India and Brazil. With an industry-leading portfolio of power conductors, extra-high voltage Extra-High Voltage (EHV) cables and optical ground wire Optical Ground Wire (OPGW), Sterlite Power offers solutions for upgrading, uprating and strengthening existing networks, and are the leading manufacturer of bare overhead conductors, exporting to over 60 countries. The company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing. Sterlite Power is also the sponsor of IndiGrid, India's first power sector infrastructure Investment Trust (InvIT), listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Sterlite Power has been recognised with prestigious global awards from S&P Global Platts and International Project Management Association (IPMA).

Asset Portfolio across India and Brazil

CAPEX: ₹36,022* Crore (US$ 4.88 Billion)



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

Business divisions

Each of our businesses serves our core purpose of ‘empowering humanity by addressing the toughest challenges of energy delivery’.

Global Infrastructure
We bid, design, construct, own and operate power transmission assets across multiple geographies.

Read more on **Page 16**

Solutions
We specialise in upgrading, uprating and strengthening existing power delivery networks.

Read more on **Page 26**

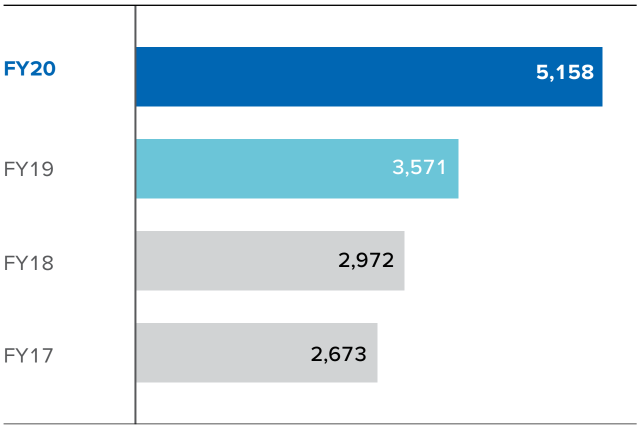
Convergence
We aim to create a pan-India, efficient optical ground wire network to deliver high-speed data that runs over existing power transmission lines.

Read more on **Page 31**

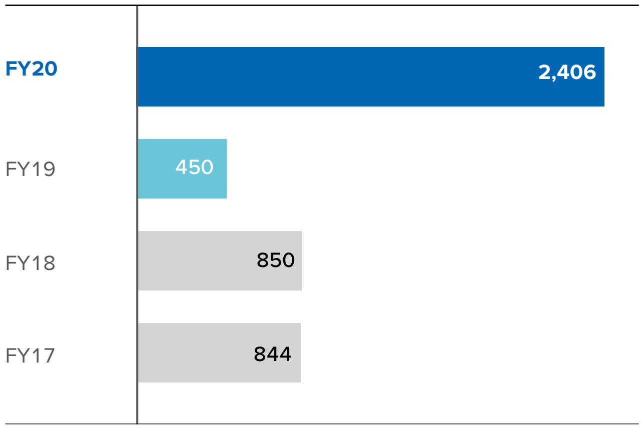
* Includes assets developed or under development

Key Performance Indicators

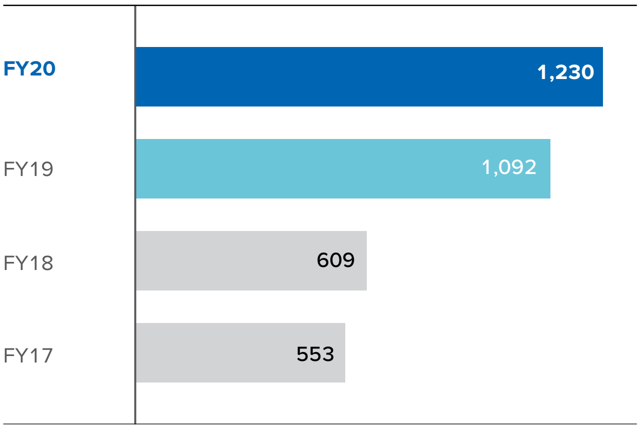
TOTAL INCOME (₹ in Crore)



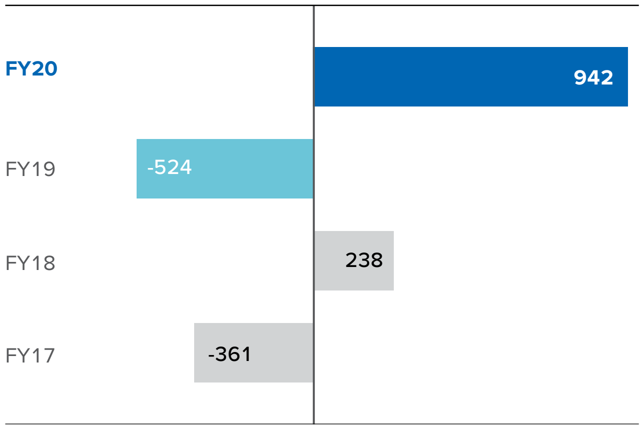
EBIDTA (₹ in Crore)



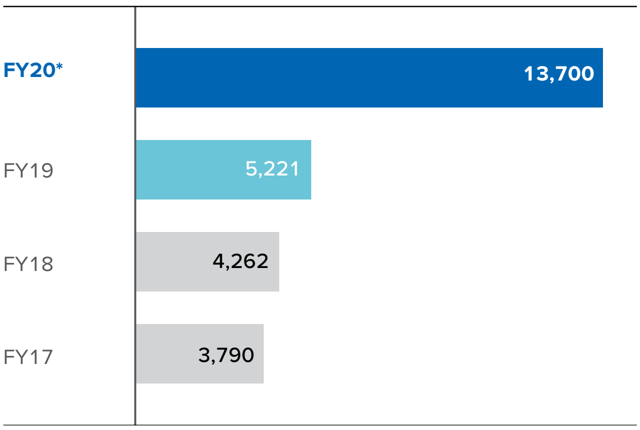
CUMULATIVE LEVELISED TARIFF (₹ in Crore)



PAT (₹ in Crore)



CIRCUIT KM (Cumulative)



* Including projects commissioned, under-construction and transferred to IndiGrid

Key Milestones

SOWING SEEDS

2006-2009

- Power business acquired from Sterlite Industries Ltd.
- Sterlite Technologies Ltd. (STL) forays into power transmission
- Expanded power conductor manufacturing capacity

STRENGTHENING ROOTS

2010-2013

- Sterlite Power (as a division of STL) awarded India's first independent Power Transmission Project under Tariff-Based Competitive Bidding (TBCB)
- Set up power cable manufacturing facility in Haridwar, Uttarakhand
- **Awarded India's first 765 kV private project – Bhopal Dhule Transmission Ltd. (BDTCL).**
- Established Master System Integrator (MSI) service line, in Gujarat gujarat energy transmission corporation limited (GETCO), West Bengal power grid corporation of India Limited, Telangana Transmission Corporation of Telangana Limited (TSTRANSCO) and UP Uttar Pradesh Power Transmission Corporation Limited (UPPTCL)
- Awarded RAPP Transmission Company Ltd. (RTCL) project with 403 ckm in Madhya Pradesh and Rajasthan and Purulia and Kharagpur Transmission Company Limited (PKTCL) with 545 ckm in Jharkhand and West Bengal

NURTURING GROWTH

2014-2015

- Standard Chartered Private Equity infused an investment of ₹500 Crore (US$ 67.8 Million)
- First inter-state project commissioned, East-North Interconnection Company Limited (ENICL) in Assam-West Bengal-Bihar
- **Awarded Northern Region Strengthening Scheme - 29 (NRSS-29), a project in the challenging terrain of Jammu & Kashmir (J&K) with route length of 887 ckm**
- Commissioned second project Bhopal Dhule Transmission Company Limited in Bhopal-Dhule
- Awarded Maheshwaram Transmission Company Limited project in Telangana. Taking total project count to seven
- **First private transmission developer to win an award from the Ministry of Power for early commissioning of 765/400 kV Dhule substation**

SPREADING BRANCHES

2016-2017

- **First developer to commission a TBCB project, RTCL ahead of schedule**
- Commissioned the Jalandhar-Samba line – a key section of NRSS-29, the transmission corridor in Northern India, 12 months ahead of schedule
- Raised India's first AAA (SO) rated infrastructure bonds without Government guarantee for transmission projects
- Invested in Finland-based Sharper Shape for UAV-based technology
- Deployed helicranes to set up a power transmission line in the mountainous terrain of J&K in partnership with Erickson Inc.
- Demerged from STL
- Delivered India's first Smart Line (a combination of high-performance conductors, optical ground wire and communication lines)
- **Won two projects in Brazil, becoming the first Indian transmission infrastructure developer to enter the global market**
- **IndiGrid listed on Indian stock exchanges; Sterlite Power transferred two projects to IndiGrid**
- Won Novo Estado, the largest project in Brazil Transmission Auction, increasing the total Latin American transmission portfolio to US$1 Billion
- Awarded the largest uprate and upgrade project in India
- First customer onboarded on Sterlite's MTCIL fibre network

EXPANDING WITH CONFIDENCE

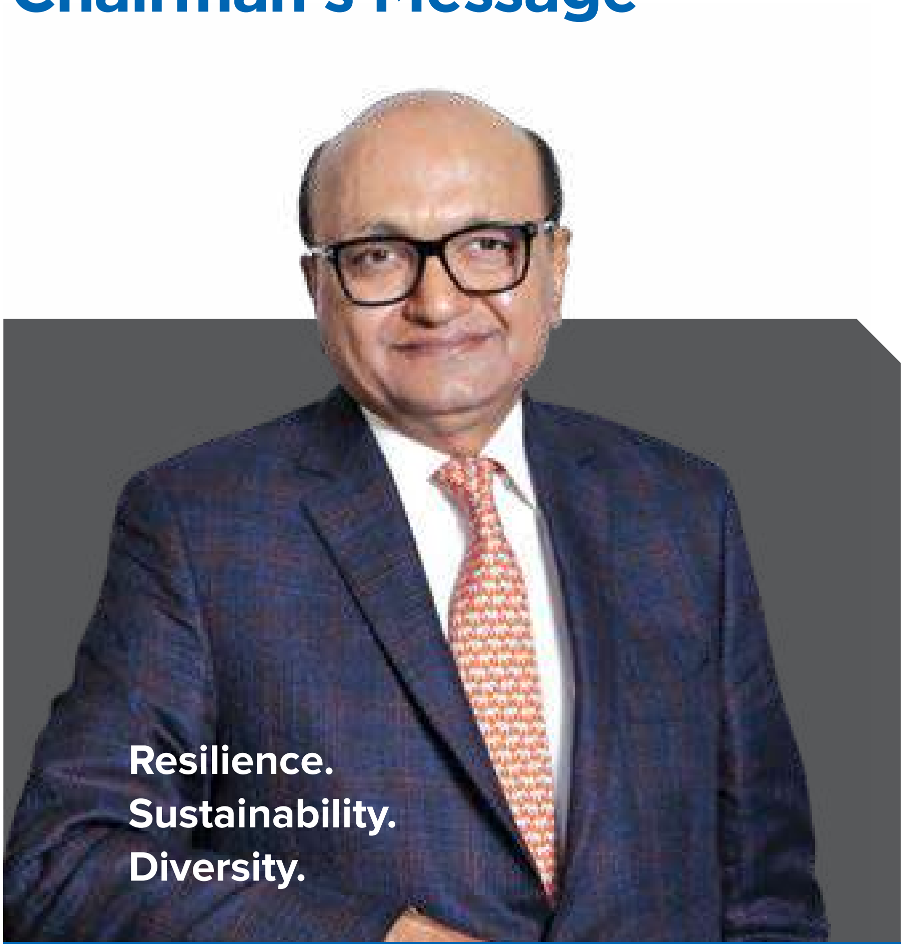
2018-2019

- Acquired 28.4% stake in transmission infrastructure business from Standard Chartered Private Equity for ₹1,010 Crore (US$ 137 Million)
- Accreditation for OPGW facility- 17025:2005- from National Accreditation Board for Testing and Calibration Laboratories (NABL)
- Won the largest global order of ~₹300 Crore (US$ 40.7 Million) from GS S Korea for supply of High-Performance Conductor (ACCC)
- **Won six new transmission projects in Brazil to take the total capex to US$2 Billion**
- **Commissioned NRSS-29 ahead of schedule; the project was dedicated to the people of J&K by Prime Minister Shri Narendra Modi**
- Successfully heralded 'Zero Shutdown' capability in India, with the reconductoring of a 66 kV transmission line in 'live-line conditions' in Bengaluru
- **Agreement with IndiGrid for sale of five transmission asset from Sterlite Power worth ₹11,500 Crore (US$ 1.6 Billion)**
- Bagged first underground MSI project with Geographic Information System (GIS) substation
- Completed OGPTL project 10 months ahead of schedule
- Won Pampa project, another prestigious transmission project in Brazil; taking Brazil project count to 10
- Successfully commissioned Arcoverde – the first project in Brazil, 28 months ahead of schedule
- Convergence business entered a Public Private Partnership (PPP) with Gurugram Smart City to build an intra city fibre network

2020

- Achieved 3 Million safe person hours (April 2019 to March 2020) at MSI projects with zero harm
- First to bring **Live-Line Reconductoring** Technology to India
- Pioneers in robotic technology for OPGW stringing through **SkyRob™**
- Transforming long-span river-crossings with Aluminum Conductor Composite Core – Ultra Low Sag (ACCC ULS) Ganga innovation and design
- Successful **charging of Arcoverde**, Brazil project, 28 months ahead of schedule
- Successfully launched a Helicopter LIDAR survey on the Raigarh-Tamnar line of GTTPL project
- Addition of **three Inter-State Transmission System (ISTS) projects worth ~₹3,600 Crore, (US$ 488 Million)** Western Region Strengthening Scheme - XIX (WRSS-XIX), North Eastern Region Strengthening Scheme - IX (NERSS-IX) and Western Region Strengthening Scheme - XXI (WRSS-XXI) to our portfolio
- Awarded with 'Safety in Electricity' in Gold category at the Protection Brazil Awards 2019 for the use of drones and other technologies in crossing energised transmission lines
- Declared 'Platinum winner' in the Earth & Environment Foundation (EEF) Global Sustainability Award 2019 for outstanding achievements in sustainability management
- **NRSS-29 chosen as Gold Winner in the IPMA Global Project Excellence Award 2019 for the mega-sized projects category**
- **NRSS-29 awarded Construction Project of the Year at the S&P Global Platts Energy Awards 2019**
- Commissioned Gurgaon Palwal Transmission Project (GPTL)
- **Concluded sale of three Brazilian assets**: Arcoverde, Novo Estado and Pampa
- East-North Interconnection Company Limited (ENICL) flipped to IndiGrid

Chairman's Message



DEAR STAKEHOLDERS,

Writing this letter to you all, continues to be a great honour to me. The last year has been a challenging one for everyone. However, it gives me immense pleasure to share with you all that FY 20 has been another successful year. The profitable growth, despite the challenges brought in by the COVID-19 pandemic, is a testament to the organisation's resilience. It also reflects the company's collective strength, our execution prowess and diligence in delivering on our promises. Our world-class project management process, innovations and sustainable approach has received global recognitions. The Kashmir project (NRSS-29) was recognised with prestigious global awards such as IPMA Project Excellence Awards in Mega Project category, and S&P Global Energy Project of the Year Awards. This year we also received the 'Best Practices Award for Safety and Environment' at the CII Southern Region EHS Excellence Awards.

Sterlite Power has demonstrated expertise in tackling specific challenges of space, time and capital in the power transmission sector. We have been delivering on innovative solutions for people at large. Through our work to provide reliable power, large swathes of people have seen their lives upgrade. Infrastructure is a critical need for a world that wants to be always on and always connected, regardless of the needs imposed on us by the pandemic.

Sterlite Power has demonstrated expertise in tackling specific challenges of space, time and capital in the power transmission sector. We have been delivering on innovative solutions for people at large. Through our work to provide reliable power, large swathes of people have seen their lives upgrade. Infrastructure is a critical need for a world that wants to be always on and always connected, regardless of the needs imposed on us by the pandemic.

MAINTAINING GRID RELIABILITY DURING THE PANDEMIC

Electricity has become a critical underpinning need of the modern lifestyle. The onset of global pandemic has reiterated this fact more than ever. These critical times have underscored the urgency of grid resilience.

The initial few months of the pandemic have been critical, as maintaining the grid reliability has not been an easy task. Nationwide lockdown, limited support services and reduced workforce, have added to these difficulties. However, Sterlite Power has presented a stronger front and ensured reliability of the national grid. We implemented COVID-response strategies across our sites, within few days of lockdown.

When the nation decided to stand in solidarity against the COVID-19 virus with the “9PM:9Minute Collective Resolve”, it was vital for the national grid to be prepared for the forecasted drop. Moreover, it was also critical to maintain seamless operation during the ramp up back to the normal state. It gives me immense pride that our Bongaigaon-Silliguri line, of ENICL, played a major role in providing reliability to the grid by acting as a crucial link in transferring hydropower generated in the North-Eastern region to the rest of the country.

Times of adversities like these bring out the true measure of an organisation at fore. The organisation’s strong connection to our core purpose inspires us to make a difference in the lives of millions of people every day. I would like to take a moment and extend my deepest gratitude to our partners for standing with us during the toughest times of the pandemic. Their constant support has enabled us in ensuring grid reliability, so that people could stay safely in their homes and continue to be productive.

A WORLD OF SUSTAINABILITY

Sterlite Power has been relentlessly working to integrate renewables to the grid at an accelerated pace to limit the global temperature rise well below 2°C. The organisation has time and again showed that any development can only benefit the society, if it fosters sustainability. From tree translocation to leveraging aerial technologies such as helicranes, drones and unmanned aerial vehicles (UAVs), implementing monopoles for addressing space challenges, ensuring safe OPGW stringing with Skyrob™, etc., Sterlite Power has been the harbinger of innovation and technology in the Indian transmission sector. This has enabled us in ensuring minimal impact on the environment, while transporting reliable power to the remotest parts.

The company’s project management processes and inclusive mindset has enabled it to address complex challenges in the sector by tackling the key constraints of space, time and capital. Projects like NRSS-29, Gurgaon Palwal Transmission Project with India’s first Vertical GIS Substation, HPC Reconductoring Project in Tamil Nadu, 1.1 km Ganga River Crossing for Purnia-Bihar Shariff transmission line restoration and implementation of Building Information Modelling (BIM) in substation design, planning & construction in Tripura, have reinforced the company’s dedication towards building a sustainable tomorrow.

Sterlite Power, as an organisation, has never deterred from going the extra miles to ensure sustainability. Whether it is addressing human-elephant conflict in the North-Eastern region of India or preserving the natural flora & fauna in the southern region of Nilgiris, the organisation has taken every possible step in ensuring various aspects of sustainability across its projects.

POWER TRANSMISSION – A RENEWABLE LINKED STORY

Emerging as home to one of the world’s largest clean-energy expansion programmes, India is the latest hotspot for renewable energy investors. With the Government of India’s focus on exporting sustainable energy to rest of the world, the narrative of Indian transmission industry has taken a new turn. Although India has plenty of renewable sources, the same can’t be said about the transmission lines. There is a lack of reliable transmission infrastructure to evacuate the power from the renewable power plants and connect to the main grid. This has brought transmission at the centre stage. The Government of India has aggressive target of achieving 450 GW of green energy capacity by 2030. This is an unprecedented opportunity for us to make a significant contribution to the sector with our expertise and our experience.

However, the timeline for construction of renewable power plants is extremely short, as compared to that of conventional power plants. The industry must embrace this challenge and transform itself for evacuation of renewable energy. Sterlite Power is focussed on playing its part for greening of the grid – a dedicated effort towards a Green Future.

OUR STRENGTH LIES IN DIVERSITY

At Sterlite Power, we have always believed that “our strength lies in diversity.”

With people coming from various industries and backgrounds at every level, diversity at workplace has enriched our culture and contributed to our innovative mindset. The fresh assemblage of perspectives has allowed us to perform in our individual space and cumulatively contribute to the organisation’s growth. Diversity has accelerated the organisation’s maturity in a very short span.

As an organisation we have witnessed a significant increase in the number of women employees across all levels – be it at our Board, Executive Teams or even frontline teams at our manufacturing plants. This is a welcome change that I have experienced in a sector which is dominated by male workforce. We strive to continue working towards maintaining the same.

Diversity gives our people a strong entrepreneurial edge and drives innovation which is crucial for an organisation such as ours. In a homogenous workforce, chances are high that the thinking as well as problem-solving approach will be similar. A diverse group of employees, on the other hand, brings a set of unique perspectives to the table, which leads to breakthrough ideas.

IN CONCLUSION

I still remember the initial days of our inception, when we dreamt of building an organisation which will strive towards making powerful impact. I am proud of the Sterlite Power family which has enabled us to create an organisation around the core purpose of “empowering humanity by addressing the toughest challenges of energy delivery.”

We have experienced that access to electricity transforms the society and acts as a platform for prosperity. Through our reliable power transmission network, we ensure that generation centres are connected to the demand centres, in a sustainable manner.

Every asset that we build on-ground, creates employment opportunities and trains the workforce for their lifetime. We continue to innovate and manufacture high-performance conductors, that allow the industry to address the various transmission challenges. We not only cater to India’s needs, but also export to 60+ countries. This is truly in line with the Government of India’s Aatma-Nirbhar Bharat initiative.

On that note, we are determined to commit to the opportunity with the best of our innovative might and agility. I would like to thank everyone at Sterlite Power, especially our investors and partners for their trust and confidence.

Pravin Agarwal,
Chairman,
Sterlite Power

Managing Director's Message

> **Advancing the carriage towards a green energy efficient future, Sterlite Power has an increasing focus on integrating renewable energy (RE) to the grid. It gives me immense pleasure that over the course of last year, we have been awarded some vital projects which will be connecting the national grid to clean and green energy.**

DEAR STAKEHOLDERS,

I am pleased to open my message with yet another year of strong performance by Sterlite Power, along with the honour of receiving some prestigious global awards.

Profitable growth has been our key focus. We have closed FY20 with Total Income of ₹51 Billion (44% growth) and a PAT of ₹9 Billion. We recorded a profit of ₹20 Billion from sale of assets in India and Brazil. For FY20, Our EBIDTA margins were at 47%, up from 13% in FY19 and a ROCE of ~28%.

As part of our asset monetization strategy, we had signed a framework agreement with IndiGrid Trust to sell 5 of our assets on commissioning at a predetermined price subject to certain conditions. We have replicated a similar asset monetization model in Brazil. During the year we realized ₹24.5 Billion as additional liquidity from the monetization of three projects in India namely, NRSS 29, OGPTL and ENICL and three projects in Brazil namely, Pampa, Arcoverde & Nova Estado.

Additionally, in Aug 2020, we concluded the sale of 14.7% stake held in IndiGrid with the transaction valued at ₹8.4 Billion at a unit price of ₹98, thereby freeing up significant cash for new projects and reducing our debt obligations.

AN EXCEPTIONAL YEAR WITH GLOBAL RECOGNITIONS

When I look back, I see that the organisation has overcome some extreme challenges. However, they have not stopped us from accomplishing some remarkable achievements, be it in terms of our project execution, asset monetisation or setting new benchmarks for sustainable development. This year has been an extraordinary one in terms of global and national recognitions. Sterlite Power received the coveted global awards - IPMA Project Excellence

Awards and S&P Global Energy Awards, for the ground-breaking Kashmir (NRSS-29) project. Our commitment to innovation was applauded at the national front when we were bestowed with the prestigious Economic Times (ET) Innovation Awards. This award was for Skyrob™ – the semi-autonomous robot developed by us in-house to ensure safe OPGW stringing under live-line conditions. We also received the Golden Peacock Occupational Health Safety Awards for maintaining highest standards of quality, health and safety across our projects. Moreover, we have been featured as case studies by India's premier management institutes: IIM Ahmedabad and ISB Hyderabad. "Sterlite Power: Technology as a Point of Differentiation" - the case study by Indian School of Business (ISB) has been published on the Harvard Business Publishing portal.

ASSET-MONETISATION STRATEGY: A UNIQUE FINANCIAL 'INNOVATION'

Back in 2017 we embarked on our journey to establish our unique "asset-monetisation strategy" by sponsoring IndiGrid - India's first power transmission InvIT. Today, we have established the asset monetisation business model successfully both in India and Brazil. We have so far flipped 9 operational assets to IndiGrid with a total value of ₹12,307 Crore (US$ 1.67 Billion) in India. And in Brazil, we have successfully completed the sale of 3 assets worth US$ 150 Million from our portfolio to marquee developers and investors.

It was not a surprise to me when this year, our unique asset monetisation business model of creating India's first power transmission Infrastructure Investment Trust (InvIT), IndiGrid became an IIM-Ahmedabad case study. This has the potential to become a role model for infra financing globally.

FACING THE NEW NORMAL

As humanity adapts to the new normal defined by the pandemic, electricity has become a critical lifeline for society and economy. Our core purpose to empower humanity by addressing the toughest challenges of energy delivery resonates with our stakeholders even more strongly today. Be it virtual working or remote learning or uninterrupted access to healthcare, none of this would be possible without access to reliable power. Moreover, the pandemic has urged all of us to act in a timely manner to avert a bigger crisis of climate change. Governments across the globe have accelerated the transition from fossil fuel to clean energy. I am of the firm view that a cleaner and greener energy future awaits humanity. However, there remains a two-fold challenge ahead of us.

Although access to uninterrupted electricity is taken for granted in many parts of the world, it might come as a shocker that nearly 25% of the global population, i.e., nearly 2 billion people, either lack or have partial access to electricity. However, servicing this demand from the existing generation portfolio will lead to burning of more fossil fuel. This will push us back in our fight to "limit the rise in global average temperature to well below 2^{0} C". The way out lies in bringing more renewables into the fold and connecting them to the grid. In this new world, we at Sterlite Power are humbled to play a critical role by enabling access to reliable power with an increasing focus on integrating renewables to the grid.

STERLITE POWER: STRIDING TOWARDS A CLEANER TOMORROW

Advancing the carriage towards a green energy efficient future, Sterlite Power has an increasing focus on integrating renewable energy (RE) to the grid. It gives me immense pleasure that over the course of last year, we have been awarded some vital projects which will be connecting the national grid to clean and green energy. The Lakadia-Vadodara Transmission Project Ltd. (LVTPL) is part of India's Green Energy Corridor (GEC) and will contribute to achieving the country's renewable energy goals. The WRSS XIX & NERSS IX project will bring clean and green energy from solar, nuclear and hydro for people across the western and north-eastern region in India. Our NER-II Transmission project would help inject power generated from the gas-based power plant in the state of Tripura into the eastern grid; thus acting as a natural balancer for renewables to get added to the national grid. Making it to the Sterlite Power's RE club, these projects join hands with the successfully completed Arcoverde project – the first project developed by us in Brazil, which integrated wind energy generated power to the Brazilian grid.

RESILIENCE: KEY TO THE NEW WORLD

The 'post COVID era' is going to be different. However, it is entirely upon us whether we view the current scenario as a crisis, or as an opportunity to remould our future for better. As mentioned earlier, it is important that governments around the world must focus on a sustainable, low-carbon world.

The power sector is making rapid transition towards renewables. While there is abundant renewable energy generation capacity being built across the globe at an accelerated pace, there is limited evacuation infrastructure being built in tandem. Development of this transmission infrastructure is crucial to achieve the renewable goals. Transmission will remain a resilient sector with continued interest from investors given its annuity like returns. Investment in transmission will create new jobs which is need of the hour.

FOCUSSING ON A SUSTAINABLE FUTURE WITH ESG

As a company dedicated towards building a greener future, sustainability is second nature to us. Since inception, we have been implementing various environmentally sustainable practices throughout our projects such as tree translocation. We use aerial technologies and adopt optimal route planning to minimise impact on forest and wildlife. Our innovation like vertical substation has allowed us to reduce our space footprint. We maintain high ground clearance and tower heights, along with use of tools like bird deflectors to promote co-existence with nature and wildlife. We also focus on working in collaboration with local communities by respecting their customs and traditions. Besides garnering critical support, our holistic stakeholder engagement results in unlocking synergies with the local communities and administration.

We are now embarking on a journey to have the best-in-class Environment Social and Governance (ESG) practices at Sterlite Power, because we believe sustainable development is the only way forward.

Once again, I take this opportunity to thank you for your trust, confidence and continued support. Together, we shall continue to move forward in this journey of "Empowering humanity by addressing the toughest challenges of energy delivery".

Warm regards,

Pratik Agarwal,
Managing Director,
Sterlite Power

Board of Directors

MR. PRAVIN AGARWAL

Chairman

Mr. Pravin Agarwal anchors Sterlite Power as Chairman and Sterlite Technologies as Vice-Chairman with rich industry experience of more than 30 years. He has been closely involved with Sterlite Group's operations in India since its inception in 1979. Sterlite Power and Sterlite Technologies are both pioneers in power and data transmission products and solutions with a global presence in over 100 countries. He has been instrumental in the growth of the Company's telecom and power businesses. Backed by his exhaustive experience, he has been the driving force behind the Company's expansion into multiple markets and its continued growth momentum. He is an astute businessperson, with proven expertise in general management and commercial affairs.

MR. PRATIK AGARWAL

Managing Director

Mr. Pratik Agarwal is the Managing Director of Sterlite Power. A Wharton graduate and an MBA from London Business School, he has over 10 years of experience in building core infrastructure assets in India. He founded the Group's infrastructure business in 2009 and built it up to levels where it now has significant investments in ports, power transmission and broadband networks. He is the Chairman of Confederation of Indian Industry (CII) core committee on Transmission, and also in the Advisory Board of India Brazil Chamber of Commerce (IBCC).

MR. A. R. NARAYANASWAMY

Non-Executive and Independent Director

Mr. A. R. Narayanaswamy is a Commerce graduate from Sydenham College, Mumbai and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He was appointed as an Independent Director of Sterlite Power Transmission Limited in July 2019. He is inter alia an Independent Director at Sterlite Technologies Limited. He brings extensive financial, strategic, and Boardroom experience. He is also a management consultant with over four decades of consulting experience across accounting, financial management and information technology.

MR. ARUN TODARWAL

Non-Executive and Independent Director

Mr. Arun Todarwal is a fellow member of the Institute of Chartered Accountants of India. He is the managing partner of Arun Todarwal & Associates LLP. During his over 40 years of practice as a Chartered Accountant, he has handled various professional assignments in India and abroad in more than 20 countries and is the Global Chairman of IAPA, an accounting association with members in more than 75 countries. He has carried out professional assignments in audits, taxation, international taxation, joint ventures, due diligence, management consultancy, setting up systems, processes & controls in organisations, succession planning, etc. He is also a member of several professional Institutes including Institute of Internal Auditors, National Centre for Quality Management, International Fiscal Association, Bombay Management Association, Bombay Chartered Accountants Society, etc. He is a Director as well as Chairman/Member of Audit Committees, Nomination & Remuneration Committees and Risk Management Committees of several large listed corporations in India.

MR. ANOOP SETH
Independent Director

Mr. Anoop Seth is an MMS from BITS Pilani with a major in Finance and Executive International Management Programme from INSEAD, France. He has an illustrious career spanning thirty-five years in financial services and several infrastructure sectors. He has held leadership positions in companies such as AMP Capital, Bank of America, Bechtel Corp, IDFC, Reliance Industries, Standard Chartered Bank, and IL&FS Energy. With an extensive experience, he advices the Board and leadership team on matters related to strategy and growth.

MS. FLORA HAIXIA ZHAO
Non-Executive and Independent Director

Ms. Flora Haixia Zhao brings on board extensive experience in global energy and infrastructure and banking sectors. She has worked with BP as Head Gas Asia, Singapore; with AES as Director Business Development; and with China Construction Bank as Project Manager. She has also held a Non-Executive role in the past, at Guangdong Dapeng LNG and Shenzheng LNG. She has a steady business development track record in Asia, with insights into the continent's regulatory challenges. She has demonstrated the ability to leverage influence at multi-stakeholder levels. Her experience gives her a long-term strategic approach, as well as M&A and geographical expansion capabilities in a hyper-growth environment.

MS. AVAANTIKA KAKKAR
Non-Executive and Independent Director

Ms. Avaantika Kakkar has worked across sectors such as infrastructure, pharma, auto and auto parts, financial services, chemicals, media, technology, distribution, agriculture – commodities, telecommunication, petroleum and natural gas. She heads the competition/anti-trust practice at Cyril Amarchand Mangaldas (CAM). Her professional career spans over 15 years. She was among the first Indian lawyers to start practising competition law in 2009, when the law first came into effect. She has been the lead lawyer in some of the major merger controls cases in India and also in the initial few cases involving remedies. Her experience in corporate and securities laws, transactional work in mergers and acquisitions, private equity, joint ventures and structured finance equips her uniquely for strategic advice on merger control.

Management Team

PRATIK AGARWAL
Managing Director

MANISH AGARWAL
Chief Executive Officer – Solutions

ANURAAG SRIVASTAVA
Group Chief Financial Officer

RICARDO ZANGILORAMI
CEO – Brazil Operations

MONALISA SAHOO
Chief Marketing & Communications Officer

SUDHAKAR POTUKUCHI
Group Chief Technology Officer

NEETI WAHI
Group Chief Information Officer

NISHIT MEHTA
Head - Strategy & Operations

SWAMINATHAN SUBRAMANIAN
Group Chief Human Resources Officer

Awards and Accolades

Awarded 'Construction Project of the Year' at the S&P Global Platts Global Energy Awards 2019

Gold Winner in the IPMA Global Project Excellence Award 2019 for the mega-sized projects category

ET Innovation Award 2020 for innovative product Skyrob™

'Occupational Health Safety Awards' at the Golden Peacock Awards 2020

Dual honor of 'Utility M&A Deal of the Year' and 'Utility Deal of the Year' in Best Deals category at The Asset Triple A Asia Infrastructure Awards 2020

Our innovative financial model featured as a case study by India's premier management institute – IIM Ahmedabad

'Safety in Electricity Award' in Gold category at the Protection Brazil Awards 2019 for the use of drones and other technologies in crossing energised transmission lines

Platinum Winner in the Earth & Environment Foundation (EEF) Global Sustainability Award 2019 for outstanding achievements in sustainability management

9001:2015
Quality Management System

14001:2015
Environmental Management System

45001:2018
Occupational Health & Safety Management System

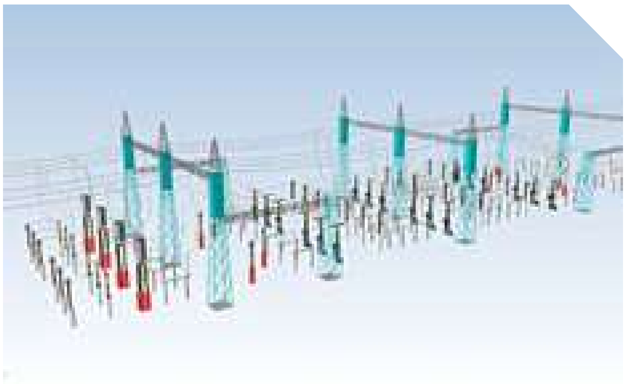
Technology Leadership

AN EVOLVING WORLD NEEDS REVOLUTIONARY SOLUTIONS

Sterlite Power has led the way in adopting state-of-the-art global best practices in a 'legacy-driven' power transmission sector. We are actively pursuing innovation opportunities with universities, start-ups and third parties.

AERIAL TECHNOLOGY FOR ACCELERATED PROJECT EXECUTION

- Planning and automated inspection services by unmanned aerial vehicles (UAVs)
- First use of helicopter stringing in India
- Heli-crane based tower erections in tough terrains
- Investor in global tech start-up SharperShape www.sharpershape.com



DIGITALISATION OPERATIONAL EFFICIENCY

- Digital prototypes for higher design quality
- Quality health safety environment (QHSE) effectiveness through e-audits and remote inspections
- SPEX and 5D BIM for project excellence

BIG DATA ALGORITHMS/PREDICTIVE SIMULATIONS

- Route planning, elevation models and resource optimisation using in-house smart algorithm platform TransAnalyst
- Improving predictability of soil characteristics through data analytics for foundation design (Subsurface Terrain Model or STeM)
- Pan-India power system studies
- Tower test simulations for design validation

ROBOTICS FOR SAFE STRINGING AND TECHNOLOGY INTENSIVE PRODUCTS

- Skyrob™ – safe and efficient optical ground wire stringing through robotics
- Largest manufacturer of high-performance conductors in India
- Low-loss high-ampacity cable, fibre integrated power cable
- Largest OPGW player in India
- SmartValve™ – modular power flow control solutions

SMART PROJECTS FOR MODERN GRID

- India's first vertical GIS Substation with smaller footprint leading to reduced CO_2 emissions
- Re-conductoring of 66 kV transmission line in 'Live-Line Condition' to achieve a 2x increase in power transfer capacity in Electronic City, Bengaluru

TECHNOLOGY FOR GREENER ECOSYSTEM

- Translocating bigger and mature living trees
- Green co-location from Convergence

Business Overview

Global Infrastructure

In the three regions of Africa, the Indian subcontinent and South America the way in which millions still access and consume electricity leaves much to be desired. Reliable power supply 24×7 continues to remain a challenge and thousands of households are having to invest in power back-up options.

At Sterlite Power, we believe that universal, reliable and affordable electrification is as much a fundamental right as is its access. As a leading global developer of power transmission infrastructure, we bid, design, construct, own and operate power transmission assets across multiple geographies. We are entrusted with the critical infrastructure that powers economies. We are operational in India and Brazil with a portfolio of 25 projects now, spanning close to 13,700 ckm of transmission lines. Developing, operating and owning these assets provide the foundation for the better world of energy that we strive for.

OPTIMAL UTILISATION OF TECHNOLOGY THROUGH CONSTANT INNOVATION

We are consistently striving towards delivering innovative solutions to age-old problems faced in project development, just as we have been doing in other aspects of a transmission project's lifecycle. We strongly believe that innovation and sustainability go hand-in-hand and when implemented strategically, it can enhance competitive advantage for businesses.

With the recent commissioning of India's first vertical GIS substation built as part of the Gurgaon Palwal Transmission project, along with implementation of multi-circuit monopole towers for transmission lines, we managed to save as much as 75% on land usage. This helped us in preserving the region's forests to a large extent. Apart from saving land, these innovations have resulted in offsetting more than 18,000 tonnes of CO_2 emissions each year, as compared to a conventional layout for a similar GIS substation.

In a similar vein, a prime example of multi-competency's collaboration emerged with the successful deployment of a newly designed product that enables critical clearance for long spans. The newly developed ACCC ULS Ganga was utilised at one of India's longest river crossings across River Ganga, at the Purnia Bihar Sharif transmission line, at a span of ~1.1 km.

Operating Model

Bid

- Rich track record of winning lucrative inter-state transmission service agreements; robust pipeline in place
- 15 projects in India, through tariff-based competitive bidding (TBCB)
- Strong regulatory regime in India enables fully contracted long-term cash flows, low counter-party risk and long concession periods

Award

- Government tenders
- Credit-worthy counterparty ensuring bankability
- Annuity period of 25-35 years

Develop

- Deep innovation and execution skills help complete projects within stipulated costs; often commissioning ahead of schedule
- Adherence to the highest standards of safety and quality
- Collaboration with contractors, who are pioneers in their respective fields

Build

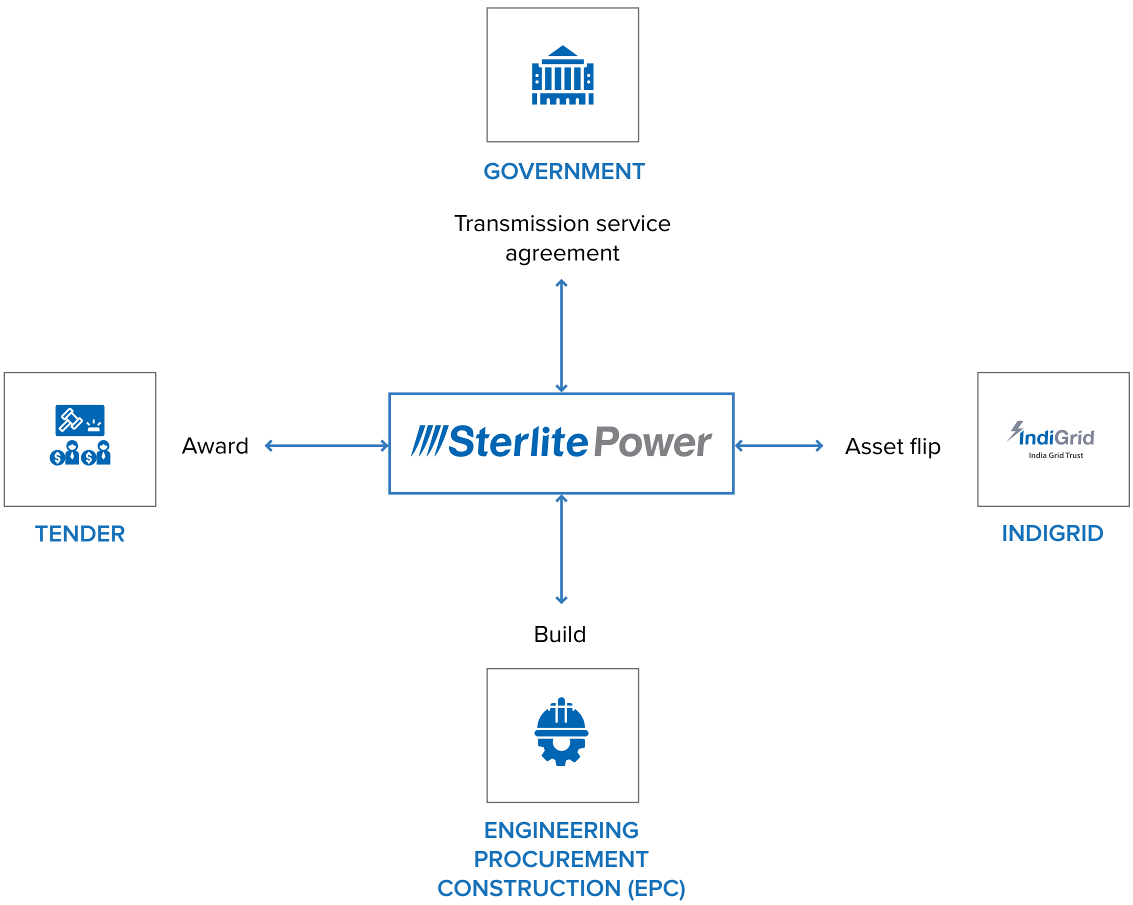
- Sub-contract to EPC partner
- Back-to-back guarantees

Manage and Refinance

- Strong operations and maintenance team manages the assets post commissioning
- Pursuit of refinance opportunities
- IndiGrid – India's first power sector infrastructure Investment Trust (InvIT) – has proved a successful way of raising capital by transferring mature, fully operational assets to the Trust and redeploying the capital for developing new assets

Asset-flip

- Flip assets to IndiGrid
- Recycled equity for new projects



Portfolio

25 power transmission projects won under Public-Private Partnerships (PPP); 15 in India under TBCB and 10 in Brazil

~26,100 MVA of transformation capacity

~13,700 ckm of power transmission lines commissioned or under construction

9 operational assets won under PPP

21 substations

31.5% market share by tariff of inter-state projects awarded under competitive bidding in India

₹36,022 Crore of capex (US$ 4.88 Billion planned and incurred)

68 EHV transmission lines

99.84% availability achieved across our commissioned assets in FY 2019-20

India

Our assets are in strategically important areas from the perspective of transmission connectivity, transferring power from generating centres to load centres to meet inter-regional power deficits. We now have a total portfolio of 15 transmission projects in India, spanning more than 9,000 ckm, through a total capex of ₹25,262 Crore (US$ 3.42 Billion).

NEW ADDITIONS TO PORTFOLIO

We made significant progress towards our strategic priorities in the last year, chief of which is being declared the winning bidder for three new projects – the Transmission System for Lakadia – Vadodara Transmission Project, the Transmission System for Udupi-Kasargode, the WRSS-XIX and NERSS-IX transmission project. All three projects are unique and true to our core purpose of 'Empowering Humanity by addressing the toughest challenges of energy delivery'.

Western Region Strengthening Scheme - XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme - IX (NERSS-IX)

This project aims at strengthening the transmission system in western and north-eastern regions of India. It seeks to address decongestion of corridors, along with the delivery of power to high habitation and industrial zones. The project will cover the Vapi area in Gujarat and Navi Mumbai in Maharashtra in the West, while in the North East, it intends to supply power from Pare Hydro Electric Plant to far-flung areas of Arunachal Pradesh.

The project elements include transmission lines at various voltage levels and a GIS substation at Vapi. It encounters severe Right of Way (RoW) constrained zones in Gujarat and Maharashtra. It also faces the challenge of navigating a major forested area in the North East.

Lakadia – Vadodara Transmission Project (LVTPL)

The second project, Lakadia – Vadodara Transmission Project (LVTPL) is part of the Western Region Strengthening Scheme – XXI (WRSS XXI) Part B, which intends to connect Lakadia to Vadodara in Gujarat, to enable evacuation of RE. The project comprises more than 650 ckm of 765 kV transmission line. This project is part of India's GEC and will enable the country's RE target of achieving 175 GW renewable energy (RE) by 2022.

Udupi Kasargode Transmission Project (UKTL)

This project will take place in Karnataka and Kerala and aims at system-strengthening and power supply to urban areas of Kerala. The project comprises a GIS substation at Kasargode in Kerala and a 400 kV transmission line. We face the challenge of RoW in this project as well.

WRSS-XIX and NERSS-IX intends to supply power from Pare Hydro Electric Plant to far-flung areas of Arunachal Pradesh

Target of achieving 175 GW RE by 2022

FOOTPRINT IN INDIA

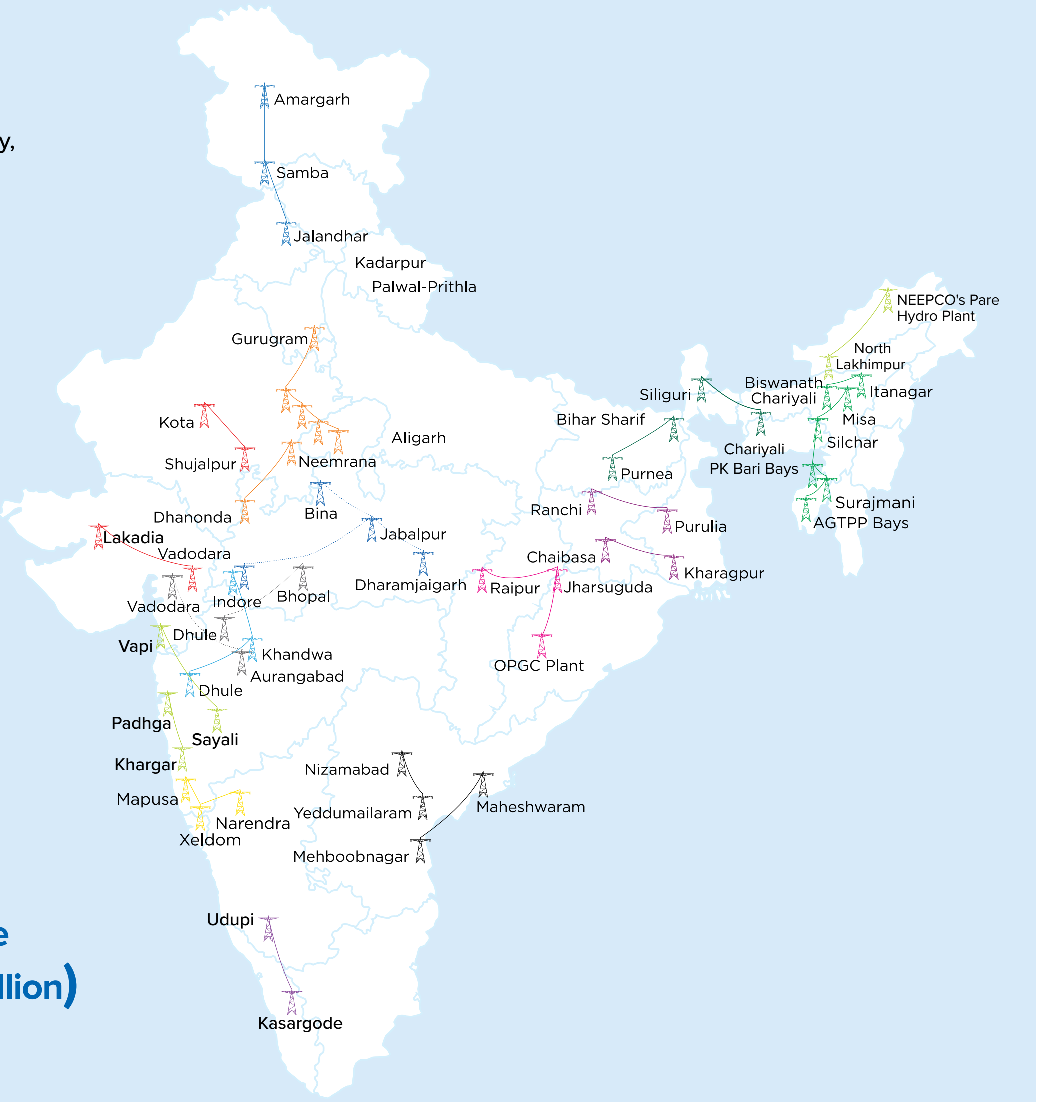
PROJECT	OVERVIEW	SCHEDULED COD	PROJECT ELEMENTS
Jabalpur Transmission Company Limited (JTCL)	1 x 765 kV D/C lines 1 x 765 kV S/C lines	Commissioned	**994** ckm
Bhopal Dhule Transmission Company Limited (BDTCL)	4 x 765 kV S/C lines 2 x 400 kV D/C lines 4 x 1,500 MVA, 1 x 765/400 kV substation	Commissioned	**945** ckm **6,000** MVA
Rapp Transmission Company Limited (RTCL)	1 x 400/220 kV D/C line	Commissioned	**402** ckm
Maheshwaram Transmission Company Limited (MTCL)	2 x 400 kV D/C lines	Commissioned	**472** ckm
Purulia & Kharagpur Transmission Company Limited (PKTCL)	2 x 400 kV D/C lines	Commissioned	**545** ckm
NRSS XXIX Transmission Limited (NRSS)	3 x 400 kV D/C lines 1 x 400/220 kV D/C GIS	Commissioned	**830** ckm **735** MVA
East-North Interconnection Company Limited (ENICL)	2 x 400 kV D/C lines	Commissioned	**904** ckm
Gurgaon – Palwal Transmission Limited (GPTL)	5 x 400 kV D/C lines 3 x 400/220 kV substation	Commissioned	**271** ckm **3,000** MVA
Khargone Transmission Limited (KTL)	2 x 765 kV D/C lines 1 x 400 kV D/C line 1 x 765/400 kV substation	June, 2020	**622** ckm **3,000** MVA
NER II Transmission Limited (NER-II)	2 x 400 kV D/C line 3 x 132 kV D/C line 2 x 400/132 kV substation	November, 2020	**832** ckm **1,260** MVA
Odisha Generation Phase-II Transmission Limited (OGPTL)	1 x 765 kV D/C line 1 x 400 kV D/C line	Commissioned	**710** ckm
Goa – Tamnar Transmission Project Limited (GTTPL)	1 x 765 kV D/C line 1 x 400 kV D/C line 1 x 400/220 kV substation	November, 2021	**478** ckm **1,000** MVA
Lakadia – Vadodara Transmission Project Limited (LVTPL)	1 x 765 kV D/C line	December, 2020	**659** ckm **1,000** MVA

Due to impact of the outbreak and spread of COVID-19 pandemic, all under-construction Transmission projects were granted a 5-month extension by Ministry of Power Notification No. 3/1/2020-Trans dated 27-Jul-2020

PROJECT	OVERVIEW	SCHEDULED COD	PROJECT ELEMENTS
Udupi Kasargode Transmission Limited (UKTL)	1 x 400 kV D/C line 1 x 400/220 kV substation	November, 2022	**231** ckm **1,000** MVA
Western Region Strengthening Scheme - XIX and North Eastern Region Strengthening Scheme - IX (WR-NER)	4 x 400 kV D/C line 2 x 220 kV D/C line 2 x 132 kV D/C line 1 x 400/220 kV substation	December, 2023	**351** ckm **1,000** MVA

INDIA

Our assets are located in strategically important areas from the perspective of transmission connectivity, transferring power from generating centres to load centres to meet inter-regional power deficits. We now have a total portfolio of 15 transmission projects in India, spanning 9,246 ckm, through a total capex of ₹25,262 Crore (US$ 3.42 Billion).



Footprint in India

4,500 km
ROUTE LENGTH

9,246 ckm
LENGTH

₹25,262 Crore (US$ 3.42 Billion)
PROJECT CAPEX

JTCL BDTCL RTCL MCTL PKTCL NRSS ENICL GPTL OGPTL
(Assets Managed by SIML)
KTL NER-II GTTPL LVTPL UKTL VNLTL

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

BRAZIL

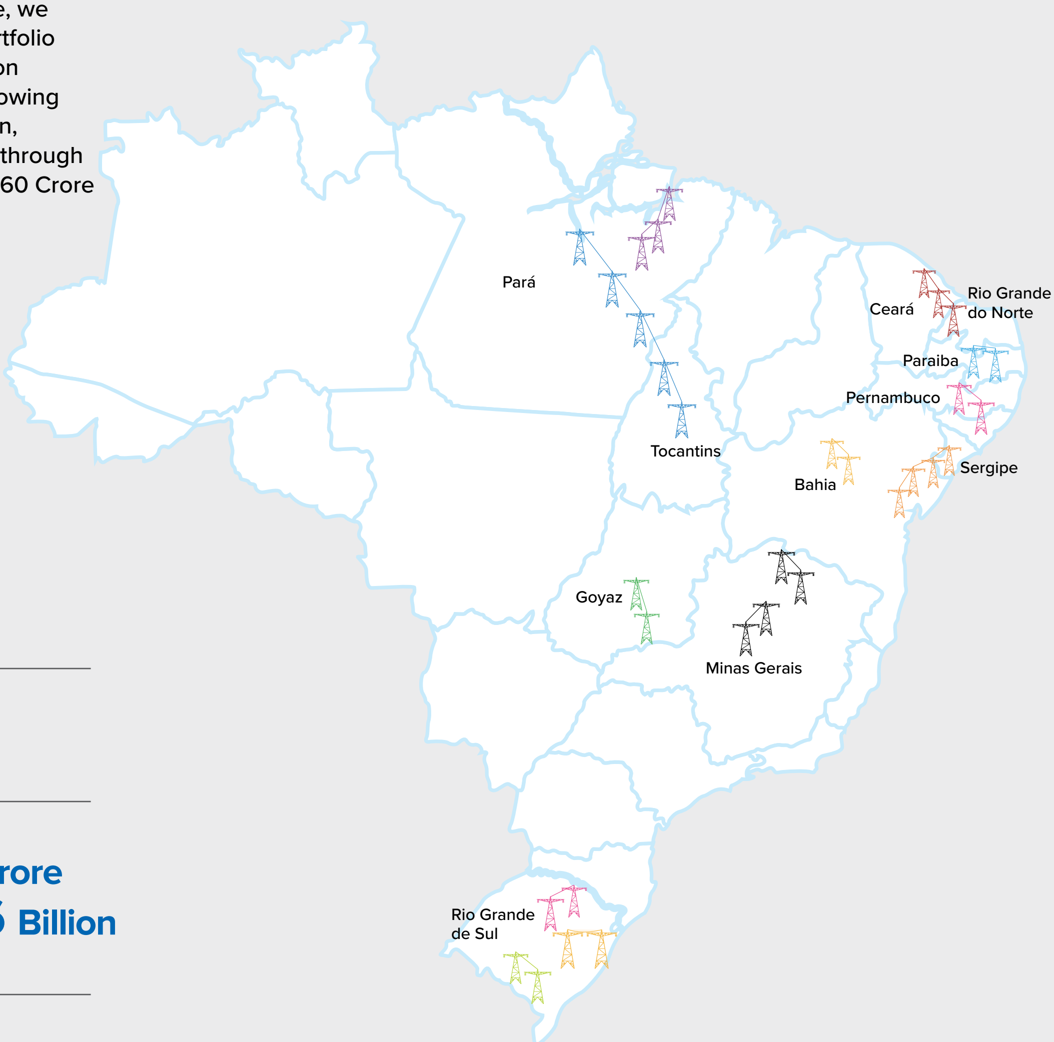
We commissioned our first project in Brazil and that too, 28 months ahead of schedule, while also emerging as winner in the auction of the prestigious Pampa project. **In a short span of time, we have developed a portfolio of total 10 transmission projects in the fast-growing South American nation, spanning 4,416 ckm, through a total capex of ₹10,760 Crore (US$ 1.46 Billion).**

FOOTPRINT IN BRAZIL

PROJECT	OVERVIEW	SCHEDULED COD	PROJECT ELEMENTS
Arcoverde	2 x 230 kV transmission line 1 x 230/69 kV substation	August, 2021	**129** ckm **400** MVA
Vineyards	3 x 230 kV transmission line 2 x 230/69 kV substation	August, 2022	**115** ckm **496** MVA
Novo Estado	3 x 500 kV transmission line	March, 2023	**1,831** ckm
Dunas	2 x 500 kV transmission line 3 x 230 kV transmission line 2 x 500/230 kV substation 1 x 230/69 kV substation	September, 2023	**541** ckm **3,300** MVA
Borborema	1 x 500 kV transmission line 1 x 500/230 kV substation	March, 2023	**129** ckm **750** MVA
São Francisco	2 x 500 kV transmission line 1 x 230 kV transmission line	September, 2023	**521** ckm
Goyaz	1 x 230 kV transmission line	March, 2023	**152** ckm **600** MVA
Marituba	1 x 500 kV transmission line	March, 2023	**374** ckm
Solaris	1 x 345 kV transmission line 1 x 230 kV transmission line 1 x 500/230 kV substation	January, 2024	**298** ckm **800** MVA
Pampa	2 x 525 kV transmission line 1 x 525/230 kV substation	March, 2023	**326** ckm **1,768** MVA

BRAZIL

We commissioned our first project in Brazil in the reporting year, while also emerging as the winner in the auction of the prestigious Pampa project. In a short span of time, we have developed a portfolio of total 10 transmission projects in the fast-growing South American nation, spanning 4,416 ckm, through a total capex of ₹10,760 Crore (US$ 1.46 Billion)



Footprint in Brazil

2,967 km
ROUTE LENGTH

4,416 ckm
LENGTH

₹10,760 Crore (US$ 1.46 Billion)
PROJECT CAPEX

*Assets managed by third party

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

LICENCE TO OPERATE

Our projects in Brazil are based on trust, relationship and a synchronised effort made by the environmental bodies and regulatory agencies involved in the environmental licensing process. All environmental licensing processes go through a wide range of discussion with several agencies. This enables us to design projects of high environmental quality, which is well received by the regulators, the society and the communities.

In 2019, we conducted 41 such processes: 16 with environmental licensing agencies; 19 with archaeological and historical heritage agency, four with Quilombola communities* agencies and two with the bodies responsible for health^ in the Legal Amazon region.

RELATIONSHIP WITH THE COMMUNITY

We understand that access to information about our projects is an important tool to build and maintain a good relationship with the communities in the regions we operate. Bearing in mind that throughout a linear enterprise, different social and institutional groups are present, with different causes and interests, we felt it necessary to implement mechanisms that facilitate the conduct of the interaction process between the Company and the various social factors. This is embodied in our social communication process, an open dialogue with the communities, which is understood as a systematic and permanent process of information on topics of different interests associated with the changes arising from the implementation of the project, occurring before and during its installation.

The social communication process aims at establishing actions to minimise the effects of implementing the project for the communities directly or indirectly affected by the project. This is achieved by promoting integration between the community and the Company, through a process based on participation, transparency and information. Finally, it also serves as an important foundation for social and environmental plans and programmes, facilitating the provision of information and disseminating its results.

In the Arcoverde project, located in the state of Pernambuco, besides utilising the above communication channels, face-to-face contacts with all landowners and communities affected by our project were made (including a ~130 km long transmission line, two substations, a greenfield and an extension). From these channels a short number of calls were made to our ombudsman, related to taxes, technical aspects, appreciation, among others, all well addressed. This reinforces our good relationship and transparency with the communities.

VEGETATION SUPPRESSION

Vegetation suppression is important in the stages of installation and operation of power transmission lines. Given this, we developed programmes and procedures with customised techniques for each situation, type of vegetation and region. The established techniques are focused on the safety of forestry operations, excellence and minimisation of the environmental impacts resulting from the intervention.

23.14 Ha

Area in Arcoverde preserved

*ethnic groups, predominantly made up of rural or urban black population, descendants of former slaves

^to develop actions to prevent and avoid malaria among workers and communities at municipalities where the projects are located

In the Arcoverde project, applying such best practices in the vegetation removal activity was relevant in reducing the suppression. Also, in the Permanent Preservation Areas (which refer to the mandatorily protected areas that serve the environmental functions of preserving water resources, the landscape, geological stability, biodiversity and the genetic flow of fauna and flora; protecting the soil; and ensuring the safety of the local population), the installation of towers or vegetation suppression was not carried out. This was in addition to the adoption of non-interventional construction techniques in these areas.

POSITIVE IMPACT IN RELATION TO THE NATIVE VEGETAL SUPPRESSION

Arcoverde	Authorised	Executed	% Suppressed	Preserved
Volume (m^3)	655.5	568.0	86.6	13.4
Area (ha)	28.9	22.3	76.9	23.1

We achieved similar results in the Vineyards project as well. In regions with better preserved vegetation, construction activities were customised. Specific practices, such as the use of Unmanned Aerial Vehicles (UAVs) for laying cables conductors in 12 spans of towers and the installation of 349 beacons to avoid the collision of birds with overhead cables in 3.49 km of transmission line, were adopted to reduce negative impact on vegetation. The vegetation suppression activities in the Vineyards project are not yet finalised. However, up to the present moment, the gains are significant if we compare the volume authorised by the environmental agency for the suppression of native vegetation with the volume executed so far; even considering the missing reports. Currently, the reduction is 24.86% compared with the authorised one, the volume of which is 5,984.76 m^3.

FOREST REPLACEMENT

Forest replacement is a key offsetting activity for direct and indirect impacts on flora; both associated with the installation and the operation of projects. We seek to adopt the best procedures and techniques to manage the forest replacement and the maintenance of genetic and ecological resources.

In Arcoverde, the compensation for vegetation removal occurs in two different types of vegetation, Atlantic Forest and Caatinga – two of the most diverse and thus important biomes in the country and in the world. In the Atlantic Forest area, 1,112 native tree seedlings were planted, including 15 species that play important ecological functions for that biome. Planting was carried out in a biological reserve, in partnership with the municipality of Bonito, in the state of Pernambuco. This biological reserve protects the watershed that supplies the municipality. In the Caatinga region, 5,555 native tree seedlings were planted in an area of relevant interest for the conservation of the local biome. For both forest areas, plantations will be maintained for four years or until they are able to develop without maintenance.

In Vineyards, the compensation for vegetation suppression will be in the Atlantic Forest typology. The following offsetting programmes are so far planned: allocating 7.78 ha of Atlantic Forest, recomposing 0.88 ha of Permanent Preservation Areas; recomposing 1.31 ha of Legal Reserve Areas (which refer to the area of the rural property that must be covered by natural vegetation).

Accolades and Achievements

Delivered our first project in Brazil—Arcoverde —28 months ahead of schedule

Arcoverde project covers 139 km of transmission lines and three substation to boost Wind Energy power transmission in the Pernambuco region. The elements within the Arcoverde project expand coverage in the Pernambuco outback region, reinforce the system and cover the growing power demand in the region.

Global recognition for safety in the sector

Received the 'Safety in Electricity Award' in Gold category at the Protection Brazil Awards 2019 for the use of drones and other technologies in crossing energised transmission lines.

Solutions

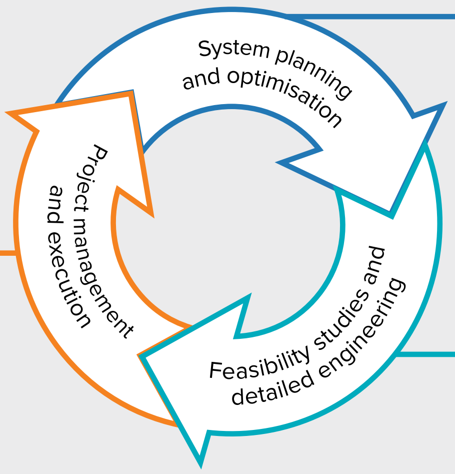
India is home to some of the world's fastest growing cities. Urbanisation and development are triggering exponential demand for power, resulting in transmission congestion challenges. There is an urgent need to strengthen, upgrade and uprate corridor intensity of ageing transmission infrastructure with imaginative, innovative and cost-effective solutions.

Our custom-built solutions, top of the line technological prowess, engineering expertise, system design and specialised EPC services are clear value differentiators. We are India's first and largest integrated manufacturers of OPGW. Creative problem-solving, strategic investments and industry-leading research and development are inextricably tied to our long-standing commitment to customers. Since inception, we have been answering the questions of **today** to meet the energy needs of **tomorrow**. That tradition of out-of-the-box thinking continues, as we strive constantly to refine operations and deliver best-in-class customer service. We are innovating on multiple fronts to build the future of energy and address customer challenges swiftly and efficiently through the unwavering prism of **time, space** and **capital**.

MASTER SYSTEM INTEGRATION (MSI)

A full service operation, our MSI business delivers multi-fold increase in throughput, upgrades to existing infrastructure, uprate of overhead conductors and OPGW-based communication systems in the shortest possible time.

Business Model



Capabilities	Differentiators
• Expertise in power system planning studies and network optimisation	• Engaging deeply with customers to solve challenges of time, space and capital in developing their transmission networks
• End-to-end design expertise; digital tools for substations, conductor, cable systems	• Faster turn-around times for feasibility assessment and for execution engineering
• Zero shutdown (live-line) reconductoring capability	• Introduced this methodology in the country, allowing line uprates with no disruption in supply through the line
• Industry leading global partnerships state-of-the-art technical solutions	• Bringing the best and the latest of solutions such as power flow controller, dynamic line rating, tower coating, to utilities in India, for maximising asset utilisation
• Use of robotics and aerial technology for safe stringing of OPGW and power conductors	• Passionate proponents of innovation, for faster execution and for better safety and quality standards

MSI execution

3,500+ ckm **Uprate and upgrade project (completed/under execution)**	**90 corridors in 15 states** **Completed or under execution**
26,000+ km **OPGW-based communication projects under live conditions (completed/under execution)**	

Flagship Projects

KERALA INTERSTATE CORRIDOR TANSFORMATION

Massive uprate/upgrade exercise to revamp the inter-state transmission network with 15-24 times increase in throughput

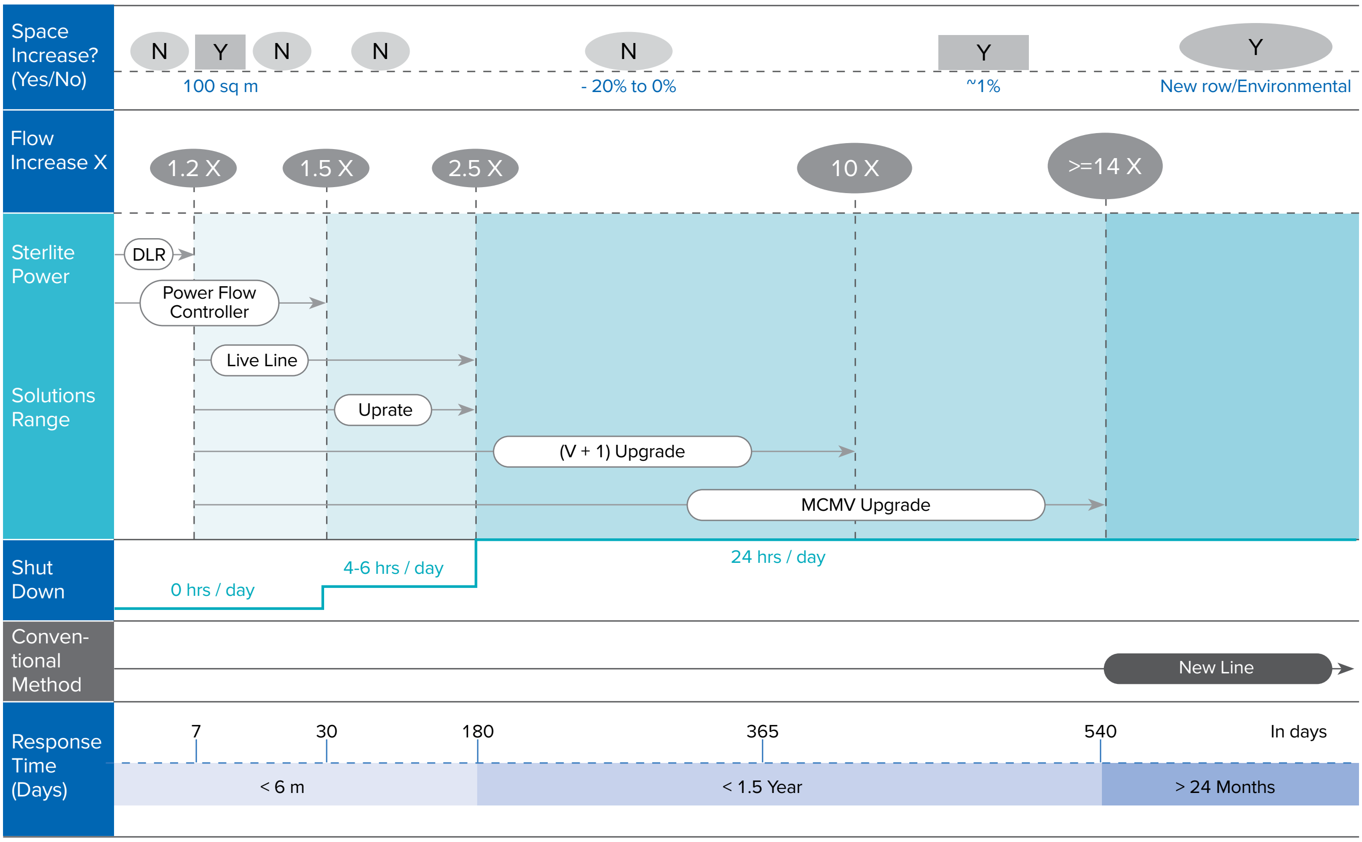
GANGA RIVER CROSSING PROJECT – BIHAR

Longest span on 400 kV line with HPC (quad configuration)

BRINGING RELIABLE & QUALITY POWER TO DELHI

Over last few years, Delhi has uprated ~50% of its 220kV network with a view to have a 'Zero generation scenario' grid plan and rely on imported power. The city will also now have to gear up for upgrade of its substations and lines on critical corridors. Sterlite Power has partnered with Delhi in this transition with execution of ~80% of the uprate projects.

Comprehensive Range of Solutions



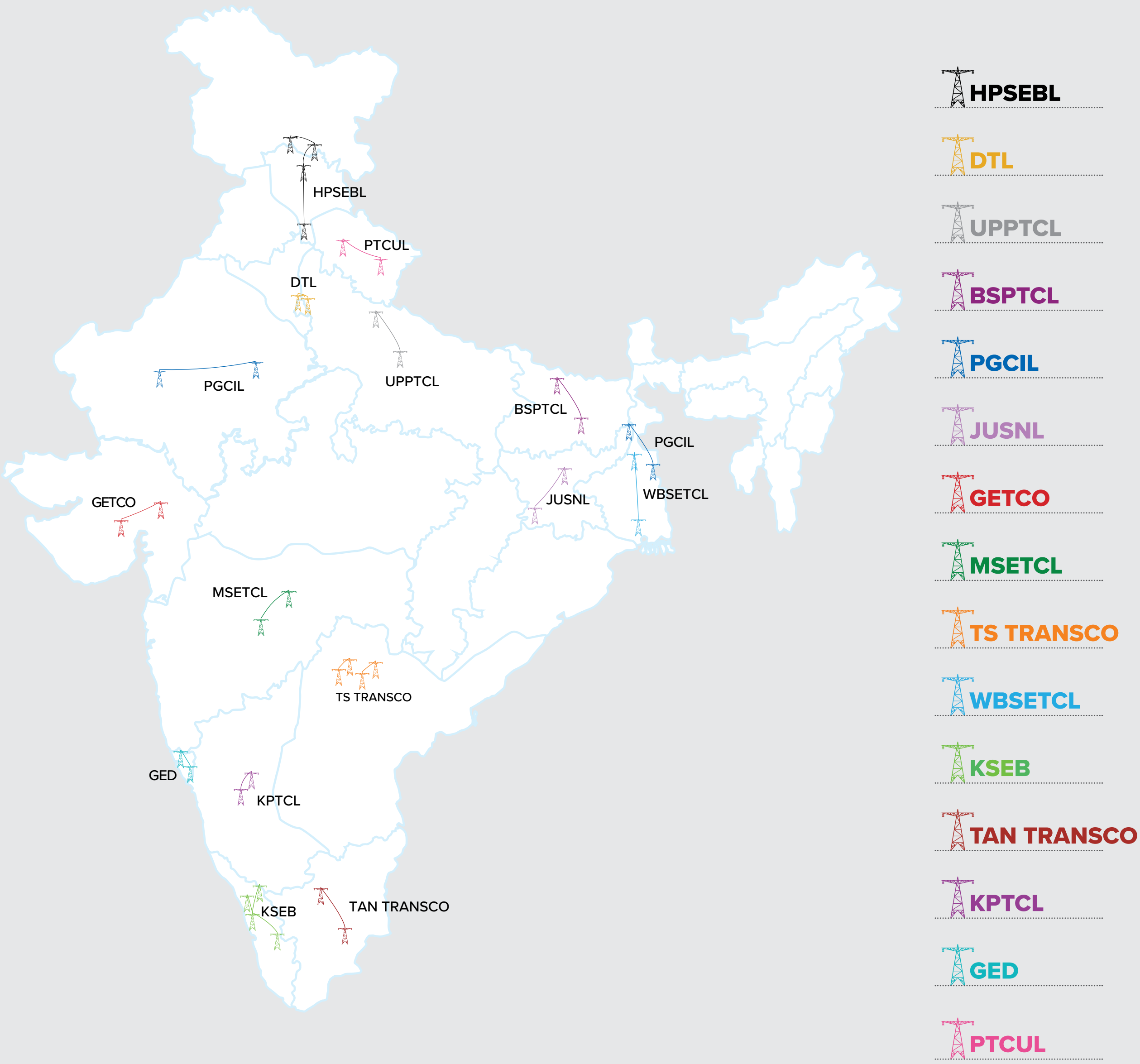
Solutions Continuum: Addressing time, space and capital

3,500+ ckm
Of uprate and upgrade to existing transmission line (completed or under execution)

90
Critical corridors in 15 states

26,000 km+
OPGW-based communication projects under live-line condition (completed or under execution)

INDIA



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Transmission Technologies

INTELLIGENT GRID MONITORING CONTROL

Dynamic Line Rating (DLR) and smart valves will enable utilities to assess in real time and control power flows

SKYROB™

Robotics technology to ensure safety of 'high-risk' operations, involving installation, inspection and maintenance of OPGW on high-voltage transmission lines

AERIAL TECHNOLOGY

Drones for stringing conductors on transmission lines for safety, speed and tough terrains

Industry-leading Diversified Products Portfolio

Overhead Products Business

CONDUCTORS

- Complete range of power conductors from ACSR to High Performance Conductors (HPC) like composite core, INVAR, ACSS and GAP type
- Three NABL-accredited manufacturing facilities with production capacity of 1,62,000 MT/year and 12,000 km/year of HPC
- Supply to 60+ countries
- First player in India with upstream integration of molten metal for manufacturing conductors
- Conductor facilities at Rakholi and Piparia scored 97% and 93%, respectively in the **Workplace Conditions Assessment** audit conducted by **Intertek** in November 2018

OPTICAL GROUND WIRE (OPGW)

- India's only fully integrated manufacturer and solutions provider of OPGW; NABL-accredited manufacturing facility
- Capacity of 18,000 km/year
- Planning, application, design engineering and execution capabilities to meet requirements of power systems/utilities for communication, protection and commercial purposes
- First conductor and OPGW manufacturer in India to obtain a landmark assessment and certification for measurement and reporting of greenhouse gas emissions, as per ISO 14064:2006

Underground Products and Turnkey Business

CABLES & SOLUTIONS

- State-of-the-art NABL-accredited facility for manufacturing cables
- Wide product range covering 6.6 kV to 400 kV power cables
- New products like three core cables, fibre-integrated power cables, high-ampacity, low-loss cables and CCD are in focus
- Range of 110+ innovative designs to meet industry requirements
- EHV turnkey projects, include cable laying and substation development
- Best-in-class manufacturing facility

Convergence

INDIA

Network covers

94
Districts

393
Towns

6,816 km
Of OPGW

Legend
- Substation

SPTL OPGW Route

Complete | Work-in-Progress | Planned

Digital connectivity has high correlation with economic growth. A recent report published by the Indian Council for Research on International Economic Relations (ICRIER) found that 'a 10% increase in internet subscribers in India results in a 3.2% increase in the rate of growth of state per capita GDP and a 10% increase in India's mobile internet traffic delivers on an average a 1.6% increase in the national GDP'.

With 5G technology around the corner and IoT devices ready to connect and interact with one another – Machine to Machine (M2M), reliable optical fibre infrastructure is the need of the hour. The omnipresent utilities network located across the length and breadth of the country is poised to address the above need. Fibre network riding on utilities' existing network can provide unparalleled coverage, along with robust and secured infrastructure.

The National Digital Communication Policy (NDCP) 2018 released by the Government of India outlines the vision of 'Fibre First Initiative' to take fibre to homes, enterprises and key development institutions. The policy emphasises how leveraging existing assets of power sector can improve data connectivity. Aligned with the above vision, Convergence business looks at the potential of utilising existing assets of utilities for telecommunication purposes, thereby delivering lasting social impact.

We leverage our transmission infrastructure and other power utilities to roll out a pan-India reliable and efficient OPGW fibre network. This network is far superior compared to the conventional underground counterparts; which faces frequent damages on account of continuous road expansion, utility construction and maintenance and high terrestrial interventions.

We also support cities, which are fast evolving to be 'smarter'. where urban planners aim to create a citizen-friendly digital ecosystem with critical infrastructure in place. Our smart city fibre solution addresses the communication infrastructure challenges and proposes innovative PPP models. We offer favourable long-term partnership to design, build, finance, operate and maintain an optical fibre network, which can act as the digital backbone for all smart infrastructure in the city.

The aim of the Convergence business is 'to be the best-in-class communications infrastructure and solutions provider by creating the most reliable network'.

Offerings

Dark fibre solutions

Reliable, Efficient & Scalable

Colocation solutions

Space, 24X7 support & Multiple Power backups

Reliable Intracity Fibre Network through Unique PPP Model

Convergence business provides a win-win partnership for Smart Cities to design, build, finance, operate and maintain fibre infrastructure on a long-term partnership model.

FIRST OF ITS KIND PPP IN INDIA WITH GURUGRAM METROPOLITAN DEVELOPMENT AUTHORITY (GMDA)

Gurugram is one of the first cities where Convergence business has invested and created a world-class optical fibre infrastructure for supporting current and future applications of the city. Sterlite Power has built a network of 133 km in Gurugram and will manage and maintain the network for 21 years.

GMDA: Quick Facts

CCTV integration: **84**

Bus stops connectivity: **96**

Government buildings connected: **131**

Achievements

FY 2019-20 has been a transformational year for the Convergence business for more reasons than one. We embarked on a journey to provide end-to-end data network solutions, expanded market presence and acquired new customer segments. The year ended with highest-ever order booking value of ₹50 Crore (US$ 6.8 Million), with 100% growth from ₹23 Crore (US$ 3.1 Million) clocked in the previous financial year.

6
New customers acquired to take the total tally to 15

Tower business gaining traction with commercial pilots in Mumbai with one of the largest Telcos

Largest intracity order from one of the top telecom companies, with end-to-end connectivity

2
New customer segment added, which include multiple system operators and global wholesale carriers

Innovative CDC (Containerised Data Center) solution in building new colocation facilities

>99.9%
Uptime in MTCIL network and colocations

720 km
Largest dark fibre order from an ISP

Case Studies

Gurgaon Palwal Transmission Limited: India's first Vertical Substation

Haryana is a growing economic and commercial powerhouse for the country and home to thousands of industrial and commercial establishments. To meet the peak energy requirements of Haryana, which is expected to grow from 9,000 MW in FY 2014-15 to more than 12,000 MW in FY 2020-21. Today, the state meets its power deficit though high-capacity Diesel Generation (DG) sets, which are also a source of high pollution levels in the region. The Gurgaon-Palwal Transmission Limited (GPTL) was envisaged as part of an Interstate Transmission System project, to evacuate ~2,000 MW to Haryana Vidyut Prasaran Nigam Ltd. (HVPNL) ensuring access to reliable power for the people of Gurugram and Palwal – areas in the state.

THE CHALLENGES

The power demand in Haryana in likely to increase significantly in the coming years. This is primarily due to factors like rise in agricultural consumption, enhanced demand of existing consumers because of growing use of appliances, commercial activities and industriaisation, among others. To meet the peak load of 12,112 MW, a robust Interstate Transmission System (ISTS) was planned in the form of GPTL.

With increasing urbanisation, there is a scarcity of land available globally for constructing transmission assets. GPTL is also the first project for Sterlite Power which was constructed in a completely urban milieu. All the eleven elements in the project traversed through densely populated areas of Gurugram and Palwal areas. Thus, securing the RoW for the project had been a significant challenge.

WHAT WE DID

It is also a unique project as it implemented one-of-its-kind innovation in the power sector with India's first vertical GIS substations built at Prithla, Kadarpur and Sohna.
These 400/220 kV GIS substations are multi-storied substations with a rooftop 220 kV open switchyard. A conventional GIS substation of similar capacity generally requires 12 acres of land, but this innovative solution is built only on 3.8 acres resulting in 75% reduction in land size. Apart from the vertical substations, Multi Circuit Monopole towers have been built to optimise the space challenges related to the project. Apart from saving land, all these innovations have resulted in offsetting more than 18,000 tonnes of CO_2 emissions each year as compared to a conventional layout for a similar GIS substation.

Achievements

The project not only evacuates ~2000 MW of reliable power to ~3 Million households in the state but will also brings cleaner air to NCR by reducing the use of diesel fired generator sets.

~3 Million households in the state benefitted

~2000MW of power supply to Gurgaon and Palwal areas in Haryana

Reliable power supply to replace more than 10,000 DG sets in Gurugram

Project Ganga: Excellence in Project Execution and Product Innovation

This project truly tested our mettle and challenged us to push our boundaries, resulting in unique process execution and significant product innovation that will change the way transmission lines are built across long-span river crossings and hilly terrains. We specially develop a customised solution—the ACCC ULS Ganga—which which was successfully strung across one of the longest spans on a river crossing, near Lakhisarai, to restore the disrupted 400kV Purnia – Biharshariff (PB) transmission line.

THE CHALLENGES

Difficult site conditions that required multiple mobilisations, climate change and frequently changing course of the Ganga River were hampering restoration efforts of the PB line. With towers washed away in a previous instance, there were no support structures in the middle of the river. Laying pile foundation would have been expensive, difficult and time consuming. It would have also disturbed the delicate ecosystem in the river and affected livelihoods of locals who were dependent on the river for survival. To implement our long-span solution, man, machine and material had to be moved on barges and ferries. Work was undertaken on floating platforms. Wind speeds were a critical factor and work had to be stopped frequently with winds blowing close to 30 miles per hour.

WHAT WE DID

We restored the PB transmission line that was pending for almost 2 years, utilising unique process and product innovation. The use of long-span stringing avoided the cost of drilling expensive pile foundations and saved the ecosystem in the riverbed from any major disruption. The solution developed for this project can be adapted for other long span transmission lines over river crossings and hilly terrains across the country.

Achievements

Sterlite Power's ingenuity resulted in a unique process of stringing and a solution with the development of a carbon composite core ultra-low sag conductor –'ACCC ULS Ganga'. Even the hardware accessories and tools were specially designed for this project. The new conductor addressed the main concern of keeping the sag low during stringing, while transferring the same power capacity.

Vineyards: Use of Aerial Technology to Power Brazilian Grid

In 2010, the Brazilian Government's Energy Planning studies pointed out the need for structural works to follow the growth of the market in the State of Rio Grande do Sul. In 2017, Sterlite Power was chosen to build its second project in Brazil - the Vineyards.

THE CHALLENGES

One of the main challenges of the Vineyards project was crossing of the Taquari River, 368 meters wide, in an area of environmental protection.

For the execution of this crossing it was necessary to execute special foundations, supply of transmission towers 33 meters high with high foundations to support the floods of the river.

WHAT WE DID

The crossing was carried out using drones to carry a guide cable that later pulled the conductor cables.

For the exception of the crossing it was necessary to acquire the approval of the Brazilian Navy, which accompanied all activities.

Achievements

The Vineyards project was our second project in Brazil and Element 1 was delivered 31 months before the regulatory date and generated more than 500 direct and indirect jobs.

The project was a pioneer for us Power, with the use of cable launch techniques via drone, which allowed the effective reduction in launch time, operation costs, environmental imapct and mainly in the mitigation of accident risks.

Skyrob™: Making OPGW Stringing Safe

Skyrob™ is a first-of-its-kind semi-autonomous robot in India, developed by Sterlite Power to ensure safety of `high-risk' operations of installation, inspection and maintenance of OPGW under `live-line' conditions.

THE CHALLENGES

The power scenario in the country is expanding in leaps and bounds. As greater number of powerlines are installed, more maintenance and repair work will be required at shorter time durations. Moreover, out of the total 4,98,651 km of total EHV lines throughout India, as much as 50% is yet to be fiberised. The fiberisation of the remaining lines is critical for the Digital India vision to come true. A broadly practiced conventional method of OPGW installation is called 'Cradle block method' – the methodology of using traction machine for the installation.

However, the conventional methods come with quite a few limitations. A study shows that between 17 to 23 workers employed in the construction of EHV systems die over a working lifetime of 45 years. With Skyrob™, Sterlite Power primarily aims at eliminating human and asset risk by almost 100%.

WHAT WE DID

Sterlite Power developed Skyrob™ – a semi-autonomous robot ensures safety of 'high-risk' operations involved in the installation, inspection and maintenance of OPGW on high-voltage power transmission lines under 'live-line' (energised-without shutting down the power lines) conditions.

Skyrob™ demonstrates the application of high-end robotics in the power transmission sector for the first time in India. Apart from ensuring safety, it helps in saving time and ensures high-quality project delivery for our customers. It performs visual inspection and health monitoring of existing wires and conductors of the transmission line. This indigenously developed robot helps in installing OPGW on overhead transmission lines in an efficient and timely manner.

Achievements

Safety: With Skyrob™, Sterlite Power directly eliminates human and asset risk by almost 100%.

Efficiency: The improved efficiency of Skyrob™ also enables us to address the coinciding challenges of time, space and capital for our customers. With this innovation, we have been able to reduce project timelines by ~25%. In addition, the automation brought in by the innovation has enabled us in reduction of mobilisation of manpower by ~50%. Conventionally, OPGW stringing task required a team of 30 skilled labourers and 1 engineer. With Skyrob™, we can now accomplish the same task with only 15 skilled labourers and an engineer. The innovation also reduces cost of upgradation.

Automation: The increased automation brought in by Skyrob™ has decreased human intervention and created a safer work environment. This, in turn, has a positive impact on the workmen in field.

Ease of working: With 50% lower dead weight and higher traction vis-à-vis conventional traction machine, this technology has made operation of the tool easier. With Skyrob™, OPGW stringing has become a seamless activity.

Containerised Data Center (CDC): Quicker Turnaround and Superior Customer Experience

With the ever-increasing data demand in India, Telcos need to upgrade to a reliable fibre infrastructure backbone which accompanies solid edge data center facilities. In a bid to improve response time and uplift the overall customer experience, Sterlite Power has brought a game-changing innovation in the execution strategy of the project. In one of the top Telco's projects, we were entrusted with the task of building new colocation sites for hosting their telecom equipment in Mumbai-Kolhapur & Nagpur-Solapur belt.

WHAT WE DID

The unique solution implemented by Sterlite Power has the potential to standardise the process and ensure quality installation across all sites.

Post the completion of civil work, the containerised Edge Data Centers are shipped to the respective site locations using trailers and are placed at the site. A simple plugging into the power socket, and they are literally ready for the operation.

Such a unique concept of building modular edge data centers with tremendous benefits has set the trend.

Going ahead telecom colocation facilities will be made with Containerised Data Center solution.

THE CHALLENGES

Typically, colocation building exercise is done by developing the facility from scratch at the location itself. All the requisite materials are brought, the site is constructed, and equipment such as racks, cooling unit, surveillance, and remote monitoring system, etc. are installed. In addition to transportation and location challenges, individual installations employed in this method are time consuming.

Achievements

Implemented for the first time in the telecom industry, this model provides a scalable solution and improves quality standards. The fact, that all the installations and commissioning take place at the factory, addresses the time constraint. The solution also brings down the project cost, as it doesn't have multiple stocking locations, has reduced traveling to sites, and avoids right of way (RoW) due to minimal action on the ground.

Such edge data centers, which are closer to the end consumers, boost network performance. Hence, delivering a better customer experience. Especially in remote tier 2 & 3 towns, where data demand has significantly improved thanks to the rise in OTT platforms and remote working.

Health, Safety and Environment

We believe working at Sterlite Power means working safely. Zero harm to people, property and planet is non-negotiable for us.

5 Es TO PREVENT ACCIDENTS

We operate our business with the aim of preventing any incidents that may harm our employees, contractors or communities, or cause damage to our assets or adversely impact the environment. We are convinced that any accident is preventable and have developed a 5 E Concept of Accident Prevention (Evaluation, Engineering, Education, Encouragement & Enforcement).

- Safety risk and performance is **evaluated** through systematic approach of Hazard Identification and Risk Assessment (HIRA) and a monthly Quality, Health, Safety and Environment (QHSE) Health Index Scorecard based on PDCA Cycle. Periodic multiple management reviews happen to assess the safety of our activities and drive continual improvement
- We continually deploy **engineering** and technological solutions as per hierarchy of control. Some examples of interventions to improve QHSE, include use of helicopters, drones, 360-degree machine guarding, emergency rescue kits, digital tools like iQSafe and so on
- We ensure that people responsible for work involving significant safety hazard have the necessary **education**, training and skills and the same is achieved through safety induction training and Toll Box Talks
- We **encourage** workers and employees through QHSE awareness campaigns and motivational programmes
- The Simplified QHSE Framework and Management Standards are **enforced** throughout our business and are periodically reviewed for effectiveness

5 Es

ACCIDENT PREVENTION TECHNIQUE

ZERO
FATALITIES

Education
Job training, safely education of relevant hazards and controls

Encouragement
Incentives, contests, rewards, certificates, medals

Engineering
Proper system and layout as per latest technology

Enforcement
Simplified procedures and strict enforcement

Evaluation
Continuous evaluation of programmes /procedures/performance and update them

Quality Excellence

We are committed to deliver reliable project and products through a first-time right process approach.

We drive quality through engaged leadership and a risk-based process approach implementation of Critical To Quality (CTQ), regular bootcamps and multiplayer audits, strategic partnership with our contractors and supplier. We have initiated digitalisation as a differentiator for quality assurance by adding value through real-time inspections, data analysis and dynamic dashboards. Our manufacturing quality labs are NABL accredited to deliver high-quality conductors, cables and OPGW fibres.

Quality Excellence Model

Customer satisfaction. Sustainable and reliable assets. First-time right products.

Leadership
Provides purpose, direction and engagement operation's built-in-ownership

Engagement
Recognition, empowerment and enhancement of skills and knowledge

Continual improvement
To current performance, measurement through Score Card and to create new opportunities

Digitalisation
Facts, evidence and data analysis for decision-making iQSafe, Advance BI tools and RPA

Partnership
Evaluate, Onboarding, periodic assessment with EPC and suppliers

Process approach
Risk-based approach, Critical to Quality (CTQ) Compliance, Optimise performance

Corporate Social Responsibility

Making a meaningful difference to the communities in and around our project operations and plants, forms the cornerstone of our CSR vision at Sterlite Power.

From the marginalised in the North East, to a small family in a village in Kashmir, to a community in Kerala – our efforts have been instrumental in bringing smiles to people's faces. In times of calamity and distress, we have worked shoulder to shoulder with our NGO partners to bring families together and restore their lives.

STANDING TOGETHER DURING THE PANDEMIC

While the entire nation was reeling under the throes of the pandemic, we, as a leading transmission developer, have been on constant vigil to ensure an uninterrupted flow of reliable electricity. Further, as the need to step up relief efforts took centre-stage, our teams across our project sites, too, joined hands to contribute to the society. We identified several villages in the vicinity of our transmission operations for many of our COVID-19 interventions.

The NC Hills autonomous council in Assam was one such beneficiary community. Counted among India's 250 most backward districts, they were at a risk of increased exposure to the contagion due to the lack of necessary protection gear like masks, sanitisers and handwash. Our team undertook the sourcing and provision of these essential items in the shortest possible time.

We also supplied ration and other essential items to the Maar community near our project site in Assam. One of the state's most vulnerable minorities, the Maar reside in Arda, which is more than 30 km off the nearest road. Our team not just ensured that the villagers are adequately stocked, but also conducted a contactless health check-up and thermal screening of each person in the village.

In addition, a state-of-the-art ambulance was provided to the villagers around the Baghmari tea estate near our project site in Assam. The unavailability of ambulance services in the area and poor quality of medical facilities, was a threat to the wellness of the locals. Our intervention will help the ~5,000 villagers to access emergency health services as and when the need arises.

Our team has also undertaken distribution of food packages to more than 1,000 villagers in the Surendranagar district, near Vadodara in Gujarat, along with patients in the COVID-19 Care Centre in Kasargode district in Kerala.

United Nations SDGs

2 ZERO HUNGER

Over 20 families from 'Maar' community in Assam provided with essential items

3 GOOD HEALTH AND WELL-BEING

- ~5000 lives impacted with state-of-the-art ambulance
- 100 villages touched with positive healthcare

United Nations SDGs

28.5 ckm of biodiversity preserved

1.5 Lakh lives impacted with reliable and quality power

1,700 schools under the umbrella of EdIndia Foundation, changing lives

BUILDING A BETTER TOMORROW WITH EDINDIA

We strongly believe that children are budding agents of change and nurturing our young talent is key to empowering humanity. To this end, we support EdIndia, a social impact start-up that leverages technology and data analytics to create innovative solutions that improve the quality of education at scale. The non-profit is active across Maharashtra, Rajasthan and Tripura, with more than 50,000 teachers and 6 Lakh students under its wing.

Currently, it drives three major projects—Pragyan, Nirnay and Teachable—that are focused on building capacity and capability, enriching learning content, enhancing learning environments, sharpening technological readiness and enabling data-driven objective assessments of student performance.

EdIndia is working on mobile apps for its projects and their availability across regional languages. The start-up is partnering with established players in the education technology space, like Google India, Diksha and TheTeacherApp, to widen the reach and impact of its projects.

ENSURING RELIABLE POWER WHILE PRESERVING BIODIVERSITY

At Sterlite Power, we are committed to the pursuit of global environmental sustainability. In one of our recent projects, we evacuated power optimally from the Kundah Hydro Power Station, at an elevation of 2,876 feet. A vital part of the transmission line passed through the Nilgiri Biosphere Reserve, a biodiversity hotspot. This line was unable to carry the required load of the evacuated power. Moreover, the presence of an active elephant corridor in the reserve was one of the main aspects to be considered during project planning and execution. We wanted to make sure that our project operations did not disrupt wildlife movement in the area.

We implemented a new low-sag, high-performance conductor, which made the line safer from the prospect of electrocution. We ensured completion of the work, traversing the 28.5 ckm in the biodiversity reserve, in just 25 shutdown days. To ensure that the project caused no harm to the active elephant corridor, we sought the guidance of tribal communities on how to best navigate the forest and track the movement of wild elephants. Pathways leading to watering holes were mapped and special care was taken to avoid parking vehicles or piling any construction material near those areas. Due care was taken to avoid any destruction to the greenery and vegetation. All movement during the day was conducted with minimal noise and communication was carried out through radio. The sustainable planning and execution of this project not only helped in positively impacting 1.5 Lakh lives in the Coimbatore-Tirupur region with the provision of reliable and quality power, but is also a perfect example of harmonious co-existence between human development and environment.

Management Discussion and Analysis

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

ECONOMIC OVERVIEW

GLOBAL

According to the World Economic Outlook (WEO) 2020, the global output is estimated to have grown by 2.9% in 2019, declining from 3.6% in 2018 and 3.8% in 2017. This dip was attributed to a geographically broad-based decline in manufacturing activity and trade; stabilising, yet uncertain, trade tensions between China and the US; and idiosyncratic factors causing macro-economic strain in several emerging market economies and structural factors, such as low productivity growth and aging demographics in advanced economies.

Outlook

The WEO report published in October 2019, forecasted the world economy to grow 3.4% in 2020. However, the forecast had to be revised in October 2020 and the world was caught amidst the COVID-19 pandemic. Although essential to contain the virus, lockdowns and restrictions on mobility are causing a sizeable impact on the economic activity.

As a result of the pandemic, the global economy is projected to contract by 4.4% in 2020, marked down by over 7% when compared to January 2020 WEO projections. The forecast assumes the pandemic to fade in the second half of 2020 and containment efforts to be gradually unwound. The global economy is projected to grow by 5.2% in 2021 as economic activity normalises, helped by policy support.

FIGURE 1: GROWTH ACROSS ALL REGIONS

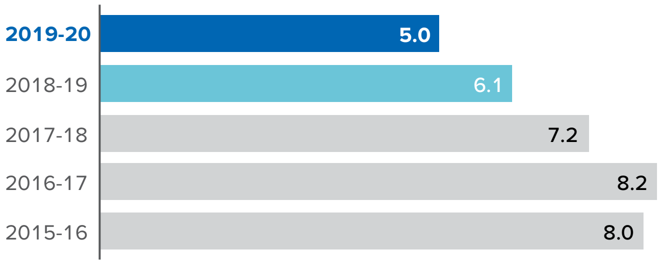
		Projections (%)	
	2019	**2020**	2021
World Output	2.8	-4.4	5.2
Advanced Economies	1.7	-5.8	3.9
United States	2.2	-4.3	3.1
Euro Area of America	1.3	-8.3	5.2
Emerging Markets and Developing Economies	3.7	-3.3	6.0

Source: WEO, IMF

INDIA

India's GDP growth in the past has correlated with the growth of global output and the deceleration in the former since 2017 has tracked the decline in the latter. 2019 was a muted year for the global economy with world output growth growing at its slowest pace since 2009. During FY 2019-20, India is estimated to have grown at the rate of 5% (Source: Second Advance Estimates of National Income, FY 2019-20, Ministry of Statistics & Programme Implementation).

FIGURE 2: INDIA'S GDP GROWTH PATTERN (%)



Source: Second Advance Estimates of National Income, FY 2019-20, Ministry of Statistics & Programme Implementation

A weak environment for global manufacturing, trade and demand adversely impacted the Indian economy. Domestic demand also slowed amid stress in the non-bank financial sector and a decline in credit growth. Real GDP (at Constant 2011-12 Prices) in FY 2019-20 is estimated to attain a level of ₹146.84 Lakh crore (US$ 1.99 Trillion).

Outlook

The IMF has recognised the extreme uncertainty around the growth forecasts due to the unprecedented economic fallout caused by the virus outbreak. Various factors are hard to predict like the progress in finding a vaccine/therapies, intensity of containment effort, extent of supply disruptions etc., that could impact the economic output.

The extent of the lockdown mandated by Government of India since March 25, 2020 to contain the virus outbreak, is expected to have a significant impact on the economic activity in the near term. However, it is expected that the easing of the lockdown will help restart production in the country.

During this unprecedented scenario, the IMF has forecasted the Indian economy to decline by a mammoth 10.3%, much higher than the projections for other emerging economies. India's GDP is expected to rebound significantly and grow at 7.4% in 2021.

BRAZIL

After two years of slowdown in 2015 and 2016, Brazil, the largest economy in Latin America (LATAM), has been on the path to recovery and witnessed GDP growth of over 1% in the years 2017 to 2019 (Source: WEO, IMF October 2019).

Outlook

Before the pandemic outbreak, Brazil was expected to grow to 2.5% in 2020 owing to improved sentiment following the passage of pension reform, accommodative monetary policy, and the fading of supply disruptions in the mining sector (1Source: WEO, IMF). However, the revised WEO estimates suggest the country's GDP growth rate contracting by 5.8% in 2020. The country is expected to bounce back and grow by 2.8% in 2021. Key deciding factors include a reduced global demand and domestic demand that could prompt a drop in investment, low oil prices, economic disruption from domestic virus containment measures and the impact on labour productivity.

INDUSTRY OVERVIEW

GLOBAL

Electricity is one of the most important drivers for human progress. Access to electricity is a major barometer for measuring the development in an economy. With prime focus on decarbonisation and climate change, electrification has emerged as a key remedy to reduce emissions. Evidently, the global energy sector is witnessing a movement towards electrification as a key driver. Cost reductions in renewables and advances in digital technologies are opening huge opportunities for such energy transitions. Wind and solar PV are expected to provide more than half of the additional electricity generation to 2040. The trend is already visible, global electricity demand increased 4% in 2018, with low carbon generation expanding 6% to meet a considerable share of this growth. Several US state governments have unveiled 100% clean power targets.

INDIA

Increasing investments in infrastructure space and commitment Renewable Energy (RE) are the two key mainstays for the government for the industry we operate in.

Within the infrastructure space, the Indian power sector is on the path for some major structural reforms focused on improving the operational and financial performance of the state distribution companies. Ministry of Power has drafted a model plan for the states to have multiple private franchisees as power suppliers, thereby opening the distribution sector to private players. The draft Electricity Act Amendment also proposes distribution sub licensees to open the sector to private players. This is intended to bring in efficiency and choice for the consumers. On the renewables front, India has recently announced its aspiration to deploy 450 GW of renewable energy, at the UN Climate Action Summit. India also wants to harness the 2.5 Lakh MW solar potential in South Asian region and is vocalising for partnerships with the private sector in doing so.

Power Generation

India has an electricity generation capacity of 370 GW of which thermal power accounts for 62% of the generation capacity, followed by renewable at 24%. Indian power sector is morphing from a coal-based generation towards more efficient consumption and renewable generation.

Private participation has grown from 19% in FY 2009-10 to a tremendous 46% by the end of 2019, indicating huge investments that the generation sector has received from private sector. As a result, India's installed capacity has grown at a CAGR of 9% in this period and power supply has remarkably improved. During FY 2019-20, the energy deficit and peak deficit has been limited to 0.7% and 0.5%, which were 10.1% and 12.72%, respectively, during FY 2009-10.

Outlook

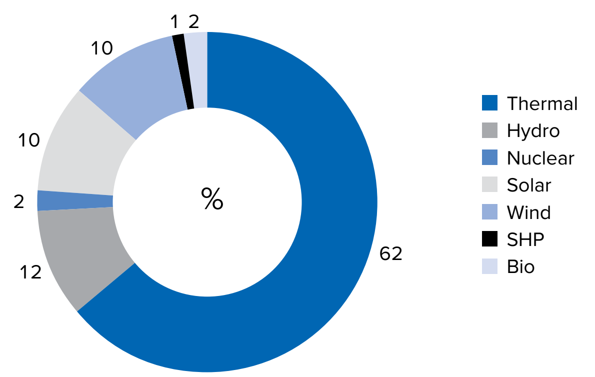
India's share of total global primary energy demand is set to double to ~11% by 2040, underpinned by strong population growth and economic development. Power generation is anticipated to increase by 207% to 4,781 TWh by 2040, accounting for 61% of primary energy demand growth. While India's dependence on coal would remain, generation from RE is projected to contribute ~38% from 16% currently. This will become possible with continued fall in solar and wind tariffs and government impetus on RE deployment.

Source: BP Energy Outlook

FIGURE 3: SOURCE-WISE INSTALLED CAPACITY IN MW

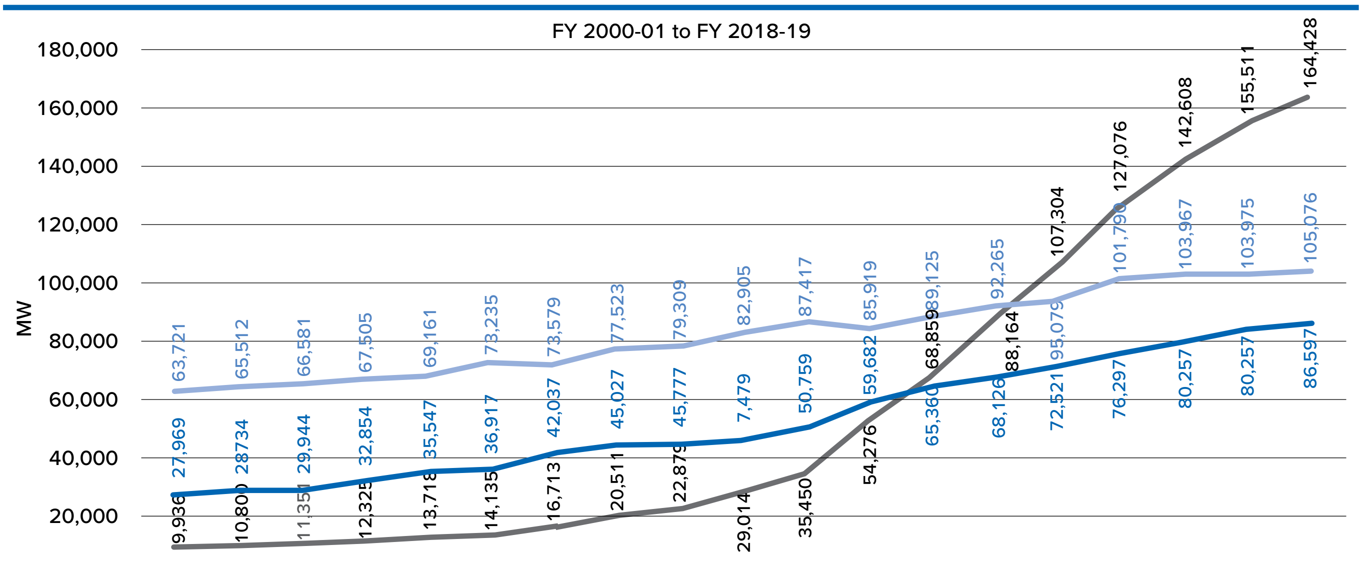
Thermal	62
Hydro	12
Nuclear	2
Solar	10
Wind	10
Small Hydropower (SHP)	1
Bio	2
Total	99

Source: Central Electrical Authority (CEA)



Note: Renewable energy contributes 24% of total installed capacity in the country.

FIGURE 4: SECTOR-WISE GROWTH OF INSTALLED CAPACITY (MW) FY 2000-01 TO FY 2018-19



	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
State	63,721	65,512	66,582	67,505	69,161	73,235	73,579	77,523	79,309	82,905	87,417	85,919	89,125	92,265	95,079	101,790	103,967	103,975	105,076
Private	9,936	10,800	11,351	12,325	13,718	14,135	16,713	20,511	22,879	29,014	35,450	54,276	68,859	88,164	107,304	127,076	142,608	155,511	164,428
Central	27,969	28,734	29,944	32,854	35,547	36,917	42,037	45,027	45,777	47,479	50,759	59,682	65,360	68,126	72,521	76,297	80,257	84,517	86,597

Source: Ministry of Power (MoP) CEA

Note: Tremendous growth witnessed in investments and capacity addition by the private players from FY 2009-10

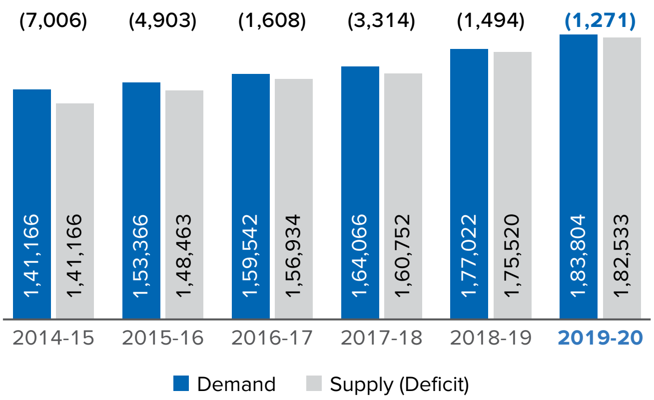
FIGURE 5: ANNUAL GROWTH IN POWER GENERATION (FROM CONVENTIONAL SOURCES)

Year	Energy Generation from Conventional Sources (BU)	% of growth
2009-10	771.55	6.60
2010-11	811.14	5.56
2011-12	876.88	8.11
2012-13	912.05	6.04
2013-14	967.15	6.04
2014-15	1,048.67	8.43
2015-16	1,107.82	5.64
2016-17	1,160.14	4.72
2017-18	1,206.30	3.98
2018-19	1,249.33	3.57
2019-20*	1,250.78	0.12

Source: CEA

Note: Reducing growth rate of generation from conventional sources

FIGURE 6: POWER SUPPLY POSITION DURING PEAK HOURS (AS ON MARCH 2019) (in MW)



Source: CEA

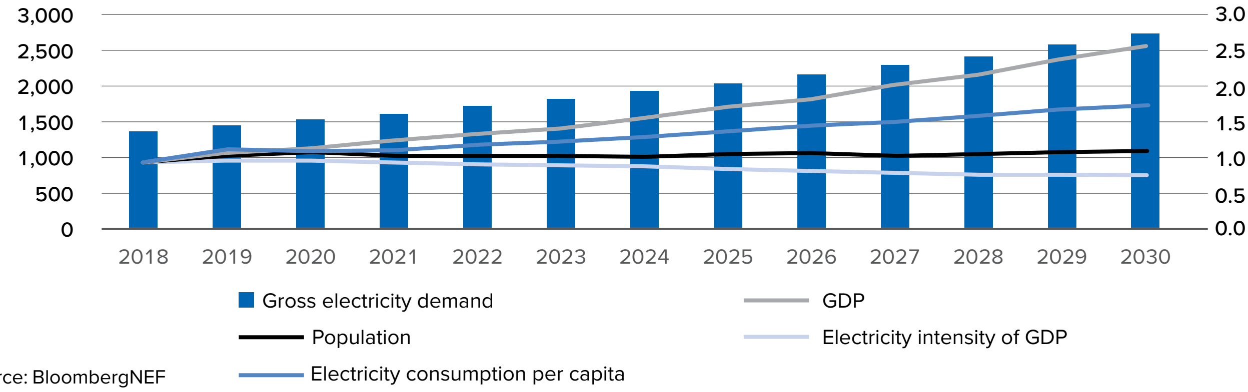
Note: Peak deficit has reduced from 4.7% in FY 2014-15 to only 0.7% in FY 2019-20

Power Distribution

The power distribution systems provide last-mile connectivity to the consumers. 89% of the distribution companies are state-owned, while 11% are run by private players. Private distribution companies are operating in Delhi, Kolkata, Mumbai, Ahmedabad, and Surat. Some distribution companies in Maharashtra, Madhya Pradesh and Uttar Pradesh have adopted the input-based distribution franchisee models.

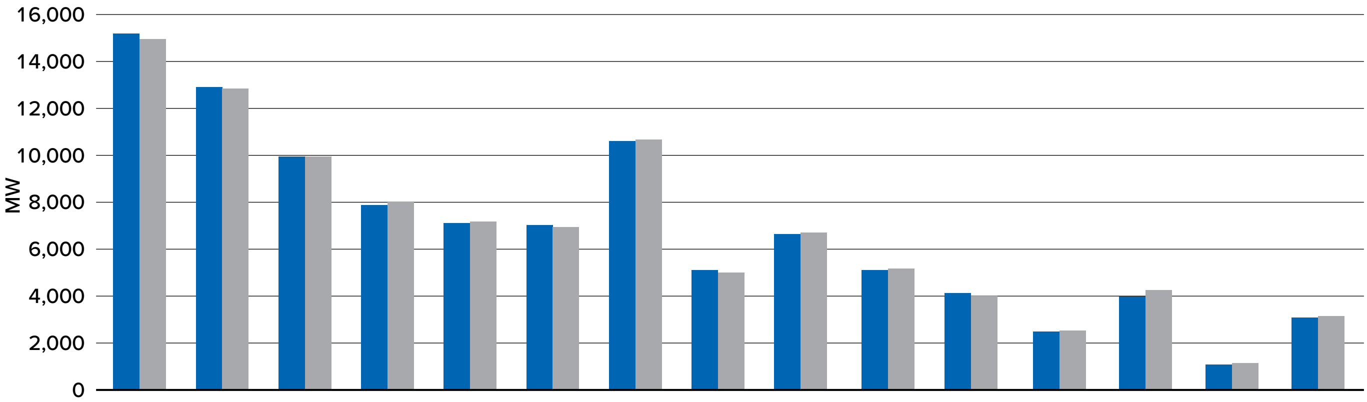
The distribution sector has been mired with high-aggregate technical and commercial losses and poor financial health, which has impacted quality and reliability of supply and low investments in upgradation of infrastructure. However, the Government of India has been making concerted efforts to accelerate schemes towards improving financial health of distribution companies, household electrification and ensuring 24/7 supply. This will drive the electricity demand at a much faster rate, as compared to a nominal 5-6% y-o-y growth witnessed in the past.

FIGURE 7: ELECTRICITY DEMAND (TWh) VIS-À-VIS MACRO INDICATORS



Source: BloombergNEF

FIGURE 8: PER CAPITA ELECTRICITY CONSUMPTION IN VARIOUS COUNTRIES IN 2015 AND 2016



	Canada	USA	Australia	Japan	France	Germany	South Korea	UK	Russia	Italy	South Africa	Brazil	China	India*	World
2015	15,188	12,833	9,892	7,865	7,043	7,015	10,558	5,082	6,588	5,099	4,148	2,516	4,047	1,075	3,052
2016	14,844	12,825	9,911	7,974	7,148	6,956	10,618	5,033	6,715	5,081	4,031	2,504	4,279	1,122	3,110

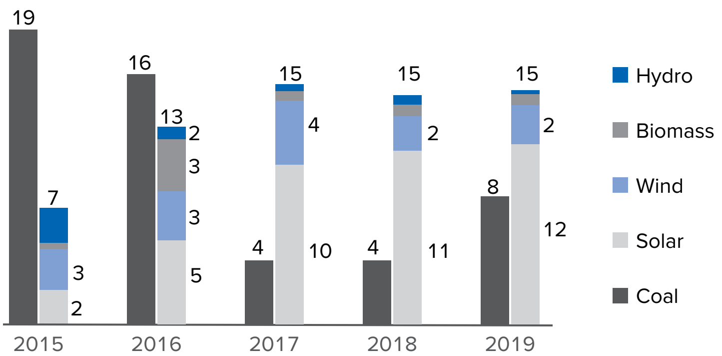
Source: IEA publication 'Key World Energy Statistics 2016 website (other than India)
* Per capita consumption = (gross electrical energy availability/mid year population)

Note: Tremendous scope of growth in the per capita electricity consumption in India, which is much lower than world average

Power Transmission
The power transmission networks are the vital link between the generation and distribution tasked to seamlessly connect the value chain and enable access to electricity. Transmission is sitting at the crux of the transitions happening in the generation and distribution segment. Whether it is movement towards intermittent RE or enabling access to remote locations, transmission has a key role to play.

Given India's geographic spread of renewable rich states on the western and southern coasts, and load centres in the east and north, inter-regional transmission capacity for transmitting power is indispensable for transferring electricity from surplus states to deficit states, as well as for better load balancing capacity.

FIGURE 9: GENERATION CAPACITY ADDITIONS IN THE LAST 5 YEARS IN INDIA (GW)



Source: BNEF, CEA

Note: Coal additions have dropped while renewable additions have been growing at a fast pace

FIGURE 10: GROWTH IN TRANSMISSION LINES (CKM) -220 KV AND ABOVE

At the end of		Central	State	Private	Grand Total
6th Plan	ckm	3,472	48,562	-	52,034
	Share (%)	7	93		
7th Plan	ckm	17,628	61,827	-	79,455
	Share (%)	22	78		
8th Plan	ckm	31,199	86,177	-	117,376
	Share (%)	27	73		
9th Plan	ckm	42,017	110,252	-	152,269
	Share (%)	28	72		
10th Plan	ckm	64,295	131,828	-	196,123
	Share (%)	33	67		
11th Plan	ckm	91,950	157,116	8,415	257,481
	Share (%)	36	61	3	
12th Plan	ckm	141,033	202,197	24,621	367,851
	Share (%)	38	55	7	
2017-22	ckm	163,322	230,113	31,636	425,071
(upto March'20)	Share (%)	38	54	8	

Source: CEA

Note: Private sector contributes 7.4% of transmission lines in the country.

India opened the transmission sector to private sector investments post the Electricity Act, 2003 with the aim to improve investments in the transmission space and enhance grid reliability. As on March 31, 2020, private sector owns about 7.4% of transmission lines (based on ckm), while on the other hand generation witnessed private sector contributing 46% of the installed capacity.

Generation capacity grew at a CAGR of 9% between the years 2000-2010. Transmission sector played catch-up during the period 2010-2020 and registered a growth of 19%.

Amid the transitions being witnessed in the generation and distribution space, increasing investments, and involving private participation will be an essential enabler in the transmission segment.

The same is reflected in the Government of India's plan for the power sector, based on which a transmission projects pipeline of more than ₹1,00,000 crore (US$ 13.6 Billion) is estimated.

Transmission sector is expected to attract investments of ₹2.5-3 trillion over the next five years.

A key prerequisite to continuing India's renewable energy investment ambitions is the need to concurrently build out and modernise India's national transmission grid, accelerating the enormous progress achieved over the last decade.

FIGURE 11: GROWTH OF INDIA'S TRANSMISSION SECTOR BETWEEN FY 2012-13 AND FY 2017-18

	As on March 2013	As on March 2020	Addition	CAGR (%)
Inter-regional Power Transmission Capacity of National Grid (MW)	29,750	102,050	56,700	24
All India Power Transmission Network (ckm)	274,588	425,071	116,382	7
Transformation Capacity	473,216	967,893	353,742	12

Source: CEA

Investments in transmission

₹2.5-3 trillion

Investments in transmission over the next five years

FIGURE 12: GROWTH IN INTER-REGIONAL TRANSMISSION CAPACITY (MW)

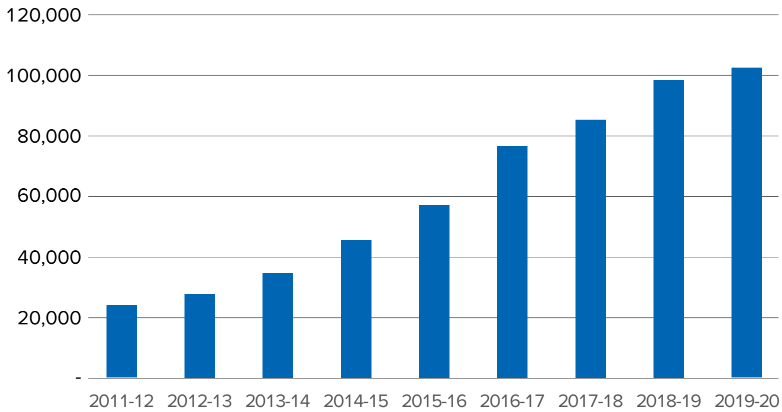
Inter-regional transmission capacity (MW)

Year	MW
2011-12	27,750
2012-13	29,750
2013-14	33,950
2014-15	46,450
2015-16	58,050
2016-17	75,050
2017-18	86,450
2018-19	99,050
2019-20	102,050

Source: CEA

Note: Inter-regional transmission capacity has grown over three-fold in the last 6 years

FIGURE 13: INTER-REGIONAL TRANSMISSION CAPACITY (MW)



BRAZIL

Power Transmission

Brazil is transitioning from a model centered on BNDES (federal public company) and strong state presence in the economy to another with the private sector handling financing. Social security reform and privatisation of state-owned companies are expected to improve the prospects of the domestic economy, reduce the risk premium, and boost economic activity in the region. Infrastructure is the primary focus and expected to generate a wave of investments both in concessions and private-sector ventures. In the power sector, Brazil also has a strong impetus towards RE deployment, with 75% of the new capacity added in 2019 coming from RE.

Especially the growth of renewable power generation in the North East and South regions, far from the traditional consumption centre in the southeast, creates a necessity to expand the transmission network and reduce bottlenecks. Studies by federal energy planning firm EPE show the country will need at least 38 new lines over 5,000 km in the coming years, representing a R$*10.6 billion (US$ 2 billion) investment.

This will also require 21 new substations and the enlargement of 31 other units.

Overall, Brazil power transmission will need R$104 billion (US$ 24.2 billion) investments by 2029, according to the government's energy expansion plan.

Brazil's electricity load is forecasted to rise from an average of 68.8 GW in 2019 to 97.9 GW by 2029, would need to add 29 GW in energy generation capacity.

The industry and transport sectors are predicted to account for more than 60% of the country's total energy demand by 2029.

FIGURE 14: ELECTRIC ENERGY TRANSMISSION

ITEM	Unit	2019	2024	2029	2019-2024		2024-2029		2019-2029	
					Increment	%	Increment	%	Increment	%
Transmission Lines	km	147,632	186,214	203,417	38,582	26	17,203	9	55,785	38
Substations	MVA	385,206	495,625	557,353	110,419	29	61,728	12	172,147	45

LONG-TERM GROWTH DRIVERS FOR TRANSMISSION

Impetus on renewable capacity addition	Globally, investment in transmission has become necessary to allow access to the low-cost renewable generation capacity, benefit from economies of scale, and increase security of supply. E.g. 100% clean energy targets being set by many states in the US would require dramatic shifts in the composition of power grids. India has set goas toward diversifying its energy sources and include 40% non-fossil-fuel based electricity generation in the energy mix. The increase in penetration of renewables and end-use electrification initiatives will necessitate the installation of additional transmission capacity. Transmission would be essential for delivery and grid resilience.
Growth in power demand; 24*7 access to electricity, MAKE IN INDIA initiative	India's per capita consumption is among the lowest in the world, with improvement in economic activity and access to reliable power, the consumption is expected to increase. 24X7 reliable access to power for all households is going to provide a large boost for power demand in the country, which will be met by the influx of renewables. Growth in industrialisation from the government's push towards Make in India will also boost demand and to serve this demand it will create huge opportunities for the transmission sector.
End-use electrification	The government is promoting faster adoption of Electric Vehicles (EVs) by providing incentive for purchase of EVs and in building necessary infrastructure for charging of EVs. Electrification of heating and cooking are also steadily increasing. EVs coupled with other end-use electrification initiatives will drive demand in the distribution segments and to meet this additional demand, the larger congested cities will require huge investments in upgradation of existing lines.
Trans-national power grid	With plans to decarbonise India's energy basket, there is need to explore the scope of Cross-Border Electricity Trade (CBET) within and beyond Asia. Such cross-border interconnections will become increasingly relevant for improving the integration of renewable power and harnessing the diversity of resources.
Aging power grids in developed regions	BloombergNEF projects aging power grids across the world to require US$ 8.2 trillion investments by 2050. In addition to upgrading the grid, high-capacity transmission lines designed to service centralised electricity generation from conventional stations are no longer adequate. Large renewable projects are being developed in areas far from the load centres and often disconnected from the grid. Investment in transmission has become necessary to allow access to this huge RE potential and deliver the scale benefit (in terms of reduced cost) of these RE projects to the end consumers.
Private participation for transmission in emerging economies	In developing countries, the growth in the transmission market is brought by the need for expansion of their respective grids to provide electricity to all parts of the countries. Africa estimates need for US$3.2-4.3 billion annual investments for 2015-2040 to expand the transmission networks and is exploring bolder private financing models. South American countries (Brazil, Chile, Peru, Colombia etc.) are also exploring projects with increased private sector participation to ensure timely delivery of cost-effective power to consumers.
Distribution reforms in India for intra-state transmission	Transmission upgrades and expansion have become necessary to reduce the large amount of power currently lost during transmission. In addition, government's effort to improve access to electricity in rural areas will provide strong opportunities for growth in the intra-state transmission segment. This will further increase as consumers switch away from alternative sources of power such as diesel generators to drawing power from the grid. The distribution plan drafted by Central Electricity Authority (CEA) anticipates a 40% increase in power distribution infrastructure till 2022 to sustain the goal of 24x7 uninterrupted power for all with expected increase in demand by consumers. Proposed reforms in the distribution sector including privatisation, are expected to fuel investments in the transmission infrastructure at state level.

PERFORMANCE OVERVIEW

During FY 2019-20, the Company secured 3 new transmission projects in India under TBCB route, with a cumulative capex value of ~₹56,000 Million (US$ 759 Million). The Company won 30% of market share of the projects bid during the period.

The global infrastructure business continues to maintain its leadership position in ensuring on time project execution within budgeted cost. Leadership in leveraging technology, ability to attract rich talent, cost competitiveness has been instrumental in driving the growth strategy of the Company. This year the Company commissioned its first project in Brazil, Arcoverde Transmissao De Energia S.A, 28 months ahead of schedule.

Profitability has been the key focus for the Company. During FY 2019-20, Sterlite Power sold to India Grid Trust its commissioned projects namely NRSS-29, OGPTL & ENICL and recorded a gain on sale of ₹16,450 Million (US$ 223 Million). The capital generated through these monetisation activities is used for reinvesting in under-construction projects in India.

Further during the year, Sterlite Power replicated the India model in Brazil and monetised three projects namely Pampa Transmissao de Energia S.A., Arcoverde Transmissao De Energia S.A. and Sterlite Novo Estado Energia S.A, and recorded a gain on sale of ₹4,085 Million (US$ 55.3 Million).

Subsequent to the year end, the Company commissioned 10,270 Million GPTL project that will enhance the power capacity of Gurugram and Palwal areas in the state of Haryana by ~2000 MW. The Company has completed sale of stake in GPTL to Indi Grid Trust as per the Framework agreement.

FINANCIAL PERFORMANCE:

Our consolidated income for FY 2019-20 was at ₹51,583 Million (US$ 699 Million), a 44% increase from ₹35,715 Million (US$ 484 Million) in FY 2018-19. The company's consolidated EBITDA was ₹24,056 Million (US$ 326 Million) in FY 2019-20, a 434% increase from 4,501 Million (US$ 61 Million) in FY 2018-19. Our consolidated profit was ₹9,417 Million (US$ 128 Million) in FY 2019-20, compared to loss of (₹5,237 Million) (US$ 71 Million) in FY 2018-19. The increase in the profit was mainly driven by profit on sale of commissioned assets, both in India & Brazil. Pursuant to the approval from National Company Law Tribunal vide its order dated May 22, 2020 sanctioning scheme of merger, SPTL has been merged with its subsidiary SPGVL. The Company has accounted for synergies on account of merger on the income tax expenses of ₹1,389 Million (US$ 19 Million) during the year. Consolidated Net worth improved to ₹608 Million (US$ 8 Million) in FY 2019-20, compared to (₹6,755 Million) (US$ 92 Million) in FY 2018-19.

HUMAN ASSETS

- We have world-class talent with diverse experience, and are continuously working on creating a dynamic environment to keep our diverse workforce engaged. While our current Gender Diversity is at around 13%, we also have a diverse population of workforce coming from multiple industry segments ranging from but not limited to FMCG, Defence, Banking, Non-Banking Financial Company (NBFCs), Manufacturing, Aviation, etc. The diversity at Executive Committee strengthened, since the inclusion of Neeti Wahi and Monalisa Sahoo as Group Chief Information Officer

Key risk	Macroeconomic and political risk	Raw material cost	Regulatory changes	Competition
Description	Political uncertainties and weak macroeconomic conditions indirectly impact business confidence.	Fluctuations in commodity prices impact our input costs and in turn, our profitability.	Slow pace of policy roll-out and/or regulatory changes (industry, environmental, social, labour and human rights) in the geographies where we operate affects the ease of doing our business.	Inability to remain competitive, on parameters of cost, efficiency and time, can lead to declining margins.
Actions initiated	• Thrust on Exports: 40% of revenue through exports order • Diversified Domestic consumer base: Along with State-owned utilities and private players in Generation and Transmission sectors we also cater to the needs of electrification in Railways, Metros, Oil & Gas, etc.	• A comprehensive hedging policy is in place which specifies hedging of all contracts to be done as soon as tenders are won, with appropriate risk premium and contango charges (as per delivery schedule) built in.	• A dedicated team is working proactively with the government and regulatory authorities on behalf of the Transmission industry to inform them about the perceived risks and apprehensions of the industry and offering implementable solutions.	To stay competitive we adhere to the process of 1. **Benchmarking with respect to domestic and global competitors** (COGS, EBITDA, ROCE, RM Sourcing, BOM data, OEE Data, Cycle time analysis, tear down analysis,clean sheet costing, Inventory analysis) 2. **Lost Order Analysis** conducted fortnightly with cross functional teams to focus on parameters (RM Cost, Logistics, Cost of Coversion) of improvement 3. **Monthly market share** is published to analyse performance with respect to competitors in all the sectors

and Group Chief Marketing & Communications Officer, respectively; the appointment of Avaantika Kakkar and Flora Zhao as new Board members

- Our people processes enable the workforce to deliver superlative performance. While established processes and trusted sources to acquire the best talent from the industry, help us onbord the best professionals we also have a robust and continuous talent review process focusing on identifying and grooming people for future. We continuously monitor the development actions identified during the talent review process to ensure that we are prepared for the future leadership needs of the organisation. This is achieved through rigorous focus on behavioural and functional programmes specific to different Strategic Business Units (SBUs). We believe hiring top talent is a very challenging task requiring rigorous time and cost investment and hence retention is an absolute necessity for the organisation. We retain top talent through active engagement of employees by senior leadership teams

- Digitisation is one of key pillars on which an organisation can drive efficiency and efficacy of processes and Sterlite Power has been on the forefront in driving digital interventions with the Human Resources function being no exception. While digitisation of recruitment process has ensured that we manage the entire process on a single platform ensuring control as well significant improvements in overall process efficiency, Humano is a BOT, which has helped us in automating some of the repetitive and manual, but critical processes like Employee Data, Attendance, Leave, etc. We will continue to make technological investments to ensure that we are ready to take up critical challenges related to people and processes

RISK MITIGATION

- Change in regulation affecting the tariff collection methodology for transmission sector

- Economic conditions affecting demand, supply, and thereby payment ability of users of transmission system

- Reduction in pipeline for TBCB opportunities, if more projects are done through the Memorandum of Understanding (MoU) route. Currently, majority of intra-state projects are not being awarded through the TBCB route

- Delay in bid out of RE projects can impact transmission to be bid out under green energy

INTERNAL CONTROLS

Risk Mitigation Framework

Risk is inherent in any business and Sterlite Power proactively adopts measures to identify, assess, mitigate and monitor those risks. Our risk mitigation framework includes comprehensive mechanisms to pre-empt challenges, prioritise our responses and review the adequacy of our plans. Some of the key risks pertinent to our overall business are listed below. The Board, with help from the Risk Management Committee, evaluates and reports the factors that affect the identified risks; while ensuring that risk management is a process of continuous improvement.

Safety	Finance	Legal and compliance	Technology	Foreign currency
Issues related to the safety of our and our partners' personnel and equipment impact business continuity in case of force majeure incidents, besides causing reputational damage.	Non-payment of dues by customers and disputes in tariff claims have a direct bearing on our operations.	Non-adherence to due processes in external facing roles and lack of clearly defined procedures by authorities in adoption of new technology affects our business as well.	Concerns like technology obsolescence and breach of cyber security of digitally-connected transmission assets dilute our competitive edge and threaten our data integrity.	Since we operate in India and overseas, adverse effects of changes in foreign exchange rates affect our income and profitability.
• Focus on 5Es (Evaluation, Engineering, Education, Encouragement & Enforcement) of Accident Prevention and Periodic 'On the Job' trainings to our Employees and Partners • Proactive Hazard Identification and Risk Assessment (HIRA) for all routine and non-routine activities • Project specific Emergency Preparedness and Response Plan (EPRP) • Strict adherence of the SOP covering safety measures	• Our customer contracts have all the necessary clauses which detracts the customers to default on the payment terms. Moreover, the margins built in, in each contract, takes into account complete working capital charges being incurred by us for each supply/service contract. (inputs awaited)	• Comprehensive Compliance Management Tool is in place and as part of its continuous development, it will be upgraded with better technology. • To further strengten the compliance management framework, a comprehensive compliance program covering Compliance Policy, Compliance Handbook and Compliance Governance mechanism through the Compliance by June 2020	• Well-defined cyber security programme to safeguard our critical assets on both IT & OT side against internal and external threats • Continuous upgradation of our IT and digital footprint to drive competitive advantage and efficiencies within the business, yet securing the data integrity	A comprehensive hedging policy is in place, which specifies hedging of all contracts to be done as soon as tenders are won, with appropriate risk premium and contango charges (as per delivery schedule) built in.

Directors' Report

To,
The Members,
Sterlite Power Transmission Limited

Your Directors are pleased to present their 5th Annual Report for the Financial Year 2019-20, together with the audited financial statements of the Company for the year ended March 31, 2020.

FINANCIAL SUMMARY / HIGHLIGHTS

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

(INR Million)

Summary of Key Financial Parameters	Standalone		Consolidated	
Description	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Total Income	20,384.93	24,542.47	51,583.16	35,550.06
EBITDA	433.89	1,289.85	24,056.28	4,500.97
Less : Finance cost (net of finance income)	2,472.35	2,983.38	7,348.37	5,826.47
Less : Depreciation/Amortisation/Impairment Expense	813.10	780.09	2,421.31	3,825.55
Share of Profit of Associate	-	-	8.74	325.99
Exceptional item	(2,565.95)	-	925.87	-
Profit / (Loss) Before Tax (PBT)	**(5,417.51)**	**(2,473.62)**	**13,369.47**	**(4,825.06)**
Less : Tax expense	(88.42)	(324.36)	3,952.86	412.00
Profit / (Loss) After Tax (PAT) (A)	**(5,329.09)**	**(2,149.26)**	**9,416.61**	**(5,237.06)**
Other Comprehensive Income (OCI) (B)	(7,412.75)	10,294.86	(4,912.40)	(955.41)
Total Comprehensive Income (A+B)	**(12,741.84)**	**8,145.60**	**4,504.21**	**(6,192.47)**

PERFORMANCE

Standalone

FY20 closed with Total Income of ₹20,384.93 million, EBITDA of ₹433.89 million, PAT of ₹(5,329.09) million.

Consolidated

FY20 closed with Total Income of ₹51,583.16 million, EBITDA of ₹24,056.28 million, Net Profit attributable to owners of the Company ₹4,504.21 million.

OPERATIONS

Highlights of your Company's operations and state of affairs for the Financial Year 2019-20, including the Management Discussion and Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, forms part of this Annual Report.

DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

CORPORATE GOVERNANCE

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

AMOUNT TRANSFERRED TO GENERAL RESERVE

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

CHANGES IN SHARE CAPITAL

During the year under review there was no change in Share Capital of the Company. The Company has received listing approval from BSE Limited on April 18, 2019, for the Non-Convertible Debentures issued and allotted by the Company on March 29, 2019, on private placement basis to Standard Chartered Bank for refinancing its working capital.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 9 (Nine) meetings of the Board of Directors were held. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (hereinafter also referred to as "**the Act**") and Secretarial Standard 1 on Board meetings issued by the Institute of Company Secretaries of India.
The dates on which these meetings were held are April 25, 2019, May 14, 2019, May 31, 2019, July 22, 2019, August 09, 2019, September 17, 2019, November 08, 2019 (*Adjourned meeting: November 14, 2019*), February 07, 2020 and March 06, 2020. Composition of Board and other details are provided in Corporate Governance Report which forms part of the Annual Report.

COMPOSITION OF AUDIT COMMITTEE

The Board had constituted an Audit Committee comprising of Mr. Arun Todarwal, Independent Director as the Chairman; Mr. Pravin Agarwal and Mr. A.R. Narayanaswamy as the Members. The Board of directors has accepted all the recommendations of the Audit Committee during the Financial Year 2019-20. During the year Mr. Lalit Narayan Tandon ceased to be a member w.e.f. May 15, 2019 and Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019. The composition and other details of the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of the Annual Report.

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

During the year under review, Mr. Lalit Narayan Tandon, resigned as an Independent Director of the Company effective May 15, 2019, due to other pre-occupations. Your Directors place on record their appreciation for the valuable contributions made by Mr. Tandon during his tenure as director of the Company.

Upon the recommendation of the Nomination and Remuneration Committee, Mr. A.R. Narayanaswamy and Ms. Haixia Zhao were appointed as Additional Directors (Non-Executive, Independent) effective July 22, 2019 and September 11, 2019, respectively. Mr. A.R. Narayanaswamy and Ms. Haixia Zhao were holding office upto the date of 4th Annual General Meeting of the Company and they being eligible and upon receipt of notice from a member of the Company, were appointed as Independent Non-Executive Directors of the Company.

During the period under review, the designation of Mr. Pratik Agarwal was changed from 'Managing Director & Chief Executive Officer' to 'Vice Chairman & Managing Director' for the remaining period of his appointment without any change in other terms and conditions of his appointment.

During the year under review Mr. Pravin Agarwal, Chairman being liable to retire by rotation and being eligible was re-appointed as a Director of the Company in the Annual General Meeting held on September 30, 2019.

Further, pursuant to Section 149, read with Section 152 of the Companies Act, 2013, Mr. Pratik Agarwal, Vice Chairman & Managing Director, will retire by rotation at the ensuing Annual General Meeting ("**AGM**") and being eligible, offers himself for re-appointment. The Board commends his re-appointment.

Details of the aforesaid proposals for re-appointment of Mr. Pratik Agarwal are provided in the Annexure to the Notice of the AGM.

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

KEY MANAGERIAL PERSONNEL

Pursuant to the Section 203 of the Act, and the Rules made thereunder, following are the Key Managerial Personnel of the Company as on March 31, 2020:

Sr. No	Name	Designation	Date of Appointment
1	Mr. Pratik Agarwal	Vice Chairman & Managing Director*	June 01, 2016
2	Mr. Anuraag Srivastava	Chief Financial officer	August 10, 2018
3	Mr. Ashok Ganesan	Company Secretary	May 29, 2017

*The designation of Mr. Pratik Agarwal was changed from "Managing Director & Chief Executive Officer" to "Vice Chairman & Managing Director" w.e.f. 08.11.2019

There has been no change in the KMPs during the FY 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year April 01, 2019 to March 31, 2020;

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

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

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts and arrangements with related parties, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act in the prescribed Form AOC 2 are enclosed as **Annexure A** to the Directors' Report. Details regarding the policy, approval and review of Related Party Transactions are provided in the Corporate Governance Report. Further, the information as specified in Para A of Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, is forming part of the statement on related party transactions in the financial statements for the year under review.

CORPORATE RESTRUCTURING

(i) Merger of Sterlite Power Grid Ventures Limited with Sterlite Power Transmission Limited

The Board in its meeting held on May 30, 2018, approved merger of Sterlite Power Grid Ventures Limited ("**SPGVL**"), its wholly owned subsidiary with Sterlite Power Transmission Limited ("**SPTL**") subject to the approval of Hon'ble National Company Law Tribunal.

The corporate restructuring is viewed as a potential value creator for all shareholders combined with an objective of consolidating the business activities undertaken by SPGVL and its investments in various entities into a single entity. It will essentially provide streamlining of the corporate structure and consolidation of investments at SPTL level and would provide cost savings/synergies resulting from rationalisation, standardisation and simplification of business processes, improved organisational capability, avoid unnecessary duplication of costs of administration, distribution and marketing and reduction in legal and regulatory compliances. It also creates an opportunity for pooling of resources resulting in stronger balance sheet and net worth to meet future investment requirements.

Hon'ble National Company Law Tribunal, Mumbai Bench has sanctioned the Scheme of Amalgamation vide its order pronounced on May 22, 2020, wherein the appointed date of Scheme is April 01, 2017. The transferor company is a wholly owned subsidiary company of the Company; therefore, no new equity shares will be issued, and the entire share capital of the transferor company shall be cancelled and extinguished. The Scheme is available on the website of the Company at www.sterlitepower.com.

(ii) Disinvestment in Sterlite Grid 2 Limited, Sterlite Grid 3 Limited and East-North Interconnection Company Limited

Sterlite Power entered into a marquee deal with India Grid Trust for sale of its commissioned projects thereby transferring Sterlite Grid 2 Limited along with its subsidiary and Sterlite Grid 3 Limited along with its subsidiary. In addition, the Company also entered into a framework agreement with India Grid Trust to monetise under construction projects in phased manner post commissioning.

With the above disinvestment, Sterlite Grid 2 Limited along with its subsidiary and Sterlite Grid 3 Limited along with its subsidiary ceased to be the subsidiaries of the Company w.e.f. June 04, 2019 and June 28, 2019 respectively.

In another milestone transaction, Sterlite Power along with its subsidiary completed transfer of 100 % of stake in East-North Interconnection Company Limited to India Grid Trust in tranches by Q1 of FY 21.

(iii) Disinvestment in Sterlite Investment Managers Limited

The Company had entered into Share Subscription and Purchase Agreements with Electron IM Pte. Ltd. Pursuant to the said agreement the Company had diluted 60% of its stake in Sterlite Investment Managers Limited ("SIML") in the following manner:

i. SIML had issued and allotted 12,49,000 equity shares representing 19.99% of the share capital of SIML to Electron IM Pte. Ltd. ("**Electron**"), an affiliate of KKR & Co.

ii. Further, the Company has sold 24,99,875 equity shares representing 40.01% of the share capital of SIML to Electron.

With the consummation of the above transaction the Company now holds 40% stake in SIML as compared to 100% stake on March 31, 2019.

(iv) Disinvestment in Pampa Transmissao de Energia S.A., Arcoverde Transmissao De Energia S.A., and Sterlite Novo Estado Energia S.A. (Brazil Entities)

During the year, the Group has sold its equity stake in Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A), Arcoverde Transmissao De Energia S.A., Brazil & Sterlite Novo Estado Energia S.A, Brazil. Consequent to this, the Group has de-recognised these Power Transmission Assets and gain of ₹4,085.30 million has been recognized on this sale.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

(i) Impact of COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimising disruption to services for all our customers. In line with the lockdowns announced by the Central Government, all offices of the Company were closed from March 17, 2020 providing employees facility to "Work from Home" to ensure continuity of operations of the Company. The said closure(s) have adversely affected the operations of the Company and the impact of the same cannot be assessed at this point of time. However, this does not affect the going concern status of the Company.

(ii) Acquisition of Vapi -II North Lakhimpur Transmission Limited.

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

The Western Region Strengthening Scheme – XIX (WRSS-XIX) involves setting up of 318 ckm of lines and 1000 MVA transformation capacity across three distinct parts:

- Part A involves setting up 35 ckm line in Gujarat to help distribute renewable energy being generated in the State to a wider set of consumers.
- Part B aims to establish a 1000 MVA substation in Vapi along with 51 ckm of line to bring clean nuclear power from KAPP for further distribution to Daman, Diu and Dadra Nagar Haveli.
- Part C aims to set up 179 ckm of lines for critical system strengthening and decongesting the evacuation system in Navi Mumbai area and cater to future loads of Navi Mumbai Airport and Navi Mumbai SEZ. The link brings an ISTS feed of about 1000 MW into the Mumbai region to cater to its growing energy requirements.

The North Eastern Region Strengthening Scheme–IX (NERSS-IX), on the other hand, involves strengthening of the north-eastern transmission network by setting up 85 ckm of lines in the states of Assam and Arunachal Pradesh. The transmission system will facilitate the evacuation of clean hydro power from 110 MW Pare Hydro-Electric Project situated in Arunachal Pradesh, thereby playing an instrumental role in boosting the green energy agenda of the country.

(iii) Disinvestment in Gurgaon Palwal Transmission Limited.

Sterlite Power in yet another landmark transaction has completed the flip/sale of another transmission asset-Gurgaon Palwal Transmission Limited ('**GPTL**') to India Grid Trust, in August 2020, envisaged as a part of the framework agreement signed with India Grid Trust in April 2019, for flip of GPTL among other identified assets at an Enterprise Value of ₹10,750 million.

GPTL was incorporated on October 26, 2015 and later entered into a Transmission Service Agreement (TSA) on March 4, 2016. GPTL was granted the transmission license for a period of 35 years by Central Electricity Regulatory Commission in September 2016. GPTL has three substation elements at Kadarpur, Sohna and Prithala respectively. The first two substations are to cater to the load demand (as furnished by Haryana Vidyut Prasaran Nigam Limited. The creation of Prithala substation would meet the power demand of the area to be developed under Prithala Development Plan. Besides, it will also act as a main feeding source to Palwal, Rangla Rajpur and Meerpur Kurli.

(iv) Sale of 14.7% Stake in IndiGrid

In August 2020, your Company (through its subsidiary) had successfully sold its 14.7% stake in India Grid Trust (IndiGrid) to Institutional and HNI investors, with the transaction valued at INR 840 crores at a unit price of INR 98. Your Company is the sponsor of India Grid Trust ("IndiGrid/InvIT"), India's first power sector InvIT, which saw its initial public offer in 2017.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has 45 subsidiaries and 2 Associate companies as on March 31, 2020. The list of subsidiaries and associates is forming part of Form MGT-9 enclosed as **Annexure D**.
In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary / associate companies in Form AOC-1, is enclosed as **Annexure B** to this report and is also provided as a part of consolidated financial statement.

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

A. Companies that have become subsidiaries / associates during the financial year 2019-20:

(Indian subsidiaries)

- Lakadia-Vadodara Transmission Project Limited
- Udupi Kasargode Transmission Limited
- Sterlite EdIndia Foundation (Section 25 Company)
- Sterlite Grid 28 Limited

(Indian associates)

- Sterlite Interlinks Limited

B. Companies which have ceased to be subsidiaries / associates during the financial year 2019-20:

(Indian subsidiaries)

- Sterlite Grid 2 Limited
- Sterlite Grid 3 Limited
- NRSS XXIX Transmission Limited
- Odisha Generation Phase-II Transmission Limited

East-North Interconnection Company Limited ("ENICL")*
*ENICL ceased to be a subsidiary of the Company w.e.f. March 23, 2020 by virtue of change in management control. However, the Company along with its subsidiary was holding 51% equity share capital of ENICL as on March 31, 2020

(Foreign subsidiaries in Brazil)

- Arcoverde Transmissão De Energia S.A.
- Sterlite Novo Estado Energia S.A.
- Pampa Transmissão de Energia S.A. (erstwhile Sterlite Brasil Projetos De Transmissão De Energia S.A.)

The Audited Financial Statements of the Subsidiary Companies have not been included in the Annual Report. The financial statements of the Subsidiary Companies and the related information will be made available, upon request, to the members seeking such information at any point of time. These financial statements will also be kept for inspection by any member at the Registered Office of the Company, and that of the respective Subsidiary Companies and are also available on the Website of the Company at www.sterlitepower.com.

FINANCIAL STATEMENTS

The Ministry of Corporate Affairs and SEBI has provided several relaxations, in view of difficulties faced by the Companies, on account of threat posed by Covid-19. Pursuant to General Circular No.20/2020, dated May 5, 2020, issued by the Ministry of Corporate Affairs, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the Company shall not be dispatching physical copies of financial statements and the Annual Report shall be sent only by email to the members. The consolidated financial statements of the Company prepared in accordance with Indian Accounting Standards (Ind AS), duly audited by Statutory Auditors, also forms part of this Annual Report.

AUDITORS AND AUDITORS' REPORT

(a) Statutory Auditors

M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E) were appointed as Statutory Auditors of the Company from the conclusion of 1st Annual General Meeting held on August 17, 2016, for a period of 5 years up to the conclusion of 6th Annual General Meeting to be held in FY 2020-21. The appointment of the Statutory Auditor till the conclusion of the 6th Annual General Meeting was ratified by the members in the Annual General Meeting held on September 27, 2018, as the requirement to place the matter relating to ratification of auditors at every Annual General Meeting has been done away with vide notification no. S.O. 1833(E) dated May 07, 2018 issued by the Ministry of Corporate Affairs.

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

(b) Cost Auditors

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its power products are required to be audited. Mr. Kiran Naik, Cost Accountant, has conducted audit of the cost accounts of the Company for said products for FY 2019-20. Mr. Kiran Naik (FRN 010927) has also been appointed as the Cost Auditor for FY 2020-21, and he has confirmed that his appointment is within the prescribed limits. As required by the provisions of the Act, a resolution seeking Members' approval for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included in the Notice convening the ensuing AGM. The Cost Audit Report for FY 2019-20, does not contain any qualification, reservation or adverse remark.

(c) Secretarial Auditors

Pursuant to Section 204 of the Act, M/s. DMK Associates, Practising Company Secretary, were appointed to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2020. The Report of the Secretarial Auditor is annexed as **Annexure C** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL FINANCIAL CONTROLS

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

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

LEGAL COMPLIANCES MANAGEMENT

The Company mitigates its legal and regulatory compliance risks with the help of an online compliance management tool. It is a well-defined system for storing, monitoring and ensuring compliances under various legislations. Non-compliances, if any, are reported and corrective actions are taken within a reasonable time. Any regulatory amendment is updated periodically in the system. Based on reports from the system and certificates from functional heads, the Managing Director presents the quarterly compliance certificate to the Board at the Board meetings.

BUSINESS RISK MANAGEMENT

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

During the year under review the Board has constituted a Risk Management Committee on November 01, 2019 comprising of Ms. Haixia Zhao, Independent Director as Chairperson of the Committee, Mr. A.R. Narayanaswamy and Mr. Pratik Agarwal as Members, to review and identify the risks, evaluate and monitor both business and non-business risks and take requisite action to mitigate the same through a properly defined framework.

The Company has framed a Risk Management Policy to identify and assess the risk areas, monitor and report compliance and effectiveness of the policy and procedure. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The policy has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 is enclosed herewith as **Annexure D** to this Report. The same can also be accessed on Company's website at www.sterlitepower.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments are provided in Note no. 6 & 7 to the Financial Statements.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure F** to this Report.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as a separate annexure forming part of this Report. However, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

During the period under review, the Company had not received any complaint of harassment. Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EMPLOYEE STOCK APPRECIATION SCHEME

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

a. reward the key employees for their performance and to motivate them to contribute to the growth and profitability of the Company.

b. retention of Senior Management, and key and niche skilled employees;

c. Instilling Entrepreneurship (Taking the right risks) & Ownership;

d. Gaining long term commitment towards value creation in the Company.

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

The Company's ESAR schemes are in line with Company's philosophy of sharing benefits of growth with its key growth drivers. The total outstanding ESAR's as on March 31, 2020 were 6,97,122 Units issued to various key employees of the Company. Further, pursuant to the new ESAR 2018, the Company has allotted 1,18,000 ESAR' units to Mr. Pratik Agarwal, Vice-Chairman & Managing Director of the Company.

NON-CONVERTIBLE DEBENTURES

As on March 31, 2020, the Company had outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹350 crore. The Company has maintained asset cover sufficient to discharge the principal amount along with outstanding Interest at all times for its NCDs. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

The details of debenture trustee are as follows:

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar West
Mumbai- 400 028
Contact No.: +91- 022-6230 0438

CREDIT RATING

The revised credit rating by India Ratings & Research are as follows:

Type of Facility	India Ratings & Research (Fitch Group)	
	Rating / Outlook	Rating Action
Fund Based Limits	IND BBB/RWE	Placed on RWE
Non-Fund Based Limits	IND A3+/RWE	Placed on RWE
Non-Convertible Debentures	IND BBB/RWE	Placed on RWE

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility Committee ("**CSR Committee"**) which comprises of Mr. Arun Todarwal, Independent Director as Chairman, Mr. Pravin Agarwal, Mr. Pratik Agarwal, Mr. A.R. Narayanaswamy and Ms. Haixia Zhao as Members. The Board has also approved a CSR policy, which is available on the website of the Company at www.sterlitepower.com.

During the year under review the Company was not required to spend on CSR Activities covered under Schedule VII of the Act due to losses. However, the Annual Report on CSR activities pursuant to Section 135 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure G** to this Report.

GENERAL

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

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

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

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

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

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

ACKNOWLEDGEMENTS

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

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

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096

Date: November 30, 2020
Place: Pune

ANNEXURE INDEX

Annexure	Content
A	The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC - 2 of Companies (Accounts) Rules, 2014.
B	Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC–1.
C	Secretarial Audit Report for the Financial year ended on March 31, 2020.
D	Extract of Annual Return as on Financial year ended on March 31, 2020 in Form No. MGT-9.
E	The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014
F	Statement showing the names and other particulars of the employees drawing remuneration in terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
G	Report on Corporate Social Responsibility.

Annexure A

FORM NO. AOC-2

Details of Related Party Transaction

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

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

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

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

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any. (Amount in ₹ million)	Date(s) of approval by the Board	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any:
1	Vedanta Limited	Fellow Susidiary	Purchases / Sale of Goods and Materials	N.A	8,122.29	14.05.2019	"N.A since purchased in the ordinary course of business"	To fulfill the raw material requirement	N.A

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

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096

Date: November 30, 2020
Place: Pune

Annexure B

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures as per Companies Act, 2013

FORM AOC-1 - PART A : SUBSIDIARIES

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
1	Sterlite Power Grid Ventures Limited	Building transmission lines on BOOM basis through its subsidiaries	01/04/2015*	India	INR	NA	12,435.29	16,880.24	73,670.51	44,354.98	29,605.15	7,748.02	133.48	-118.39	251.87	Nil	100.00
2	Sterlite Grid 4 Limited	Building transmission lines on BOOM basis through its subsidiaries	6/17/2015	India	INR	NA	0.50	-913.51	11,268.50	12,181.51	3,815.64	0.00	-306.96	0.00	-306.96	Nil	100.00
3	Sterlite Grid 5 Limited	Building transmission lines on BOOM basis through its subsidiaries	9/27/2016	India	INR	NA	0.50	-237.68	1,726.83	1,964.01	1,109.95	90.37	-232.13	1.26	-233.39	Nil	100.00
4	Sterlite Grid 6 Limited	Building transmission lines on BOOM basis through its subsidiaries	8/14/2017	India	INR	NA	0.50	-2.33	0.34	2.17	0.00	0.00	-0.85	0.00	-0.85	Nil	100.00
5	Sterlite Grid 7 Limited	Building transmission lines on BOOM basis through its subsidiaries	9/1/2017	India	INR	NA	0.50	-1.22	0.03	0.75	0.00	0.00	-0.24	0.00	-0.24	Nil	100.00
6	Sterlite Grid 8 Limited	Building transmission lines on BOOM basis through its subsidiaries	10/11/2017	India	INR	NA	0.50	-1.15	0.01	0.66	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
7	Sterlite Grid 9 Limited	Building transmission lines on BOOM basis through its subsidiaries	10/13/2017	India	INR	NA	0.50	-1.15	0.01	0.66	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
8	Sterlite Grid 10 Limited	Building transmission lines on BOOM basis through its subsidiaries	10/13/2017	India	INR	NA	0.50	-1.15	0.30	0.95	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
9	Sterlite Grid 11 Limited	Building transmission lines on BOOM basis through its subsidiaries	10/13/2017	India	INR	NA	0.50	-2.56	0.04	2.10	0.00	0.00	-0.85	0.00	-0.85	Nil	100.00
10	Sterlite Grid 12 Limited	Building transmission lines on BOOM basis through its subsidiaries	10/16/2017	India	INR	NA	0.50	-1.13	0.01	0.63	0.00	0.00	-0.73	0.00	-0.73	Nil	100.00
11	Sterlite Grid 13 Limited	Building transmission lines on BOOM basis through its subsidiaries	8/29/2018	India	INR	NA	0.50	-0.87	0.01	0.38	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
12	Sterlite Grid 14 Limited	Building transmission lines on BOOM basis through its subsidiaries	9/25/2018	India	INR	NA	0.50	-0.91	87.80	88.21	0.50	0.00	-0.20	0.00	-0.20	Nil	100.00
13	Sterlite Grid 15 Limited	Building transmission lines on BOOM basis through its subsidiaries	9/25/2018	India	INR	NA	0.50	-0.86	0.60	0.96	0.00	0.00	-0.15	0.00	-0.15	Nil	100.00
14	Sterlite Grid 16 Limited	Building transmission lines on BOOM basis through its subsidiaries	1/30/2019	India	INR	NA	0.50	-0.60	0.60	0.69	0.00	0.00	-0.60	0.00	-0.60	Nil	100.00
15	Sterlite Grid 17 Limited	Building transmission lines on BOOM basis through its subsidiaries	2/4/2019	India	INR	NA	0.50	-0.60	0.60	0.69	0.00	0.00	-0.60	0.00	-0.60	Nil	100.00
16	Sterlite Grid 18 Limited	Building transmission lines on BOOM basis through its subsidiaries	2/1/2019	India	INR	NA	0.50	-0.46	0.08	0.04	0.00	0.00	-1,528.05	0.00	-1,528.05	Nil	100.00
17	Sterlite Grid 19 Limited	Building transmission lines on BOOM basis through its subsidiaries	2/1/2019	India	INR	NA	0.50	-0.60	0.59	0.69	0.00	0.00	-0.60	0.00	-0.60	Nil	100.00
18	Sterlite Grid 20 Limited	Building transmission lines on BOOM basis through its subsidiaries	2/1/2019	India	INR	NA	0.50	-0.60	0.60	0.70	0.00	0.00	-0.60	0.00	-0.60	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
19	Sterlite Grid 21 Limited	Building transmission lines on BOOM basis through its subsidiaries	2/5/2019	India	INR	NA	1.00	-0.60	1.00	0.60	0.00	0.00	-0.60	0.00	-0.60	Nil	100.00
20	Sterlite Grid 22 Limited	Building transmission lines on BOOM basis through its subsidiaries	2/28/2019	India	INR	NA	1.00	-0.60	1.00	0.60	0.00	0.00	-0.60	0.00	-0.60	Nil	100.00
21	Sterlite Grid 23 Limited	Building transmission lines on BOOM basis through its subsidiaries	3/13/2019	India	INR	NA	1.00	-0.01	1.00	0.01	0.00	0.00	-0.01	0.00	-0.01	Nil	100.00
22	Sterlite Grid 24 Limited	Building transmission lines on BOOM basis through its subsidiaries	3/12/2019	India	INR	NA	1.00	-0.01	1.00	0.01	0.00	0.00	-0.01	0.00	-0.01	Nil	100.00
23	Sterlite Grid 25 Limited	Building transmission lines on BOOM basis through its subsidiaries	3/18/2019	India	INR	NA	1.00	-0.01	1.00	0.01	0.00	0.00	-0.01	0.00	-0.01	Nil	100.00
24	Sterlite Grid 26 Limited	Building transmission lines on BOOM basis through its subsidiaries	3/25/2019	India	INR	NA	1.00	-0.01	1.00	0.01	0.00	0.00	-0.01	0.00	-0.01	Nil	100.00
25	Sterlite Grid 27 Limited	Building transmission lines on BOOM basis through its subsidiaries	3/19/2019	India	INR	NA	1.00	-0.01	1.00	0.01	0.00	0.00	-0.01	0.00	-0.01	Nil	100.00
26	Sterlite Grid 28 Limited	Building transmission lines on BOOM basis through its subsidiaries	6/7/2019	India	INR	NA	1.00	-0.02	1.00	0.02	0.00	0.00	-0.02	0.00	-0.02	Nil	100.00
27	Sterlite Grid 29 Limited	Building transmission lines on BOOM basis through its subsidiaries	3/26/2019	India	INR	NA	1.00	-0.01	1.00	0.01	0.00	0.00	-0.01	0.00	-0.01	Nil	100.00
28	Sterlite Grid 30 Limited	Building transmission lines on BOOM basis through its subsidiaries	9/7/2017	India	INR	NA	0.50	-0.38	0.27	0.15	0.00	0.00	-0.12	0.00	-0.12	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
29	Goa-Tamnar Transmission Project Limited	Construction and development of Power transmission lines	3/14/2018	India	INR	NA	3.62	494.95	3,027.23	2,528.66	0.00	0.00	-0.49	-0.82	-1.31	Nil	100.00
30	Gurgaon-Palwal Transmission Limited	Construction and development of Power transmission lines	7/14/2016	India	INR	NA	6.89	791.71	10,890.77	10,092.17	0.00	678.41	163.45	48.15	115.30	Nil	100.00
31	Khargone Transmission Limited	Construction and development of Power transmission lines	8/22/2016	India	INR	NA	15.60	-338.18	13,940.93	14,263.51	0.00	44.13	-765.66	0.00	-765.66	Nil	100.00
32	NER II Transmission Limited	Construction and development of Power transmission lines	3/31/2017	India	INR	NA	572.13	2,558.48	22,323.09	19,192.48	0.00	3.19	-1.27	2.30	-3.57	Nil	100.00
33	Udupi Kasargode Transmission Limited	Construction and development of Power transmission lines	9/12/2019	India	INR	NA	0.50	-9.40	78.43	87.33	0.00	0.00	-7.15	0.00	-7.15	Nil	100.00
34	Lakadia Vadodara Transmission Project Limited	Construction and development of Power transmission lines	11/26/2019	India	INR	NA	379.48	-3.58	3,398.61	3,022.71	0.00	0.00	-3.58	0.00	-3.58	Nil	100.00
35	Sterlite EdIndia Foundation (Section 25 Company)	CSR related Activities	8/7/2019	India	INR	NA	0.50	2.28	3.03	0.24	0.00	8.86	2.28	0.00	2.28	Nil	99.93
36	Sterlite Convergence Limted	Build, Own, Operate, Manage, Sell, and lease technology - neutral last mile access, Intra-city Aggregaton and long distance links including passive and active infrastructure and telecom networks.	6/16/2017	India	INR	NA	0.50	-2.61	385.95	388.06	-	49.02	-1.31	0.58	-1.89	Nil	100.00
37	Sterlite Brazil Participacoes S.A.	Construction and development of Power transmission lines	5/26/2017	Brazil	BRL	14.4701	4,784.93	2,654.22	9,138.52	1,699.36	2,478.56	0.00	4,897.90	1,316.56	3,581.34	Nil	100.00
38	SE Vineyards Power Transmission S.A.	Construction and development of Power transmission lines	5/26/2017	Brazil	BRL	14.4701	940.71	518.25	6,227.85	4,768.89	0.00	3,699.08	747.96	260.69	487.26	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
39	Dunas Transmissão de Energia S.A	Construction and development of Power transmission lines	7/24/2018	Brazil	BRL	14.4701	275.13	-23.70	316.72	65.28	0.00	201.74	-30.47	-6.02	-24.46	Nil	100.00
40	Borborema Transmissão de Energia S.A.	Construction and development of Power transmission lines	7/24/2018	Brazil	BRL	14.4701	127.56	-7.61	142.80	22.84	0.00	102.18	7.97	3.52	4.46	Nil	100.00
41	São Francisco Transmissão de Energia S.A.	Construction and development of Power transmission lines	7/24/2018	Brazil	BRL	14.4701	290.08	-5.02	336.12	51.05	0.00	248.53	250.54	86.04	164.50	Nil	100.00
42	Goyas Transmissão de Energia S.A.	Construction and development of Power transmission lines	7/24/2018	Brazil	BRL	14.4701	87.07	-1.05	110.16	24.14	0.00	68.72	0.99	1.65	-0.65	Nil	100.00
43	Marituba Transmissão de Energia S.A.	Construction and development of Power transmission lines	7/24/2018	Brazil	BRL	14.4701	132.59	20.19	279.70	126.92	0.00	204.39	31.05	11.34	19.71	Nil	100.00
44	Soaris Transmissao de Energia S.A.	Construction and development of Power transmission lines	7/24/2018	Brazil	BRL	14.4701	120.49	3.84	156.37	32.04	0.00	95.83	5.35	3.31	2.05	Nil	100.00
45	Castelo Transmissao de Energia S.A.	Construction and development of Power transmission lines	11/28/2018	Brazil	BRL	14.4701	0.88	-0.88	0.00	0.00	0.00	0.00	-1.05	0.00	-1.05	Nil	100.00

* Appointed Date of Demerger

Names of Subsidiaries which are yet to commence operations -
NIL

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

a Sterilite Grid 2 Limited
b Sterilite Grid 3 Limited
c NRSS XXIX Transmission Limited
d Odisha Generation Phase-II Transmission Limited
e East-North Interconnection Company Limited
f Arcoverde Transmissão De Energia S.A.
g Sterlite Novo Estado Energia S.A.
h Pampa Transmissão de Energia S.A

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

Statement Pursuant to Section 129(3) of the Companies Act, 2013 Related to Associate Companies and Joint Ventures

S. No.	Name of Associate / Joint Ventures		Sterlite Investment Managers Limited	Sterlite Interlinks Limited
1	Latest audited Balance Sheet date		31-Mar-20	31-Mar-20
2	Date on which the Associate or Joint Venture was associated or acquired		31-Jul-19	27-Mar-19
3	Shares of Associate/Joint Ventures held by the Company on the year end		40.00%	49.00%
	a	Number	2,499,250	4,900.00
	b	Amount of investment (At face value)	4,998,500	49,000.00
	c	% of holding	40.00%	49.00%
4	Description of how there is significant influence		By virtue of shareholding	By virtue of shareholding
5	Reason why the associate / joint venture is not consolidated		N A	NA
6	Networth attributable to shareholding as per latest audited Balance sheet		56.79 mn	10.89 mn
7	Profit/Loss for the year		-8.10 mn	22.49 mn
	a	Considered in consolidation	-2.11 mn	10.85 mn
	b	Not considered in consolidation	NA	NA

1. Names of associate or joint ventures which are yet to comemnce operations :- Nil
2. Names of associate or joint ventures which have been liquidated or sold during the year :- Nil

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

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096

Date: November 30, 2020
Place: Pune

Sd/-
Pratik Agarwal
Managing Director
DIN: 03040062

Date: November 30, 2020
Place: Mumbai

Sd/-
Anuraag Srivastava
Chief Financial Officer
PAN-AASPS9214L

Date: November 30, 2020
Place: Mumbai

Sd/-
Ashok Ganesan
Company Secretary
FCS-5190

Date: November 30, 2020
Place: New Delhi

Annexure C

Secretarial Audit Report

Form No. MR-3

For the Financial Year Ended 31.03.2020

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

To,
The Members,
Sterlite Power Transmission Limited
4th Floor, Godrej Millennium,
9 Koregaon Road, Pune -411001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period);**

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

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

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period);**

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

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

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

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

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

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

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

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

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

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act except few board meetings which were held at shorter notice in compliance of the Act.

3. Majority decision is carried through and recorded in the minutes of the meetings. Further as informed and verified from minutes, no dissent was given by any director in respect of the resolutions passed in the board and the committee meetings.

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

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

1. The Board of Directors at its meeting held on May 30, 2018 had approved a Scheme of Amalgamation of Sterlite Power Grid Ventures Limited (Transferor company), a wholly owned subsidiary company with Sterlite Power Transmission Limited (Transferee company) under sections 230 to 232 and other applicable provisions of the Act and subject to the approval of any other statutory / regulatory authorities. The company along with transferor company had filed an application under Section 230 of the Act with National Company Law Tribunal (NCLT), Mumbai Bench for approval of Scheme of Amalgamation. Hon'ble NCLT, Mumbai Bench has sanctioned the Scheme of Amalgamation vide its order pronounced on May 22, 2020 wherein the appointed date of Scheme is April 01, 2017 and the certified copy of the order was issued on October 21, 2020. Further, pursuant to the provisions of the Act, the Company had filed the certified copy of order with the Registrar of Companies, Pune on November 15, 2020 to make the merger effective.

2. Pursuant to the In Principal Approval granted by BSE Ltd., the company has made an application to BSE Ltd vide its letter dated April 12, 2019 for listing of 3500 rated, secured, listed, redeemable non-convertible debentures of ₹10,00,000/- each, aggregating to ₹350,00,00,000/-(Rupees Three Hundred and Fifty crore only) allotted by Board of Directors on March 29, 2019 and BSE Limited vide its notice dated April 18, 2019 has admitted and approved the Listing of said Debentures w.e.f April 22, 2019.

3. The Board of Directors at its meeting held on March 6, 2020 had accorded its approval for sale of its entire shareholding in East-North Interconnection Company Limited (Subsidiary company) to India Grid Trust ("IGT") and also approved the execution of Share Purchase Agreement("SPA") in connection with the transaction contemplated above.

Thereafter SPA has been executed by and among the Company, Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited (on behalf of and acting in its capacity as the Trustee to IGT) and Sterlite Investment Managers Limited (Investment Manager of IGT) on March 23, 2020.

For **DMK Associates**
Company Secretaries

(Deepak Kukreja)
FCS, LL.B., ACIS (UK), IP
Partner
CP No.8265
FCS No. 4140
UDIN: F004140B001356260

Date: November 30, 2020
Place: New Delhi

Annexure 1

To,
The Members,
Sterlite Power Transmission Limited
4th Floor, Godrej Millennium,
9 Koregaon Road, Pune -411001

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2020 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. As per the information provided by the Company, there are certain disputes cases filed by or against the Company, which are currently lying pending with the various Courts. However, as informed, these cases have no major impact on the Company.

8. Due to the outbreak of Covid-19 and Nationwide Lockdown, we had verified the physical documents to the extent possible, however the Company has made available the documents / information electronically which we could not verify physically.

For **DMK ASSOCIATES**
Practising Company Secretaries

(Deepak Kukreja)
FCS, LL.B., IP
Partner
CP No.8265
FCS No. 4140
UDIN:

Date:
Place: New Delhi

FORM NO. MGT - 9

Annexure D

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1. CIN	U74120PN2015PLC156643
2. Registration Date	May 5, 2015
3. Name of the Company	Sterlite Power Transmission Limited
4. Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5. Address & contact details	
A Registered office	4th Floor, Godrej Millennium, 9 Koregaon Road, Pune-411001, Maharashtra
B Corporate office	F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura road, New Delhi – 110065
6. Whether listed company	No*
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFintech Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Phone No. +91 – 40 – 6716 - 1503 Fax No. +91 - 40 – 2331 - 1968 e-mail id: einward.ris@karvy.com

*Non-Convertible Debentures issued by the Company is listed on BSE w.e.f April 22, 2019.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the company
1	Power Transmission Conductor	2610	59%
2	Power Cable	2732	20%
3	Revenue from Project (MSI Business)	2610	21%

* As per National Industrial Classification - 2008, Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Twin Star Overseas Ltd; 33, Edith Cavell Street, 11324, Port Louis, Mauritius	Not Applicable	Holding Company	71.38%	Section 2 (46)
2	Sterlite Power Grid Ventures Limited; Add:- 4th Floor, Godrej Millennium, 9, Koregaon Road, Pune, Maharashtra – 411001	U33120PN2014PLC172393	Subsidiary Company	100%	Section 2 (87)
3	Sterlite Grid 4 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29253DL2015PLC281690	Subsidiary Company	100%	Section 2 (87)
4	Sterlite Grid 5 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29190DL2016PLC306470	Subsidiary Company	100%	Section 2 (87)
5	Sterlite Grid 6 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC322114	Subsidiary Company	100%	Section 2 (87)
6	Sterlite Grid 7 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29307DL2017PLC323080	Subsidiary Company	100%	Section 2 (87)

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
7	Sterlite Grid 8 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC324819	Subsidiary Company	100%	Section 2 (87)
8	Sterlite Grid 9 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC324932	Subsidiary Company	100%	Section 2 (87)
9	Sterlite Grid 10 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29100DL2017PLC324935	Subsidiary Company	100%	Section 2 (87)
10	Sterlite Grid 11 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC324944	Subsidiary Company	100%	Section 2 (87)
11	Sterlite Grid 12 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29304DL2017PLC325034	Subsidiary Company	100%	Section 2 (87)
12	Sterlite Grid 13 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2018PLC337962	Subsidiary Company	100%	Section 2 (87)
13	Sterlite Grid 14 Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29300DL2018PLC339426	Subsidiary Company	100%	Section 2 (87)
14	Sterlite Grid 15 Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2018PLC339442	Subsidiary Company	100%	Section 2 (87)
15	Sterlite Grid 16 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29249DN2019PLC005563	Subsidiary Company	100%	Section 2 (87)
16	Sterlite Grid 17 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29305DN2019PLC005568	Subsidiary Company	100%	Section 2 (87)
17	Sterlite Grid 18 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29110DN2019PLC005565	Subsidiary Company	100%	Section 2 (87)
18	Sterlite Grid 19 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29307DN2019PLC005566	Subsidiary Company	100%	Section 2 (87)
19	Sterlite Grid 20 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29309DN2019PLC005567	Subsidiary Company	100%	Section 2 (87)
20	Sterlite Grid 21 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40108DN2019PLC005569	Subsidiary Company	100%	Section 2 (87)
21	Sterlite Grid 22 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40100DN2019PLC005572	Subsidiary Company	100%	Section 2 (87)
22	Sterlite Grid 23 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40106DN2019PLC005574	Subsidiary Company	100%	Section 2 (87)
23	Sterlite Grid 24 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40106DN2019PLC005573	Subsidiary Company	100%	Section 2 (87)
24	Sterlite Grid 25 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40200DN2019PLC005575	Subsidiary Company	100%	Section 2 (87)
25	Sterlite Grid 26 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40108DN2019PLC005577	Subsidiary Company	100%	Section 2 (87)

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
26	Sterlite Grid 27 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40200DN2019PLC005576	Subsidiary Company	100%	Section 2 (87)
27	Sterlite Grid 28 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40100DN2019PLC005582	Subsidiary Company	100%	Section 2 (87)
28	Sterlite Grid 29 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40100DN2019PLC005578	Subsidiary Company	100%	Section 2 (87)
29	Sterlite Grid 30 Limited (Erstwhile NRSS XXIX (JS) Transmission Limited) Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2017PLC323351	Subsidiary Company	100%	Section 2 (87)
30	Gurgaon-Palwal Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40300DL2015GOI286783	Subsidiary Company	100%	Section 2 (87)
31	Khargone Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40300DL2015GOI287933	Subsidiary Company	100%	Section 2 (87)
32	NER II Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2015GOI279300	Subsidiary Company	100%	Section 2 (87)
33	Goa-Tamnar Transmission Project Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2017GOI310611	Subsidiary Company	100%	Section 2 (87)
34	Sterlite Convergence Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U64100DL2017PLC319310	Subsidiary Company	100%	Section 2 (87)
35	Sterlite EdIndia Foundation (Section 25 Company) Add:- Maker Maxity, 5 North Avenue, Level 5th Bandra Kurla Complex, Bandra East Mumbai City Maharashtra- 400051	U80100MH2019NPL329019	Subsidiary Company	99.93%	Section 2 (87)
36	Udupi Kasargode Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40100DL2018GOI342365	Subsidiary Company	100%	Section 2 (87)
37	Lakadia-Vadodara Transmission Project Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40105DL2019GOI347349	Subsidiary Company	100%	Section 2 (87)
38	SE Vineyards Power Transmission S.A. Add:- Avenida Rio Branco, 1, 12th Floor, 1201, Bairro Centro, CEP: 20090-907, Rio de Janeiro, Brazil	Not Applicable	Subsidiary Company	100%	Section 2 (87)
39	Sterlite Brazil Participacoes S.A. Add: Avenida Rio Branco, 1, 12th floor, 1201, Bairro Centro, Rio de Janeiro, Brazil CEP: 20090-907	Not Applicable	Subsidiary Company	100%	Section 2 (87)
40	Dunas Transmissão de Energia S.A Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
41	Borborema Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
42	São Francisco Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
43	Goyas Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
44	Marituba Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
45	Solaris Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
46	Castelo Transmissao de Energia S.A.	Not Applicable	Subsidiary Company	100%	Section 2 (87)
47	Sterlite Investment Managers Limited; Add: Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra- 400051	U28113MH2010PLC308857	Associate Company	40%	Section 2 (6)
48	Sterlite Interlinks Limited Add:G-1, 1st Floor,The Mira Corporate Suites 1 & 2, Ishwar Nagar, Mathura Road New Delhi 110065	U64200DL2017PLC327427	Associate Company	49%	Section 2 (6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares*	
A. Promoter & Promoters Group									
(1) Indian									
(a) Individual/ HUF	1947344	0	1947344	3.18	1947344	0	1947344	3.18	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	952859	0	952859	1.56	952859	0	952859	1.56	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00
(f) Any other	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(1):-	**2900203**	**0**	**2900203**	**4.74**	**2900203**	**0**	**2900203**	**4.74**	**0.00**
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other-individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corporate	43670398		43670398	71.38	43670398		43670398	71.38	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any other	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2):-	**43670398**	**0**	**43670398**	**71.38**	**43670398**	**0**	**43670398**	**71.38**	**0.00**
Total shareholding of Promoter & Promoters Group (A) = (A)(1) + (A)(2)	**46570601**	**0**	**46570601**	**76.12**	**46570601**	**0**	**46570601**	**76.12**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3317	0	3317	0.01	3317	0	3317	0.01	0.00
b) Banks / FI	14504	0	14504	0.02	14504	2190	16694	0.03	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	100	0	100	0	100	0	100	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	31185	0	31185	0.05	31185	0	31185	0.05	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	**49106**	**0**	**49106**	**0.08**	**49106**	**2190**	**51296**	**0.08**	**0.00**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares*	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1192492	0	1192492	1.95	1191480	0	1191480	1.95	0.00
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	11393964	1124304	12518268	20.46	11343134	1084283	12427417	20.31	-0.15
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	733972	0	733972	1.20	812674	0	812674	1.33	0.13
c) Others									
(Trusts, Non Resident Indians, Clearing Members, Non Resident Indian Non Repatriable)	117463	0	117463	0.19	128034	40	128074	0.21	0.02
Sub-total (B)(2):-	**13437891**	**1124304**	**14562195**	**23.80**	**13475682**	**1084323**	**14560005**	**23.80**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**13486997**	**1124304**	**14611301**	**23.88**	**13524788**	**1086513**	**14611301**	**23.88**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	**60057598**	**1124304**	**61181902**	**100**	**60095389**	**1086513**	**61181902**	**100.00**	**0.00**

ii) Shareholding of Promoter:

SL. No.	Shareholder's Name	Shareholding at the beginning of the year [As on April 01, 2019]			Shareholding at the end of the year [As on March 31, 2020]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Promoter								
1	Twin Star Overseas Ltd.	43670398	71.38	71.38	43670398	71.38	71.38	-
Promoters Group								
2	Individual/ HUF	1947344	3.18	-	1947344	3.18	-	-
3	Bodies Corporate	952859	1.56	-	952859	1.56	-	
4	Any other	-	-	-	-	-	-	-
	Total	**46570601**	**76.12**	**71.38**	**46570601**	**76.12**	**71.38**	**-**

iii) Change in Promoters' Shareholding (please specify, if there is no change): Not Applicable

SL. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

iv) **Shareholding Pattern of top ten Shareholders:** (Other than Directors, Promoters and Holders of GDRs and ADRs)

SL. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
1	DADRA EXIMP PRIVATE LIMITED	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	280115	0.46	280115	0.46
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Transfer of Shares on 23/08/2019	(4000)	0.01	276115	0.45
	Transfer of Shares on 30/08/2019	(10000)	0.02	266115	0.43
	At the end of the year (or on the date of separation, if separated during the year)	266115	0.43	266115	0.43

SL. No.	Particulars	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	YOGESH RASIKLAL DOSHI				
	At the beginning of the year	20625	0.03	20625	0.03
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Purchase of Share on 12/04/2019	200	0.00	20825	0.03
	Purchase of Share on 26/04/2019	306	0.00	21131	0.03
	Purchase of Share on 03/05/2019	550	0.01	21681	0.04
	Purchase of Share on 10/05/2019	2125	0.00	23806	0.04
	Transfer of Share on 17/05/2019	(6250)	0.01	17556	0.03
	Purchase of Share on 24/05/2019	2500	0.00	20056	0.03
	Purchase of Share on 31/05/2019	1400	0.01	21456	0.04
	Purchase of Share on 07/06/2019	2400	0.00	23856	0.04
	Purchase of Share on 14/06/2019	3165	0.00	27021	0.04
	Purchase of Share on 21/06/2019	10813	0.02	37834	0.06
	Purchase of Share on 28/06/2019	4547	0.01	42381	0.07
	Purchase of Share on 29/06/2019	500	0.00	42881	0.07
	Purchase of Share on 05/07/2019	3605	0.01	46486	0.08
	Purchase of Share on 12/07/2019	2277	0.00	48763	0.08
	Purchase of Share on 19/07/2019	1980	0.00	50743	0.08
	Purchase of Share on 26/07/2019	500	0.00	51243	0.08
	Purchase of Share on 02/08/2019	7484	0.02	58727	0.10
	Purchase of Share on 09/08/2019	2751	0.00	61478	0.10
	Purchase of Share on 16/08/2019	4984	0.01	66462	0.11
	Purchase of Share on 23/08/2019	21066	0.03	87528	0.14
	Purchase of Share on 30/08/2019	6326	0.01	93854	0.15
	Transfer of Share on 06/09/2019	(20000)	0.03	73854	0.12
	Purchase of Share on 13/09/2019	8600	0.01	82514	0.13
	Purchase of Share on 20/09/2019	9180	0.02	91694	0.15
	Purchase of Share on 30/09/2019	250	0.00	91944	0.15
	Purchase of Share on 04/10/2019	1000	0.00	92944	0.15
	Purchase of Share on 11/10/2019	1200	0.00	94144	0.15
	Purchase of Share on 18/10/2019	9300	0.02	103444	0.17
	Purchase of Share on 25/10/2019	1000	0.00	104444	0.17
	Purchase of Share on 01/11/2019	2350	0.00	106794	0.17
	Purchase of Share on 08/11/2019	3100	0.01	109894	0.18
	Purchase of Share on 15/11/2019	2200	0.00	112094	0.18
	Purchase of Share on 22/11/2019	2900	0.00	1149941	0.19
	Purchase of Share on 29/11/2019	910	0.00	115904	0.19
	Purchase of Share on 06/12/2019	1100	0.00	117004	0.19
	Purchase of Share on 13/12/2019	5428	0.01	122432	0.20

2	YOGESH RASIKLAL DOSHI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase of Share on 20/12/2019	900	0.00	123332	0.20
	Purchase of Share on 27/12/2019	7900	0.01	131232	0.21
	Purchase of Share on 31/12/2019	2200	0.01	133432	0.22
	Transfer of Share on 03/01/2020	(1150)	0.00	132282	0.22
	Purchase of Share on 10/01/2020	2650	0.00	134932	0.22
	Purchase of Share on 17/01/2020	800	0.00	135732	0.22
	Purchase of Share on 24/01/2020	2250	0.01	137982	0.23
	Purchase of Share on 31/01/2020	3450	0.00	141522	0.23
	Purchase of Share on 07/02/2020	1313	0.00	142835	0.23
	Purchase of Share on 14/02/2020	3450	0.01	146285	0.24
	Transfer of Share on 21/02/2020	(14000)	0.02	132285	0.22
	Purchase of Share on 28/02/2020	1000	0.00	133285	0.22
	Purchase of Share on 06/03/2020	1150	0.00	134435	0.22
	Purchase of Share on 13/03/2020	2700	0.00	137135	0.22
	Purchase of Share on 20/03/2020	1050	0.01	138185	0.23
	At the end of the year (or on the date of separation, if separated during the year)	138185	0.23	138185	0.23

3	DILIPKUMAR LAKHI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	119399	0.20	119399	0.20
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	119399	0.20	119399	0.20

4	SUSHIL PATWARI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	98278	0.16	98278	0.16
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Purchase of Shares on 28/12/2018	1567	0.00	99845	0.16
	At the end of the year (or on the date of separation, if separated during the year)	99845	0.16	99845	0.16

5	ANAND GOPALDAS AGARWAL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	93704	0.15	93704	0.15
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	93704	0.15	93704	0.15

6	MAHENDRA PATWARI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	90228	0.15	90228	0.15
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Transfer (Purchase)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	90228	0.15	90228	0.15

7	DILEEP MADGAVKAR JOINTLY WITH ANASUYA MADGAVKAR	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	78800	0.13	78800	0.13
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Purchase of shares on 17/01/2020	2000	0.00	80800	0.13
	At the end of the year (or on the date of separation, if separated during the year)	80800	0.13	80800	0.13

8	KRISHAN GUPTA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	77000	0.13	77000	0.13
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	Purchase of shares on 03/05/2019	1000	0.00	78000	0.00
	Purchase of shares on 14/06/2019	1000	0.00	79000	0.00
	Purchase of shares on 02/08/2019	500	0.00	79500	0.00
	Purchase of shares on 30/08/2019	8000	0.01	87500	0.14
	Purchase of shares on 03/01/2020	450	0.00	87950	0.14
	At the end of the year (or on the date of separation, if separated during the year)	87950	0.14	87950	0.14

9	JITEN PRAVIN SHETH JOINTLY WITH NISHA JITEN SHETH	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	76022	0.12	76022	0.12
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	Sale of Shares on 16/08/2019	(10000)	0.01	66022	0.11
	Sale of Shares on 23/08/2019	(10000)	0.02	56022	0.09
	Sale of Shares on 30/08/2019	(20000)	0.03	36022	0.06
	Sale of Shares on 06/09/2019	(20000)	0.03	16022	0.03
	Sale of Shares on 13/09/2019	(10000)	0.02	6022	0.01
	Sale of Shares on 04/10/2019	(6022)	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0.00	0	0.00

10	GIRDHARILAL SEKSARIA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	65400	0.11	65400	0.11
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	65400	0.11	65400	0.11

v) Shareholding of Directors and Key Managerial Personnel:

For each of Directors and Key Managerial Personnel –	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Pravin Agarwal				
At the beginning of the year	835427	1.37%	835427	1.37%
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
At the end of the year	835427	1.37%	835427	1.37%
2. Pratik Pravin Agarwal				
At the beginning of the year	542864	0.89	542864	0.89
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
At the end of the year	542864	0.89	542864	0.89

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (figures in million)

	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,067.55	18,505.68	0.00	29,573.23
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	10.20	0.00	0.00	10.20
Total (i+ii+iii)	**11,077.76**	**18,505.68**	**0.00**	**29,583.43**
Change in Indebtedness during the financial year				
Addition	2,137.27	2,222.19	0.00	4,359.46
Reduction	(5,112.97)	0.00	0.00	(5,112.97)
Net Change	**(2,975.70)**	**2,222.19**	**0.00**	**(753.51)**
Indebtedness at the end of the financial year				
i) Principal Amount	8,102.06	20,597.57	0.00	28,699.63
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	130.30	0.00	130.30
Total (i+ii+iii)	**8,102.06**	**20,727.87**	**0.00**	**28,829.92**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹ million)

SL. No.	Particulars of Remuneration	Mr. Pratik Agarwal (Managing Director)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	00
2	Stock Option	00
3	Sweat Equity	00
4	Commission - as % of profit - others, specify...	00
5	Others, please specify	00
	Total (A)	**41.20**
	Ceiling as per the Act*	As per Section 197 and Schedule V

B. Remuneration to other directors

(Amount in ₹ million)

SL. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Arun Todarwal	Ms. Avaantika Kakkar*	Mr. A.R. Narayanaswamy	Ms. Haixia Zhao	
	Independent Directors					
1	Fee for attending board / committee meetings	2.25	Nil	1.70	1.00	4.95
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	**2.25**	**Nil**	**1.70**	**1.00**	**4.95**
2	Other Non-Executive Directors	N.A.	N.A.	N.A.	N.A.	N.A.
	Fee for attending board /committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (2)	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**
	Total Managerial Remuneration = (1+2)	**2.25**	**NIL**	**1.70**	**1.00**	**4.95**
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

*Ms. Avaantika Kakkar vide her letter dated 09.02.2018 has expressed her interest not to receive sitting fees from the Company.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD.

(Amount in ₹ million)

S.N.	Particulars of Remuneration	Mr. Anuraag Srivastava (Chief Financial Officer)	Mr. Ashok Ganesan (Company Secretary)	Total
1	Gross salary	21.16	6.89	28.05
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00	00	00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	00	00	00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	00	00	00
2	Stock Option	00	00	00
3	Sweat Equity	00	00	00
4	Commission			
	- as % of profit	00	00	00
	- others, specify	00	00	00
5	Others, please specify	00	00	00
	Total	**21.16**	**6.89**	**28.05**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

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

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096

Date: November 30, 2020
Place: Pune

Annexure E

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014

POWER CABLE:

A. Conservation of energy

1. The steps taken or impact on conservation of energy

- Close Monitoring and Operation of APFC panel in power cable plant to improve PF to 0.99.
- In Cooling tower Changed 18.5 Kw water circulation pump with 3.7Kw pump.
- Arrested air leakages and saved energy in running air compressors.
- Replaced OLD Conventional HPMV, MH (250W & 400W) with Energy Efficient LED lights (80W & 75W) at shop floor, store, CCV Tower Building and street light.

2. The steps taken by the Company for utilizing alternate sources of energy

- Nil

3. The capital investment on energy conservation equipment's

- Nil

B. Technology Absorption

1. The benefits derived like product improvement, cost reduction, product development or import substitution

- Online monitoring of process parameters in sheathing line and CCV lines for better control of process.
- Spares development in India instead of procuring from Maillefer -Finland (like PLC spares, Valves etc.)

2. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year

a. The details of technology imported
   - Non-Destructive pin hole detector for Al Corrugation machine.

b. The year of import
   - Non-Destructive pin hole detector for Al Corrugation machine. Year of Import – 2018-19.

c. Whether the technology been fully absorbed
   Yes

3. The expenditure incurred on Research and Development (₹ *million*)

Capital - Nil

III. Foreign Exchange Earning and outgo

The foreign exchange earned in terms of actual inflows during the year = ₹6,607.60 million

Foreign exchange outgo during the year in terms of actual outflows = ₹10,788.33 million

POWER CONDUCTORS & OPGW:

A. Conservation of energy

1. The steps taken or impact on conservation of energy

- Pipelines rerouting to reduce the air leakages to reduce energy for running air compressors;
- Replaced the traditional lights (Incandescent), HPMV, MH (250W & 400W) with energy efficient LED lights (120W & 150W) at shop floor & office and reduced energy consumption;
- Drive installed in melting furnace blower for air flow optimization with minimum power;
- New compressor with drive installed which saves 2.3 lacs units/annum;
- Air booster installed in RST line to increase air pressure instead of increasing compressor pressure;
- Steel spoolers relocated to main shop floor which saves utility power consumption (lights 120wX6 nos.);
- Tubular pintle modified to reduce compressed air consumption;
- Lay out correction by shifting of Panels to reduce cable length which resulted in lower power losses;
- Reduction of maximum demand 500 KVA through optimum utilization of Machines at Piparia Plant.

2. The steps taken by the Company for utilizing alternate sources of energy

- Addition of solar day light pipes in shop floors to improve the lighting (LUX) level during daytime.

3. The capital investment on energy conservation equipment's

- Bay Area / shed area– Investment in LED High Bay lights on shop floor / office space wherever possible;
- Increased the roof top area / side cladding area of transparent sheet to maximize the usage of natural light.

B. Technology Absorption

1. The efforts made towards technology absorption

- HTLS-ACCC Silvassa for distribution solution;
- Eco-max Panther (Low loss conductor for RE segment) Successful Commercial production Manufactured – 40 KM

2. The benefits derived like product improvement, cost reduction, product development or import substitution

- AAAC Conductor productivity improved from 16 KM / Machine / Day to 18 KM / Machine / Day by improving FTR;
- ACCC Product annealing cycle reduced to 8 Hrs from 12 Hrs by maintaining conductivity to more than 61.5;
- ECO product productivity improved to 10 KM / Machine /Day to 12 KM / Machine /Day by reduction in set up time;
- ACSR Finch core productivity improved to 08 KM / Machine /Day to 15 KM / Machine /Day by modification in pre-forming set up;

AL-59 power consumption reduced from 300 to 250 units/MT by reducing ageing cycle and temperature and changing chemical composition at RM section.

Annexure F

Statement of Disclosure of Remuneration

Information as required under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

PART-A

Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2020

(₹ In million)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2019-20	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employee
1	Mr. Pratik Agarwal, Managing Director	41.20	(16.68%)	37.07:1
2	Mr. Anuraag Srivastava, Chief Financial Officer	21.16	33.10	NA
3	Mr. Ashok Ganesan, Company Secretary	6.89	5.17%	NA

Details of sitting fees paid to Independent Directors are provided in Form MGT-9 i.e. extract of Annual Return, which forms a part of the Annual Report.

A. The percentage increase in the median remuneration of employees in the financial year is 14.26%
B. The number of permanent employees on the rolls of the Company as on March 31, 2020 is 489.
C. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY20 was 26.64%.
D. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

PART-B

Statement showing the names and other particulars of the employees drawing remuneration in terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Employee Name	Designation	Gross Remuneration Paid during FY 2019-20 (₹ In Million)	Nature of Employment	Qualification	Total Experience	Last Employment held	Date of Joining	Age / DOB
1	Pratik Agarwal	Managing Director	41.20	Full Time Employee	MBA / PGDM	14 Years	N.A.	01/06/2016	2-Dec-82
2	Manish Agarwal	CEO Solutions Business	17.80	Full Time Employee	MBA / PGDM	22 Years	C.R.R.I Greenhill Enterprise Center Univ. Drive, Ballarat Australia (Strategec Planning Plan & Foramulate Marketing Strategy)	15/03/1999	28-Mar-72
3	Vithal Acharya	Group - Chief Human Resource Officer	11.04	Full Time Employee	PGDPM	18 Years	GE India Export Pvt. Ltd	06/09/2016	20-Oct-74
4	Rajat Kumar Sud	Head Product & Solution Sales O/H	10.41	Full Time Employee	PGDM	28 Years	Lumeni Const. LLP	29/06/2017	27-Oct-69
5	Anuraag Srivastava	Group Chief Finance Officer	21.16	Full Time Employee	CA	24 Years	Tata Teleservices	15/06/2018	11-Jul-70
6	Rajesh Sharda	COO - Power Cable	9.85	Full Time Employee	CA	28 Years	Rajratan Global Wire Ltd	02/07/2018	6-Oct-66
7	Arun Sharma	COO - MSI Projects	15.48	Full Time Employee	CA	29 Years	JSC KazStory Sevice	10/07/2018	26-Jun-69
8	Abhayan Jawaharlal*	Group Chief Legal Officer	13.07	Full Time Employee	LLB	24 Years	Cipla Ltd	03/06/2019	31-May-72
9	Monalisa Sahoo	Chief Marketing and Communications Officer	12.61	Full Time Employee	MBA	24 Years	Vodafone Idea Ltd.	01/02/2019	7-Apr-74
10	Kalpesh Ajitkumar Pathak*	EVP-Corporate Finance & Treasury	8.83	Full Time Employee	MBA	23 Years	DOIT Smart Infrastructure (India) Private Limite	01/07/2019	13-Jun-72

*For proportionate period of their service.

Annexure G

Corporate Social Responsibility

1. A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

2. OVERVIEW OF THE PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN: -

(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

(ii) CSR committee may recommend to the Board of Directors, additional CSR initiatives, based on specific merit, provided that these projects fall under the scope of schedule VII of the Companies Act, 2013, as may be amended from time to time.

Through its CSR initiatives, the Company will remain committed to its duty to improve the lives of individuals and communities in the country.

3. THE COMPOSITION OF THE CSR COMMITTEE IS: -

Name of Director	**Designation**
Mr. Arun Todarwal	Chairman
Ms. Haixia Zhao*	Member
Mr. A R Narayanaswamy**	Member
Mr. Pravin Agarwal	Member
Mr. Pratik Agarwal	Member

* Inducted as member w.e.f. November 01, 2019

**Inducted as member w.e.f. July 22, 2019

4. AVERAGE NET PROFIT OF THE COMPANY FOR THE LAST THREE FINANCIAL YEARS, PRESCRIBED CSR EXPENDITURE AND DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

a	Average net profit of the Company for last three financial years	INR (1,204.23 million)
b.	Prescribed CSR expenditure (two percent of the amount mentioned above	Not applicable, since there are losses.
C	Details of CSR spent during the financial year:	Nil
d	Total amount to be spent for the financial year	Not applicable.
e	Amount unspent, if any	Not applicable.
f	Manner in which the amount was spent during the financial year is detailed below:	Not applicable.

The Company had incurred the Profit / (loss) of ₹(2,149.26 million), ₹(1,062.52 million) and ₹(400.92 million) in FY 2019, 2018 and 2017 respectively. Therefore, the Company was not required to incur any expenditure on the Corporate Social Responsibility activities.

5. IN CASE THE COMPANY HAS FAILED TO SPEND THE 2% OF THE AVERAGE NET PROFIT OF LAST 3 FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASON FOR NOT SPENDING THE AMOUNT: Not Applicable

Responsibility Statement: 'The implementation and monitoring of Corporate Social Responsibility ("CSR") Policy, is in compliance with CSR objectives and policy of the Company.'

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

Sd/-	Sd/-
Pratik Agarwal	**Arun Todarwal**
Managing Director	Chairman CSR Committee

Date: November 30, 2020
Place: Mumbai

Corporate Governance Report

PHILOSOPHY OF THE COMPANY ON CODE OF GOVERNANCE

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

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

The Company has a three-tier governance structure:

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

BOARD OF DIRECTORS

As on March 31, 2020, the Board of Directors comprised of 6 (Six) directors, of which 4 (four) are Independent Directors, comprising of-

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

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned in the Companies Act, 2013. All the Directors have made necessary disclosures regarding Committee positions and directorships held by them in other companies. None of the directors on the Company's Board is a member in more than ten committees and Chairman in more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he / she is a director.

During the year under review the Board has appointed Mr. A.R. Narayanaswamy and Ms. Haixia Zhao as Independent Directors of the Company with effect from July 22, 2019 and September 11, 2019, respectively. Mr. A.R. Narayanaswamy and Ms. Haixia Zhao were holding office upto the date of 4th Annual General Meeting of the Company and they being eligible and upon receipt of notice from a member of the Company were appointed as Independent Non-Executive Directors of the Company.

During the year under report, Mr. Pravin Agarwal, Chairman being liable to retire by rotation and being eligible was appointed as a Director of the Company in the Annual General Meeting held on September 30, 2019.

Mr. Lalit Narayan Tandon, Independent Director resigned during FY20 due to pre-occupations. Further, Mr. Tandon has also confirmed that there are no material reasons other than the above for his resignation.

As per Section 152(6) of the Act, Mr. Pratik Agarwal, Managing Director would retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment as Director of the Company.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 9 (Nine) Board meetings of the Company were held. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard 1 on Board meeting issued by the Institute of Company Secretaries of India. The dates on which these meetings were held are

April 25, 2019, May 14, 2019, May 31, 2019, July 22, 2019, August 09, 2019, September 17, 2019, November 08, 2019 (*Adjourned meeting: November 14, 2019*), February 07, 2020 and March 06, 2020.

Table of Attendance:

Sr. No.	Name of the Directors	Designation	No. of Board Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Mr. Pravin Agarwal	Chairman	9	9	6
2	Mr. Pratik Agarwal	Managing Director	9	9	8
3	Mr. Arun Todarwal	Independent Director	9	9	9
4	Mr. A.R. Narayanaswamy	Independent Director	9	5	5
5	Ms. Haixia Zhao	Independent Director	9	4	4*
6	Mr. L. N. Tandon	Independent Director	9	2	2
7	Ms. Avaantika Kakkar	Independent Director	9	9	3*

* Ms. Haixia Zhao had attended one meeting in person, one meeting through audio conference and two meetings through video conference. Further, Ms. Avaantika Kakkar had attended one meeting through audio conference.

Mr. L N Tandon ceased to be a Director effective from May 15, 2019.

Mr. A. R. Narayanaswamy and Ms. Haixia Zhao were appointed as Director effective from July 22, 2019 and September 11, 2019, respectively.

INFORMATION PROVIDED TO THE BOARD

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

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

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under the Act, a separate meeting of the Independent Directors of the Company was held on December 23, 2019 for the financial year 2019-20 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

INDUCTION AND TRAINING OF BOARD MEMBERS

The Company has put a process in place for the Induction and Training of Board Members. Upon appointment, the concerned Director is also issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director will be taken through a formal induction program including the presentation from the Managing Director on the Company's business. The Company Secretary will brief the Directors about their legal and regulatory responsibilities as a director. On matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The familiarisation program of directors' forms part of Company's Nomination and Remuneration Policy.

EVALUATION OF THE BOARD, COMMITTEES, CHAIRMAN AND INDIVIDUAL DIRECTORS

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

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

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

COMMITTEES OF THE BOARD

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

a. Audit Committee;

b. Nomination and Remuneration Committee;

c. Stakeholders Relationship Committee;

d. Banking and Authorisation Committee;

e. Allotment Committee;

f. Corporate Social Responsibility Committee; and

g. Risk Management Committee.

a) **Audit Committee**

The Audit Committee of the Board is governed by a Charter drawn in accordance with the requirements of the Act. The primary objective of the Audit Committee of the Board of Directors is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company and its subsidiaries, surveillance of internal financial control systems as well as accounting and audit activities.

The Audit Committee was constituted on July 25, 2016 in terms of Section 177 of the Act and Rules made thereunder. Further, during the year under review Mr. Lalit Narayan Tandon ceased to be a member of the Committee w.e.f. May 15, 2019 and Mr. A.R. Narayanaswamy was inducted as a member of the Committee w.e.f. July 22, 2019. The Composition of the Committee as on March 31, 2020 was as follows:

Sr. No.	Name of the Member	Designation
1	Mr. Arun Todarwal	Chairman
2	Mr. Pravin Agarwal	Member
3	Mr. A.R. Narayanaswamy	Member

The Terms of Reference of the Audit Committee include:

i. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;

ii. Review and monitor auditor's independence and performance and effectiveness of the audit process;

iii. Examination of the financial statement and auditor's report thereon;

iv. Approval or any subsequent modification of transactions of the Company with related parties;

v. Scrutiny of inter corporate loans and investments;

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

vii. Evaluation of Internal Financial Controls and Risk Management Systems;

viii. Monitoring of end use of funds raised through public offers and related matters;

ix. Approval of non-audit services that may be rendered by the Auditors;

x. Call for comments by the auditors about internal control systems/scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the Internal and Statutory Auditors and the management of the company;

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

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

xiii. To review the functioning of the Vigil / Whistle Blower Mechanism

xiv. Recommendation for appointment, remuneration and terms of appointment of the Cost Auditors of the Company, if required.

xv. Formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with Internal Auditors'.

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

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

Composition and Meetings

The Audit Committee comprises of two Independent Directors and one Non-Executive Director. Mr. Arun Todarwal, Chairman of the Committee (Independent Director) is a Chartered Accountant and has accounting and financial expertise. The other Committee members are also financially literate. The Company Secretary acts as the Secretary to Audit Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher.

The Audit Committee met eight times during FY20 i.e., on April 25, 2019, May 13, 2019, July 22, 2019, August 08, 2019, September 17, 2019, November 07, 2019 (*Adjourned meeting: November 14, 2019*), February 06, 2020 and March 06, 2020 and the gap between two meetings did not exceed one hundred and twenty days. The composition of Audit Committee and attendance details of its meetings is as follows:

Composition and attendance of Audit Committee meetings:

Sr. No.	Name of the Directors	Designation	No. of Audit Committee Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Mr. Arun Todarwal	Chairman	8	8	8
2	Mr. Pravin Agarwal	Member	8	8	3
3	Mr. A.R. Narayanaswamy	Member	8	5	5*
4	Mr. Lalit Narayan Tandon	Member	8	2	2**

*Mr. A. R. Narayanaswamy was inducted as a member of Audit Committee with effective from July 22, 2019.

**Mr. L N Tandon ceased to be a Director effective from May 15, 2019.

b) **Nomination and Remuneration Committee**

The powers, role and terms of reference of the Nomination and Remuneration Committee ("NRC") covers the areas as provided under the Act, besides other terms as referred by the Board. NRC was constituted on July 25, 2016 in terms of Section 178 of the Companies Act, 2013 and Rules made thereunder.

Further, during the year under review Mr. Lalit Narayan Tandon ceased to be a member of the Committee w.e.f. May 15, 2019 and Mr. A.R. Narayanaswamy and Ms. Haixia Zhao had been inducted as members of the Committee w.e.f. July 22, 2019 and November 01, 2019 respectively. The composition of the Committee as on March 31, 2020 was as follows:

Sr. No.	Name of the Member	Designation
1	Mr. Arun Todarwal	Chairman
2	Mr. A.R. Narayanaswamy	Member
3	Ms. Avaantika Kakkar	Member
4	Ms. Haixia Zhao	Member

The Terms of Reference of the Nomination & Remuneration Committee includes:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

ii. Formulation of criteria for evaluation of Independent Directors and the Board;

iii. Devising a policy on Board diversity;

iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

v. Administration of Employee Stock Option Scheme(s), if any;

vi. Reviewing and recommending the remuneration of Executive Directors of the Company;

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

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

Composition and Meetings

The NRC comprises of four Independent Directors. Mr. Arun Todarwal is the Chairman of the Committee. The Committee met six times during the FY20 i.e., on May 13, 2019, May 31, 2019, July 22, 2019, August 08, 2019, November 08, 2019 and February 05, 2020. The Company Secretary acts as the Secretary to Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee and attendance details of its meetings is as follows:

Composition and attendance of NRC meetings:

Sr. No.	Name of the Directors	Designation	No. of Nomination and Remuneration Committee Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Mr. Arun Todarwal	Chairman	6	6	6
2	Mr. A.R. Narayanaswamy	Member	6	3	3
3	Ms. Avaantika Kakkar	Member	6	6	3
4	Ms. Haixia Zhao	Member	6	2	2*
5	Mr. Lalit Narayan Tandon	Member	6	1	1**

*Ms. Haixia Zhao has attended one meeting in person and one meeting through video conference.

**Mr. L N Tandon ceased to be a Director effective from May 15, 2019.

Mr. A. R. Narayanaswamy and Ms. Haixia Zhao were inducted as a member of Nomination and Remuneration Committee with effective from July 22, 2019 and September 11, 2019, respectively.

Policy for selection and appointment of directors and their remuneration

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

a. Appointment criteria and qualification:

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

For the appointment of KMP (other than Managing / Whole-time Director or Manager) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment.

b. Term:

The Term of the Directors including Managing / Whole time Director / Manager/ Independent Director shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole-time Director/ Manager) and Senior Management shall be governed by the prevailing HR policies of the Company.

c. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the NRC may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

d. **Remuneration of Managing / Whole-time Director, KMP and Senior Management**

The remuneration / compensation / commission, etc., as the case may be, to be paid to the Managing / Whole-time Director will be determined by NRC and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. Further, the Whole-time Director or the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole-time Director) and Senior Management, and which shall be decided by the Whole-time Director / Managing Director based on the standard market practice and prevailing HR policies of the Company.

e. **Remuneration to Non-Executive / Independent Directors:**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013, as amended from time to time.

c) **Stakeholders Relationship Committee**

The powers, role and terms of reference of the Stakeholders' Relationship Committee (SRC) covers the areas as provided under the Act, besides other terms as referred by the Board. SRC was constituted on July 25, 2016 in terms of Section 178(5) of the Act and Rules made thereunder.

Further, during the year under review Mr. Lalit Narayan Tandon ceased to be a member of the Committee w.e.f. May 15, 2019 and Mr. A.R. Narayanaswamy was inducted as a member of the Committee w.e.f. July 22, 2019. The Composition of the Committee as on 31.03.2020 was as follows:

Sr. No.	Name of the Member	Designation
1	Ms. Avaantika Kakkar	Chairperson
2	Mr. Pravin Agarwal	Member
3	Mr. A.R. Narayanaswamy	Member

The Terms of Reference of Stakeholders Relationship Committee includes:

i. To approve/refuse/reject registration of transfer/transmission of Shares in a timely manner;

ii. To authorise printing of Share Certificates;

iii. To authorise to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates;

iv. To monitor redressal of stakeholder's complaints/grievances including relating to non-receipt of allotment / refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

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

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

Composition and Meetings

The SRC comprises of two Independent Directors and one Non-Executive Director. Ms. Avaantika Kakkar is the Chairperson of the Committee. The Committee met once during FY20 i.e., on May 13, 2019. The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee. The Composition of Stakeholders Relationship Committee and attendance details of its meetings is as follows:

Composition and attendance of SRC meetings:

Sr. No.	Name of the Directors	Designation	No. of Stakeholder Relationship Committee Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Ms. Avaantika Kakkar	Chairperson	1	1	1
2	Mr. Pravin Agarwal	Member	1	1	Nil
3	Mr. A.R. Narayanaswamy	Member	1	Nil	Nil
4	Mr. Lalit Narayan Tandon	Member	1	1	1

Mr. L N Tandon ceased to be a Director effective from May 15, 2019.

Mr. A. R. Narayanaswamy was inducted as a member of the Stakeholders Relationship Committee with effect from July 22, 2019.

d) **Banking and Authorisation Committee**

The Banking and Authorisation Committee ("**BAC**") was constituted on August 24, 2016. The Composition of the Committee as on 31.03.2020 was as follows:

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

The Terms of Reference of the Banking & Authorisation Committee includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Composition and Meetings

The Banking and Authorisation Committee comprises of one Non-Executive Director and one Executive Director. Mr. Pravin Agarwal is the Chairman of the Committee. The Committee met twice during FY20 i.e., on November 08, 2019 and February 06, 2020.

The Composition of Banking and Authorisation Committee and attendance details of its meetings is as follows:

Composition and attendance of BAC meetings:

Sr. No.	Name of the Directors	Designation	No. of Banking & Authorisation Committee Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Mr. Pravin Agarwal	Chairman	2	2	2
2	Mr. Pratik Agarwal	Member	2	2	2

e) **Allotment Committee**

The Allotment Committee comprising of the following members, was constituted on July 25, 2017:

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

The Terms of Reference of the Allotment Committee includes:

i. Allot Shares / Securities of the Company.

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

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

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

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

During FY20 no meeting of Allotment Committee was held.

f) **Corporate Social Responsibility Committee**

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

The CSR Committee was constituted on February 15, 2017. Further, during the year under review Mr. A.R. Narayanaswamy and Ms. Haixia Zhao were inducted as members of the Committee. The composition of the Committee as on 31.03.2020 was as follows:

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

The terms of reference of the Committee includes:

i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company and amendments therein, from time to time.

ii. Recommend the amount of expenditure to be incurred on the CSR activities.

iii. Establish a transparent monitoring mechanism for implementation of CSR projects and programs and monitor the Corporate Social Responsibility Policy of the company from time to time.

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

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

Composition and Meetings

The CSR Committee comprises of three Independent Director, one Non-Executive Director and one Executive Director. Mr. Arun Todarwal is the Chairman of the Committee. The Committee met twice during FY20 i.e., on May 13, 2019 and November 07, 2019. The Composition of CSR Committee and attendance details of its meetings is as follows:

Composition and attendance of CSR Committee meetings:

Sr. No.	Name of Members	Designation	No. of Corporate Social Responsibility Committee Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Mr. Arun Todarwal	Chairman	2	2	2
2	Mr. Pravin Agarwal	Member	2	2	0
3	Mr. Pratik Agarwal	Member	2	2	2
2	Mr. A.R. Narayanaswamy	Member	2	1	1
5	Ms. Haixia Zhao	Member	2	1	1

Mr. A. R. Narayanaswamy and Ms. Haixia Zhao were inducted as a member of Corporate Social Responsibility Committee with effective from July 22, 2019 and November 01, 2019, respectively.

g) **Risk Management Committee**

The Company has constituted Risk Management Committee (RMC) which supports the Board in fulfilling its Corporate Governance oversight responsibilities with regard to identification, evaluation and mitigation of risks impacting the business. The RMC comprising of the following members was constituted on November 01, 2019:

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

The terms of reference of the Committee includes:

i. To advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities;

ii. To oversee and advise the Board on the current risk exposures of the Company and future risk strategy;

iii. To keep under review the Company's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;

iv. To review regularly and approve the parameters used in these measures and the methodology adopted;

v. To set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

vi. To review the Company's capability to identify and manage new risk types;

vii. To review and monitor management's responsiveness to the findings and recommendations of the Chief Risk Officer ("**CRO**");

viii. Ensure the CRO shall be given the right of unfettered direct access to the Chairman of the Board and/or to the Committee; and

ix. to undertake any other assignment as may be given by the Board from time to time.

Composition and Meetings

Risk Management Committee (RMC) comprises of two Independent Directors and one Executive Director. Ms. Haixia Zhao is the Chairperson of the Committee. The Committee met twice during FY20 i.e., on November 07, 2019 and February 07, 2020. The Composition of RMC and attendance details of its meetings is as follows:

Composition and attendance of RMC meetings:

Sr. No.	Name of the Directors	Designation	No. of Risk Management Committee Meetings held during FY 2019-20		
			Held	Entitled to attend	Attended
1	Ms. Haixia Zhao	Chairperson	2	2	2*
2	Mr. Pratik Agarwal	Member	2	2	2
3	Mr. A.R. Narayanaswamy	Member	2	2	2

* Ms. Haixia Zhao has attended one meeting in person and one meeting through video conference.

GENERAL BODY MEETING

Particulars of Annual General Meeting:

The Company was incorporated on May 05, 2015, the details of the Fourth Annual General Meeting are as follows:

Date	Venue	Time	Resolutions that were passed with requisite majority
September 30, 2019	**The 'O' Hotel**, Plot No 293, N Main Rd, Vaswani Nagar, Ragvilas Society, Koregaon Park, Pune, Maharashtra 411001	02.30 P.M	1a. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the report of Board of directors thereto and report of Auditors thereon. 1b. To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon. 2. Re-Appointment of Mr. Pravin Agarwal as Director of the Company.
			3. To Approve the remuneration of the Cost Auditors for FY 2020.
			4. To consider and approve the Remuneration of Mr. Pratik Agarwal – Managing Director and CEO for a further period of two years w.e.f. June 01, 2019.
			5. To consider payment of commission to Non-Executive Independent Directors of the Company
			6. To consider appointment of Mr. Alampallam Ramakrishnan Narayanaswamy as an Independent Director
			7. To consider appointment of Ms. Haixia Zhao as an Independent Director

Details of resolutions passed by Postal Ballot
During the year under review, no matter/ resolution was passed through Postal Ballot.

SUBSIDIARY COMPANIES

The Company has 45 subsidiaries as on March 31, 2020. The Annual Financial Statements of the subsidiary companies are placed before the Audit Committee and the Board of Directors of the Company. Significant issues pertaining to all subsidiary companies are also discussed at the Audit Committee meetings. The performance of all its subsidiaries is also quarterly reviewed by the Board. The minutes of all the subsidiary companies are placed before the Board and the attention of the directors is drawn from time to time upon significant transactions and arrangements entered with the subsidiary companies. Post March 31, 2019 four Indian Subsidiaries and three Brazil Subsidiaries ceased to be the subsidiary of the Company.

RELATED PARTY TRANSACTIONS

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

All transactions entered into with Related Parties as defined under the Act during the FY- 19-20 were in the ordinary course of business and on an arm's length price. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Board has approved the policy on Related Party Transactions, and the same can be viewed on the Company's website i.e. www.sterlitepower.com.

CODE OF CONDUCT

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

VIGIL MECHANISM / WHISTLEBLOWER POLICY

With a view to have a robust Vigil mechanism process, the Company has adopted a 'Whistleblower Policy', which has been communicated to all employees along with the Code of Business Conduct & Ethics. The Whistleblower policy is the mechanism to help the Company's directors, employees, its subsidiaries and all stakeholders to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The Policy encourages raising concerns within the Company rather than overlooking a problem. All Complaints under this Policy are reported to the Director - Management Assurance, who is independent of operating management and businesses. 'Complaints' can also be sent to the designated e-mail ID: stl.whistleblower@vedanta.co.in. The Director - Management Assurance reviews the 'Complaint' and may investigate it himself or may assign another person to investigate or assist in investigating the 'Complaint'. The Whistleblower Policy also contains mechanism of redressal available for Company's directors, employees, its subsidiaries and all external stakeholders, if they feel that they have been retaliated against due to disclosure of concern. The details of the Whistleblower Policy are available on the Company's website, i.e. www.sterlitepower.com.

DEBT SECURITIES

The Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹350 crore. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the period under review, the Company had not received any complaint of harassment. Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DISCLOSURES

a. The Company has not received any complaints relating to child labour, forced labour, involuntary labour during the FY 2019-20.

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

GENERAL SHAREHOLDER INFORMATION

Distribution of Shareholding as on March 31, 2020

Sr. no	Category	Cases	% of Cases	No. of shares	% of shareholding
1	0001 - 5000	107324	99.85	1,14,98,069	18.79
2	5001 - 10000	80	0.07	5,41,913	0.89
3	10001 - 20000	39	0.04	5,50,826	0.90
4	20001 - 30000	10	0.01	2,30,966	0.38
5	30001 - 40000	3	0.00	95,623	0.16
6	40001 - 50000	8	0.01	3,54,141	0.58
7	50001 - 100000	12	0.01	8,93,748	1.46
8	100001 and above	8	0.01	4,70,16,616	76.85
	Total	**107484**	**100.00**	**6,11,81,902**	**100.00**

Equity holding pattern as on March 31, 2020

Name	Total Shares	% To Equity
PROMOTER		
Promoter	4,36,70,398	71.38
Promoter Group	29,00,203	4.74
Total of Promoter & Promoter Group (A)	4,65,70,601	76.12
PUBLIC SHAREHOLDERS		
Institutions	51,296	0.08
Non-Institutions	1,33,68,200	21.85
Body Corporates	11,91,805	1.95
Total (B)	**1,46,11,301**	**23.88**
Total (A) + (B)	**6,11,81,902**	**100**

Dematerialisation of Shares and Liquidity

As on March 31, 2020, 6,00,95,389 equity shares representing 98.23% of total equity capital were held in electronic form. The Shareholders can hold the shares in de-mat form either through NSDL or CDSL. The ISIN allotted to the equity shares of the Company is INE110V01015.

Details of outstanding equity shares in the Unclaimed Suspense Account

The Company reports the following details in respect of equity shares lying in the suspense account: –

Particulars	Total No. of Shareholders	Shares lying in Unclaimed Suspense Account
As on April 01, 2019	5,417	4,29,822
Shareholders approached for transfer/delivery during FY 20	24	1,960
Shares transferred/delivered during FY 20	24	1,960
Balance as on March 31, 2020	5,393	4,27,862

Share Transfer System

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

Registrar & Transfer Agents

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

Kfin Technologies Private Limited
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli, Nanakramguda, Serilingampally
Hyderabad 500 008 India
Phone No.: 040 67161524, E-mail: einward.ris@karvy.com

Debenture Trustee
The Company has appointed Axis Trustee Services Limited to act as debenture trustee for the Debentures issued by the Company during the year. The details of the trustee are as follows:

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW
29, Senapati Bapat Marg, Dadar West Mumbai – 400 028,
Maharashtra, India
Phone No.: 022–6230 0451,
E-mail: debenturetrustee@axistrustee.com

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

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

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

Plant Locations

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

Independent Auditor's Report

To
The Members of
Sterlite Power Transmission Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Sterlite Power Transmission Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to note 49 (b) of the standalone Ind AS financial statements which, indicate that the Company has accumulated losses and its net worth has been eroded, the Company has incurred a net loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet. These conditions, along with other matters set forth in Note 49 (b), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

EMPHASIS OF MATTER

We draw attention to note 49 (a) of the standalone Ind AS financial statements which more fully describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Company.

Our opinion is not modified in respect of this matter.

We draw attention to note 50 to the standalone Ind AS financial statements which describes that the Company had recognised goodwill on accounting for demerger during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date i.e. April 01, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Honorable Bombay High Court.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition at the year end (sales cutoff) (refer note 2.2 (e) (accounting policy), note 22 (financial disclosures), to the standalone Ind AS financial statements)	
Revenue from operations for the year ended March 31, 2020 amounted to ₹14,796.70 million from sales of conductors and power cables. Revenue is recognised when promised goods are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods. The Company uses a variety of shipment terms with customers across its operating markets and this has an impact on the timing of revenue recognition. Given the nature of industry in which the Company operates and the variety of shipment terms with customers, along with local and global lockdowns on account of the COVID-19 pandemic at the year end, ascertainment of timing of revenue recognition is a key audit consideration for sales transactions occurring near to the year end. Due to the significance of revenue and judgement involved in the timing of revenue recognition this is considered as a key audit matter.	Our audit procedures included: • We have obtained and read customer contracts and confirmed our understanding of the Company's sales process from initiation to collection of receivables, including design and implementation of controls and tested the operating effectiveness of these controls. • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's procedure to evaluate the shipping terms and to ensure cutoff. • We read and understood the Company's accounting policy for recognition of revenue. • We performed transaction testing based on a representative sampling of the sales orders to assess revenue recognition and recognition of trade receivables including transactions occurring at and around the year end. • We performed sales cut off procedures on a test check basis by agreeing deliveries occurring around the year end to supporting documentation. • Due to local and global lockdowns on account of the COVID-19 pandemic, the delivery of goods is delayed and postponement of revenue recognition due to control not being transferred. We have on test check basis verified the incoterms, supporting documents and the delivery status of goods as part of our sales cut off testing procedures. • We read and assessed the related disclosures made with respect to revenue in the standalone Ind AS financial statements.
Revenue recognition for Engineering, procurement and construction ('EPC') contracts (refer note 2.2(e) (accounting policy), note 22 (financial disclosures) and note 34 (significant judgments and estimates) of the standalone Ind AS financial statements)	
During the year, the Company recognised revenue of INR 5,056.71 million from fixed price Engineering, procurement and construction contracts ("EPC projects") using the estimated contract margins and the progress of work based on actual costs incurred to total estimated costs. Significant management judgment and estimation is required in the estimation of the total contract costs which forms part of computation of estimated contract margins as well as used in calculation of progress of work for recognition of revenue over time. In addition to above, there are lot of uncertainties caused on account of COVID-19 pandemic as at the year-end, which includes changes in the project time lines, changes in the cost estimates, etc. which has led to changes in the judgements and assumptions. Accordingly, determination of revenue recognition for EPC projects is a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included the following: • We have obtained and read customer contracts and confirmed our understanding of the Company's sales process from initiation to collection of receivables, including design and implementation of controls and tested the operating effectiveness of these controls. • We read and understood the Company's accounting policy for recognition of revenue. • We understood the management's methodology for estimating the total contract costs and assessed the reasonableness of key inputs in the cost estimation. • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to the process of computation and review of estimated costs of the EPC projects, estimated revenues of the EPC projects and actual costs incurred for EPC projects till date. • Tested the appropriateness of estimated costs by comparing these against actual costs incurred for historical periods. • Obtained and tested project progress reports from the project management team to assess the appropriateness of management's calculation of project progress based on actual costs incurred.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>• Checked the arithmetical accuracy of computation of estimated margins and also the revenues recognised based on project progress for the current financial year.
• We performed transaction testing based on a representative sampling of the sales orders to assess revenue recognition and recognition of trade receivables including transactions occurring at and around the year end.
• We read and assessed the related disclosures included in the standalone Ind AS financial statements.</td></tr>
<tr><td colspan="2">Recoverability of trade receivables (impairment allowance for trade receivables) ((refer note 2.2(q) (accounting policy and Note 8 of the standalone Ind AS financial statements)</td></tr>
<tr><td>As of March 31, 2020, the Company has trade receivables of ₹5,506.93 million before impairment allowance of ₹446.02 million. Out of the total trade receivables, ₹279.29 million (5 %) are outstanding for more than 1 year.

The determination as to whether a trade receivable is collectable involves significant management judgement. Management considers specific factors which include the age of the balance, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall.

Significant management judgement is involved in assessing recoverability of trade receivables. Also due to COVID-19 pandemic, there is possibility of increase in credit risk or delays in collection. Due to these factors it is considered as a key audit matter in our audit of the standalone Ind AS financial statements.</td><td>Our audit procedures included the following:
• In assessing the appropriateness of the overall provision for impairment we considered the consistency of management's application of policy for recognising impairment allowance with that for the previous year.
• We assessed and tested the design and operating effectiveness of the controls over the impairment assessment for trade receivables. These controls included those over credit review and approval, system access, segregation of duties, identification and monitoring of receivables that were impaired, and the calculation of the impairment allowances.
• We tested completeness and accuracy of aging report of trade receivables as made available to us by management.
• We assessed recoverability of major trade receivables which are outstanding for more than 1 year. This included testing if payments had been received post balance sheet date, checked the historical payment patterns and any correspondence with customers on expected settlement dates.
• We selected a sample of the trade receivable balances where a provision for impairment of trade receivables was recognised and understood the rationale behind management's judgement. We also checked ageing of receivable balances, the customer's historical payment patterns and whether any post balance sheet payments had been received up to the date of completing our audit procedures.
• We also obtained corroborative evidence including correspondence supporting any disputes between the parties involved, attempts by management to recover the amounts outstanding.
• We understood and evaluated management's rationale where provisions were recognised on balances that were not overdue as at the balance sheet date and tested these were appropriately supported.
• We read and assessed the related disclosures made with respect to trade receivable in the standalone Ind AS financial statements.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Fair valuation of investments in subsidiaries (refer note 2.2 (q) (accounting policy), note 6 (Investments), note 34 (significant judgments and estimates) and note 42 and 43 (fair value financial disclosure) to the standalone Ind AS financial statements).	
As per Ind AS 109, the Company recognises investments in subsidiaries at fair value through other comprehensive income. The management involves external independent valuation experts to calculate the fair value of investments in subsidiaries. Fair value for the purpose of this calculation is determined by forecasting and discounting future cash flows of the underlying projects. In certain projects, where the Company has entered into a binding agreement for sale of the project to a third party, the fair value is calculated by discounting the agreed enterprise value after adjusting the values attributable to changes in the interest rates from the date of agreement to sell and the date of actual transaction (which is at a future date). Furthermore, the fair values are highly sensitive to changes in some of the inputs used in valuation such as discounting factor used for calculation of discounted cash flow (inputs such as debt equity ratio, cost of debt, cost of equity etc. are critical to discount rates), residual value of the project, risk premium attributable to the project depending on the stage of completion of project, etc. In addition to above, the uncertainties cause on account of COVID-19 pandemic as at the year-end have also changed the economic conditions in the market and has led to some of the key changes such as interest rates. Given that, determination of the fair values of investments in subsidiaries involves judgment due to inherent uncertainties in the assumptions supporting the amounts, it has been identified as a key audit matter in our audit of standalone Ind AS financial statements.	Our audit procedures included the following: • We assessed the appropriateness of the management's valuation methodology applied in determining the fair values. • Obtained the fair valuation report issued by the external valuer engaged by management and compared the fair value as per the report with the value of investment as recorded in the underlying books of accounts. • We evaluated the independence, objectivity and competence of the external valuation experts engaged by the management. • To determine appropriateness of cash flows considered in the valuation model, we tested that the tariff revenues considered in the respective valuation models are in agreement with Transmission Service Agreement (TSAs) / tariff orders and in cases where there were binding agreements with third parties to sell the investment, we tested the enterprise value considered in the model with the enterprise value as per such agreement. • We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, debt equity ratio and residual values. • To evaluate the fair values determined by external independent management valuer, we involved valuation specialist to perform an independent review of methodology and key assumptions used in the valuation. • We discussed changes in key drivers as compared to previous year / actual performance with management in order to evaluate the inputs and assumptions used in the valuation models. • We tested the arithmetical accuracy of the models. • We read and assessed the related disclosures included in the standalone Ind AS financial statements.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises Key Performance Indicators, Management Discussion and Analysis, Director's report and Annexures to Director's report included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Key Performance Indicators, Management Discussion and Analysis, Director's report and Annexures to Director's report included in the Annual report are not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above and Emphasis of Matter – Impact of COVID-19 pandemic above, in our opinion, may have an adverse effect on the functioning of the Company;

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

(h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAAEN8859
Place of Signature: Pune
Date: September 30, 2020

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

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

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

b. All the items of property, plant and equipment have not been physically verified by the company during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

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

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

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

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

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

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

Vii a. Undisputed statutory dues including income tax, goods and service tax, duty of custom, provident fund, cess and other statutory dues have been regularly deposited with appropriate authorities though there has been delay's in a few cases.

b. According to the information and explanations given to us, undisputed amounts payable in respect of goods and service tax, which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Statute under which it is payable	Nature of dues	Period	Amount (₹ in Million)	Due date of Payment	Actual date of Payment
CGST Act 2017, IGST Act 2017 and SGST Act 2017 (State-wise), UTGST Act 2017 (Dadra and Nagar Haveli)	Goods and Service Tax (GST)	Various months starting from September 2018 to September 2019	19.47 (Interest on the above ₹2.33 million)	20th of the succeeding month	June 5, 2020
CGST Act 2017, and SGST Act 2017 (State-wise),	Goods and Service Tax (GST)	Various months starting from April 2018 to September 2019	40.58 (Interest on the above ₹4.69 million)	20th of the succeeding month	July 30, 2020
		Total	**60.05 (interest amount of ₹7.02 million)**		

According to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Provident fund, duty of custom, cess and other statutory dues were outstanding, at year end, for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute other than excise duty and Value added tax are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ million)	Period to which the amount relates	Forum at which dispute is pending
Central Excise Act, 1944	Excise Duty	73.56	2001-02	Bombay High Court
Odisha Value Added Tax Act 2004	VAT / CST	15.95*	October 2015 – March 2016	Sales Tax Officer, Jharsuguda Circle, Jharsuguda.

* Net of amount paid under protest of ₹4.08 million.

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

ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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

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

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

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

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

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

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

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAAEN8859
Place of Signature: Pune
Date: September 30, 2020

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

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

We have audited the internal financial controls over financial reporting of Sterlite Power Transmission Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAAEN8859
Place of Signature: Pune
Date: September 30, 2020

Balance Sheet

As at March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,379.88	2,482.43
Capital work in progress	3	2.34	19.68
Goodwill	4, 4A	-	475.95
Other intangible assets	4	83.45	73.97
Investment in associates	5	39.07	-
Financial assets			
i. Investments	6	43,678.12	48,894.96
ii. Trade receivables	8	-	-
iii. Other financial assets	9	30.74	12.49
Other non-current assets	10	296.42	197.12
Assets classified as held for sale	10A	21.01	109.95
Total non-current assets		**46,531.03**	**52,266.55**
Current assets			
Inventories	11	3,903.36	1,941.17
Financial assets			
i. Investments	6	6,668.55	10,167.39
ii. Loans	7	335.14	311.35
iii. Trade receivables	8	5,353.65	7,384.43
iv. Cash and cash equivalents	12	11.50	579.54
v. Other bank balances	13	173.54	482.33
vi. Other financial assets	9	227.89	153.04
Other current assets	10	3,458.07	4,170.56
Non-current assets classified as held for sale	10A	-	60.05
Total current assets		**20,131.70**	**25,249.86**
TOTAL ASSETS		**66,662.73**	**77,516.41**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	122.36	122.36
Other equity			
i. Securities premium	15	4,536.80	4,536.80
ii. Retained earnings	15	(7,680.71)	(2,375.28)
iii. Other	15	22,642.88	27,234.76
Total equity		**19,621.33**	**29,518.64**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16A	-	13,724.06
ii. Other financial liabilities	18	5.43	45.89
Employee benefit obligations	19	47.55	39.82
Deferred tax liabilities (net)	20	7,361.50	8,962.07
Total non-current liabilities		**7,414.48**	**22,771.84**
Current liabilities			
Financial liabilities			
i. Borrowings	16B	25,190.19	13,164.21
ii. Trade payables	17		
- total outstanding dues of micro enterprises and small enterprises		835.77	72.83
- total outstanding dues of creditors other than micro enterprises and small enterprises		6,851.17	6,471.58
iii. Other financial liabilities	18	4,915.66	3,845.80
Employee benefit obligations	19	41.41	35.77
Other current liabilities	21	1,792.72	1,635.75
Total current liabilities		**39,626.92**	**25,225.94**
TOTAL LIABILITIES		**66,662.73**	**77,516.41**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: September 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
Date: September 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Pune
Date: September 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: September 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: September 30, 2020

Statement of Profit and Loss

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	22	19,994.01	24,469.57
Other income	24	390.92	72.90
Total income (I)		**20,384.93**	**24,542.47**
EXPENSES			
Cost of raw material and components consumed	25	11,384.81	14,336.56
Purchase of traded goods		1,896.40	137.38
Increase in inventories of finished goods, work-in-progress and traded goods	27	(1,514.94)	(264.15)
Construction material and contract expenses	26	3,598.91	4,801.99
Employee benefits expense	28	1,311.60	1,006.77
Other expenses	29	3,274.26	3,234.07
Total expenses (II)		**19,951.04**	**23,252.62**
Earning before interest, tax, depreciation and amortisation and exceptional items (EBITDA) (I) - (II)		433.89	1,289.85
Depreciation and amortisation expense	30	813.10	780.09
Finance costs	31	2,534.93	3,054.12
Finance income	23	(62.58)	(70.74)
Loss before exceptional items and tax		**(2,851.56)**	**(2,473.62)**
Exceptional items	32	(2,565.95)	-
Loss before tax		**(5,417.51)**	**(2,473.62)**
Tax expense:			
Deferred tax	20	(88.42)	(324.36)
Income tax expense		**(88.42)**	**(324.36)**
Loss for the year		**(5,329.09)**	**(2,149.26)**
Other comprehensive income			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Net loss on cash flow hedges		(3,210.65)	(829.06)
Income tax effect		-	-
Net movement on cash flow hedges		(3,210.65)	(829.06)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		**(3,210.65)**	**(829.06)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plans		0.12	(6.72)
Income tax effect		-	-
Net gain/(loss) on FVTOCI equity securities		(5,478.50)	14,511.92
Income tax effect		1,276.28	(3,381.28)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(4,202.10)**	**11,123.92**
Other comprehensive income/(loss) for the year		**(7,412.75)**	**10,294.86**
Total comprehensive income/(loss) for the year		**(12,741.84)**	**8,145.60**
Earnings per equity share [nominal value of ₹2 (March 31, 2019: ₹2)]	33		
Basic and Diluted			
Computed on the basis of loss for the year before exceptional item (net of tax) (₹)		(45.16)	(35.13)
Computed on the basis of loss for the year after exceptional item (net of tax) (₹)		(87.10)	(35.13)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: September 30, 2020

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Chief Financial Officer
Place: Mumbai
Date: September 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: September 30, 2020

Cash Flow Statement

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
A. OPERATING ACTIVITIES			
Net loss as per statement of profit and loss		(5,329.09)	(2,149.26)
Adjustment for taxation		(88.42)	(324.36)
Loss before tax		(5,417.51)	(2,473.62)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation and amortisation expense	30	813.10	780.09
Provision for doubtful debts and advances	29	82.18	41.71
Bad debts / advances written off	29	23.80	0.61
Loss on forfeiture of investments in shares	29	25.28	19.64
Unrealised exchange difference		15.21	(4.35)
Finance costs	31	2,534.93	3,054.12
Finance income	23	(62.58)	(70.74)
Profit on sale of property, plant and equipment (net)	24	(4.27)	(5.23)
		3,427.66	**3,815.86**
Operating profit before working capital changes		**(1,989.85)**	**1,342.24**
Movements in working capital :			
Increase/(Decrease) in trade payables		1,106.33	(1,127.03)
Increase in employee benefit obligation		13.48	14.45
Increase/(Decrease) in other liability		157.01	(1,082.40)
Increase/(Decrease) in other financial liability		(155.31)	(490.77)
Decrease/(increase) in trade receivables		1,914.86	1,647.84
Decrease/(increase) in inventories		(1,962.19)	143.51
Decrease/(increase) in other financial assets		(65.14)	(199.88)
Decrease/(increase) in other assets		714.21	(1,646.47)
Change in working capital		**1,723.25**	**(2,740.75)**
Cash generated (used in) operations		**(266.60)**	**(1,398.48)**
Direct taxes paid		(101.02)	(26.04)
Net cash flow (used in) operating activities (A)		**(367.62)**	**(1,424.55)**
B. INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including capital work in progress and capital advances		(335.99)	(189.13)
Proceeds from sale of property, plant and equipment		20.32	22.49
Proceeds from sale of current investments (net of acquisitions)		71.52	-
Proceeds from redemption of preference shares		3,430.01	-
Sale/(purchase) of investment in subsidiaries		59.50	-
Investment in bank deposits (having original maturity of more than three months)		308.78	(173.58)
Loans given to related parties		(23.79)	(122.38)
Interest received		59.90	28.18
Net cash flow from/(used in) investing activities (B)		**3,590.23**	**(434.42)**
C. FINANCING ACTIVITIES			
Proceeds of long term borrowings		-	4,745.26
Repayment of long term borrowings		(3,524.59)	(9,110.08)
Proceeds/(Repayment) of short term borrowings (net)		1,556.91	8,316.67
Interest paid		(1,782.97)	(1,993.06)
Payment of Lease Liability		(40.01)	-
Net cash flow from financing activities (C)		**(3,790.65)**	**1,958.78**
Net increase/(decrease) in cash and cash equivalents (A + B + C)		**(568.04)**	**99.81**
Cash and cash equivalents as at beginning of the year		**579.54**	**479.73**

Cash Flow Statement

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
Cash and cash equivalents as at year end		**11.50**	**579.54**
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts		11.36	579.41
Cash in hand		0.14	0.13
Total cash and cash equivalents (refer Note 12)		**11.50**	**579.54**

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

Particulars	Long term borrowings	Short term borrowings
April 01, 2018	17,616.37	4,856.18
Cash flow		
- Interest	(906.15)	(1,086.91)
- Proceeds/(repayments)	(4,364.81)	8,316.67
Non-cash changes		
- Classified as current maturities	616.83	-
- Notional interest	1,074.61	-
- Portion of borrowing considered as repayment of capital invested in subsidiary	(1,209.64)	-
- Others	-	(8.65)
Accrual for the period	896.85	1,086.91
March 31, 2019	13,724.06	13,164.21
Cash flow		
- Interest	(625.33)	(1,157.64)
- Proceeds/(repayments)	(3,524.59)	1,556.91
Non-cash changes		
- Notional interest	1,125.00	-
- Classified as current maturities (including inter company borrowings)	(11,324.47)	10,500.00
- Others	-	(30.93)
Accrual for the period	625.33	1,157.64
March 31, 2020	-	25,190.19

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: September 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
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Date: September 30, 2020

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Managing Director
DIN: 03040062
Place: Pune
Date: September 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: September 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: September 30, 2020

Statement of Changes in Equity

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹2 each issued, subscribed and fully paid	Nos. in million	₹ in million
As at April 01, 2018	**61.18**	**122.36**
Issued during the year	-	-
As at March 31, 2019	**61.18**	**122.36**
Issued during the year	-	-
As at March 31, 2020	**61.18**	**122.36**

B. OTHER EQUITY

	Securities premium	Retained earnings	FVTOCI reserve	Cash flow hedge reserve
As at April 01, 2018	**4,536.80**	**(219.30)**	**17,272.54**	**(428.35)**
Loss for the year	-	(2,149.26)	-	-
Other comprehensive income/(loss)	-	(6.72)	11,130.64	(829.06)
Total comprehensive income/(loss)	**-**	**(2,155.98)**	**11,130.64**	**(829.06)**
Less: Recycled to statement of profit and loss	-	-	-	88.99
As at March 31, 2019	**4,536.80**	**(2,375.28)**	**28,403.18**	**(1,168.42)**
Loss for the year	-	(5,329.09)	-	-
Add: Effect of adoption of Ind AS 116 (Refer Note 36)	-	(6.28)	-	-
Add/(Less): Realised gain on sale of investments in East-North Interconnection Company Limited transferred from FVTOCI reserve (refer note 6)	-	22.12	(22.12)	-
Add/(Less): Realised gain on sale of investments in Sterlite Investment Managers Limited transferred from FVTOCI reserve (refer note 6)	-	7.70	(7.70)	-
Other comprehensive income/(loss)	-	0.12	(4,202.22)	(3,210.65)
Total comprehensive income/(loss)	**-**	**(5,305.43)**	**(4,232.04)**	**(3,210.65)**
Recycled to statement of profit and loss	-	-	-	2,850.81
As at March 31, 2020	**4,536.80**	**(7,680.71)**	**24,171.14**	**(1,528.26)**

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: September 30, 2020

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Place: New Delhi
Date: September 30, 2020

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

1. CORPORATE INFORMATION

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

Power products and solutions mainly include power transmission conductors, optical ground wire cables and power cable.

The financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on September 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

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

The standalone Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments;
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

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

1.2 Summary of significant accounting policies

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

a) Goodwill

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

d) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 33,42, 43)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Investment in mutual funds (note 42)
- Financial instruments (including those carried at amortised cost) (note 42)

e) **Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Amounts disclosed as revenue are net of goods and service tax (GST).

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 33

Sale of power products

Revenue from the sale of goods is recognised at a point in time control of the goods is transferred to the customer, generally on delivery of the equipment. The normal credit term is 60 to 180 days upon delivery.

Rendering of services

Revenues from services are recognised when the services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from Engineering, Procurement and Construction (EPC) projects

Revenue from fixed price construction contracts for supply and installation of power transmission product is recognised as the performance obligation is satisfied progressively over the contract period. The Company's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that the contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered.

Contract modifications:

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. The Company does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Variable considerations:
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract Balance
Contract Assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivable
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments – initial recognition and subsequent measurement.

Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

g) Taxes

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

Current income tax relating to items recognised outside of profit or loss is recognised outside of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when

Notes to Financial Statements

for the year ended March 31, 2020
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the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service tax paid, except:

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

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

h) Non-Current Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),

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- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised. Refer Note 10A for further disclosures.

- A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and,
- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

i) Property, plant and equipment

Certain items of freehold land have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., April 01, 2015.

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or to be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery	3 - 20 Years *	Continuous process plant- 25 Years Others- 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 6 Years *	Service and networks- 6 Years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *	8 Years

*Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

Residual value considered as 5% on the basis of management's estimation, supported by technical advice.

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The Company, based on technical assessments made by technical experts and management estimates, depreciates the certain items of building, plant and machinery, data processing equipment, furniture and fixtures, office equipments, electric fittings, vehicles and other telecom networks equipments over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

The Company does not have any intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Softwares are amortised on a straight line basis over a period of five to six years. Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the

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date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land- 99 years
- Office building – 1 to 5 years
- Vehicles – 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other financial liability (see Note 18).

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, construction material, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis except for aluminium wherein the cost is determined on specific identification method based on the costing details of each project.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal

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operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis except for aluminium conductors wherein the cost is determined on specific identification method based on the costing details of each project.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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o) **Provisions**

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognises contribution payable to the provident fund and superannuation fund as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company has a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

q) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised 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 recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised 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 recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the

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risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

- ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance,

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i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Note 16A and Note 16B

Buyers' Credit/ Suppliers' Credit

The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials and project materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up within 12 months to 36 months. Where these arrangements are with a maturity of up to twelve months the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit (under Trade payables). Interest expense on these are recognised in the finance cost.

Derecognition

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

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Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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r) **Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

s) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to Financial Statements

for the year ended March 31, 2020
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For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) **Cash dividend distribution to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) **Presentation of EBITDA**

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance.

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance income, finance costs and tax expense

1.3 Changes in Accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

1.4 Standards issued but not yet effective

The standards/amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Other Amendments to Standards, issued but not effective, which are either not applicable to the Company or the impact is not expected to be material

(a) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

(b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

(e) Annual improvement to Ind AS (2018):

- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

₹ in million

Description	Owned assets								Right-of-use assets				Total (A+B)
	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Data processing equipment#	Sub-total (A)	Land	Office building	Vehicles	Sub-total (B)	
COST OR VALUATION														
As at April 01, 2018	485.89	963.07	2,894.69	20.64	7.41	18.83	271.63	50.99	4,713.15	3.17	-	-	3.17	4,716.32
Additions	-	45.81	119.99	3.06	8.44	7.14	3.49	9.48	197.40	-	-	-	-	197.41
Disposals	-	0.17	113.71	0.15	3.00	0.09	0.02	-	117.14	-	-	-	-	117.14
As at March 31, 2019	**485.89**	**1,008.71**	**2,900.97**	**23.55**	**12.85**	**25.88**	**275.10**	**60.47**	**4,793.41**	**3.17**	-	-	**3.17**	**4,796.59**
Additions	-	20.85	106.81	2.27	1.53	1.66	6.48	5.98	145.58	-	63.67	7.85	71.52	217.10
Disposals	-	-	50.96	0.56	-	0.54	29.11	11.23	92.40	-	-	-	-	92.40
As at March 31, 2020	**485.89**	**1,029.56**	**2,956.82**	**25.26**	**14.38**	**27.00**	**252.47**	**55.22**	**4,846.59**	**3.17**	**63.67**	**7.85**	**74.69**	**4,921.29**
Depreciation and impairment														
As at April 01, 2018	-	261.67	1,679.34	15.50	3.65	12.31	110.65	41.56	2,124.68	0.18	-	-	0.18	2,124.86
Depreciation charged during the year	-	43.82	209.53	3.32	1.72	6.04	17.25	7.46	289.14	0.04	-	-	0.04	289.18
Disposals	-	0.09	97.32	0.05	2.36	0.06	0.00	-	99.89	-	-	-	-	99.88
As at March 31, 2019	-	**305.40**	**1,791.55**	**18.77**	**3.01**	**18.29**	**127.90**	**49.02**	**2,313.93**	**0.22**	-	-	**0.22**	**2,314.16**
Depreciation charged during the year	-	42.38	196.35	1.35	2.83	3.65	15.89	8.88	271.34	0.04	31.84	0.60	32.48	303.81
Disposals	-	-	44.52	0.53	-	0.49	20.80	10.21	76.54	0.01	-	-	0.01	76.56
As at March 31, 2020	-	**347.78**	**1,943.38**	**19.59**	**5.84**	**21.45**	**122.99**	**47.69**	**2,508.73**	**0.25**	**31.84**	**0.60**	**32.69**	**2,541.41**
Net book value														
As at March 31, 2020	**485.89**	**681.78**	**1,013.44**	**5.67**	**8.54**	**5.55**	**129.48**	**7.53**	**2,337.86**	**2.92**	**31.83**	**7.25**	**42.00**	**2,379.88**
As at March 31, 2019	**485.89**	**703.31**	**1,109.42**	**4.78**	**9.84**	**7.59**	**147.20**	**11.45**	**2,479.48**	**2.95**	-	-	**2.95**	**2,482.43**

₹ in million

	As at March 31, 2020	As at March 31, 2019
Capital work in progress*	2.34	19.68

* Capital work in progress mainly includes plant and machinery.

\# Data processing equipment includes laptops taken on finance lease:

Gross block ₹11.24 million (March 31, 2019: ₹11.24 million)

Depreciation for the year ₹0.45 million (March 31, 2019: ₹3.11 million)

Accumulated depreciation ₹11.24 million (March 31, 2019: ₹10.79 million)

Net block Nil (March 31, 2019: ₹0.45 million)

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for the year ended March 31, 2020
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NOTE 4: INTANGIBLE ASSETS

(₹ in million)

Description	Goodwill (refer Note 4A and Note 50)	Software/ Licenses
April 01, 2018	2,379.79	65.49
Additions	-	46.13
As at March 31, 2019	**2,379.79**	**111.61**
Additions	-	43.02
Disposals	-	5.23
As at March 31, 2020	**2,379.79**	**149.40**
Amortisation		
April 01, 2018	1,427.86	22.70
Amortisation charge for the year	475.96	14.94
As at March 31, 2019	**1,903.82**	**37.64**
Accumulated amortisation		
Amortisation charge for the year	475.96	33.33
Disposals	-	5.02
As at March 31, 2020	**2,379.78**	**65.95**
Net Book Value		
As at March 31, 2020	**0.00**	**83.45**
As at March 31, 2019	**475.96**	**73.97**

NOTE 4A: IMPAIRMENT TESTING OF GOODWILL

Goodwill generated as a result of recording of assets and liabilities as part of the Scheme of demerger of Sterlite Technologies Limited (refer Note 50) with effect from April 01, 2015 had been allocated to power products business for impairment testing

(₹ in million)

	March 31, 2020	March 31, 2019
Carrying amount of goodwill	-	475.96

As the carrying value of goodwill as at March 31, 2020 is Nil, the Company has not performed impairment testing of goodwill as at that date. The Company had performed its annual impairment testing for the year ended March 31, 2019. The recoverable amount of power products business as at March 31, 2019 was determined based on its value in use calculated using cash flow projections from financial budgets approved by senior management covering a five-year period. The terminal growth rate used to extrapolate the cash flows of the unit beyond the five-year period was 2%.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions as at March 31, 2019 are as follows:

EBITDA margin:
"EBITDA margin of revenue had been considered based on average values achieved in the three years preceding the valuation date. A decrease in EBITDA margin by 2.74% would have resulted in impairment.

EBITDA margins were based on the actual EBITDA of power products business for the three years preceding the beginning of the budget period. The EBITDA margins that were considered were from 6.3% - 9.35% over the budget period for anticipated order flows as at March 31, 2019.

Discount Rate:
Discount rate represented the then market assessment of the risks specific to the cash generating unit ('CGU'), taking into consideration the time value of money and individual risks of the underlying assets that had not been incorporated in the cash flow estimates. The discount rate calculations were based on the specific circumstances of the Company and was derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity was derived from the expected return on investment

Notes to Financial Statements

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by the Company's investors. The cost of debt was based on the interest-bearing borrowings the Company was obliged to service. Segment-specific risk was incorporated by applying individual beta factor. The beta factor was evaluated annually based on publicly available market data. Adjustments to the discount rate were made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in pre-tax WACC by 24.42% would have resulted in impairment.

Growth rate:
Growth rate had been considered for a period of five years based on management estimates and past trends. A decrease in growth rate by 11.69% during the next five year period would have resulted in impairment.

NOTE 5: INVESTMENT IN ASSOCIATES

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current		
Unquoted equity instruments at cost		
16,24,515 (March 31, 2019: Nil) equity shares of Sterlite Investment Managers Limited of face value ₹2 each fully paid up (refer note 10A)	39.02	-
4,895 (March 31, 2019: Nil) equity shares of Sterlite Interlinks Limited of ₹10 each fully paid up of ₹10*	0.05	-
Total	**39.07**	**-**

*Pledged as security against borrowings of Sterlite Interlinks Limited.

NOTE 6: INVESTMENTS

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current		
Investments at fair value through OCI		
Unquoted equity instruments		
1,243,529,411 (March 31, 2019: 1,243,529,411) equity shares of Sterlite Power Grid Ventures Limited of ₹10 each fully paid up $	43,564.67	48,577.55
Nil (March 31, 2019: 25,500) equity shares of East-North Interconnection Company Limited of ₹10 each fully paid up $$	-	0.26
Nil (March 31, 2019: 112,500,000) equity shares of Sterlite Investment Managers Limited of ₹2 each, ₹0.25 per share paid up # (Refer Note 10A)	-	204.20
49,967 (March 31, 2019: Nil) equity shares of Sterlite EdIndia Foundation of ₹10 each fully paid up	0.50	-
26,505 (March 31, 2019: 26,505) equity shares of Sharper Shape Group Inc. of USD 0.01 each fully paid up	112.45	112.45
50,000 (March 31, 2019: 50,000) equity shares of Sterlite Convergence Limited of ₹10 each fully paid up	0.50	0.50

$ Includes repayment of capital from a subsidiary of ₹1,256.65 million (March 31, 2019: 1,521.16 million).

Includes ₹ Nil (March 31, 2019: ₹23.28 million) in respect of equity component of redeemable preference shares of Sterlite Investment Managers Limited (formerly known as Sterlite Infraventures Limited)

$$ During the year, the company has sold of its equity stake, i.e. 25,500 shares in East- North Interconnection Limited ('ENICL') to India Grid Trust ('IGT'). IGT has a right to appoint majority of the directors on the board of the ENICL as per the Share Purchase Agreement dated March 23, 2020 executed among the Company, ENICL, Sterlite Power Grid Ventures Limited ('SPGVL'), Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Consequent to the above, India Grid Trust has acquired control over ENICL and the Company has derecognised its investment amounting to ₹0.26 million resulting in recognition of profit on sale on investments through other comprehensive income of ₹22.12 million (net of tax ₹6.72 million).

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(₹ in million)

	March 31, 2020	March 31, 2019
Current		
Investments at amortised cost		
Unquoted equity instruments		
300,187,117 (March 31, 2019: 454,552,553) redeemable preference shares of Sterlite Power Grid Ventures Limited of ₹10 each fully paid up*	6,668.55	10,098.55
Investment in mutual funds - Quoted (valued at fair value through profit or loss)		
Nil units (March 31, 2019: 68,036.35) units of L & T Liquid Fund - Regular Daily Dividend option#	-	68.84

*The Company has redeemable preference shares issued by Sterlite Power Grid Ventures Limited ('SPGVL') redeemable at a premium of ₹12.22 per share as may be permitted under the Companies Act 2013 and rules made thereunder. During the year SPGVL has redeemed 154,365,436 preference shares amounting to ₹3,430 million and has amended the maturity terms for remaining preference shares from on or before March 30, 2020 to on or before March 30, 2021. The Company carries voting rights as per the provisions of section 47(2) of the Companies Act 2013. The Company is entitled to dividend on a cumulative basis at the rate of 0.01% per annum.

#The investment was held as debt service reserve account.

Total	**50,346.67**	**59,062.34**
Current	6,668.55	10,167.39
Non-current	**43,678.12**	**48,894.96**
Aggregate book value of quoted investments	**-**	**68.84**
Aggregate value of unquoted investments	**50,346.67**	**58,993.50**

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 42 for determination of their fair values.

NOTE 7: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	March 31, 2020	March 31, 2019
Current		
Loans to related parties (refer Note 46)*	335.14	311.35
Total	**335.14**	**311.35**

*As at March 31, 2020, the Company has unsecured loan receivable amounting to ₹195.12 million (including accumulated interest accrued) from Sterlite Power Technologies Private Limited (SPTPL). As at March 31, 2020, the net worth of SPTPL is eroded and currently does not have any operating business. SPTPL has obtained the support letter from its holding company, Twin Star Overseas Limited, based on which the Company considers the loan to be recoverable.

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for the year ended March 31, 2020
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NOTE 8: TRADE RECEIVABLES

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current		
Trade receivables	446.02	363.84
Total	**446.02**	**363.84**
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	446.02	363.84
	446.02	**363.84**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	446.02	363.84
	446.02	**363.84**
Total non-current trade receivables	-	-
Current		
Trade receivables	5,100.89	6,370.91
Receivables from related parties (refer Note 46)	252.75	1,013.52
Total	**5,353.65**	**7,384.43**
Break-up for security details:		
- Unsecured, considered good	5,353.65	7,384.43
- Unsecured, credit impaired receivables	-	-
	5,353.65	**7,384.43**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	-	-
	5,353.65	**7,384.43**
Total current trade receivables	**5,353.65**	**7,384.43**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The company has entered into an arrangement with HDFC Bank Limited for non recourse factoring pursuant to which the company has derecognised trade receivables of Nil (March 31, 2019: ₹750.43 million).

See Note 44 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due or impaired.

Notes to Financial Statements

for the year ended March 31, 2020
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NOTE 9: OTHER FINANCIAL ASSETS

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current (unsecured, considered good)		
Security deposits	30.74	12.49
Total other non-current financials assets	**30.74**	**12.49**
Current (unsecured, considered good)		
Security deposits	23.35	19.26
Earnest money deposit with customer	51.48	51.96
Receivable from related parties (refer Note 46)	62.42	70.13
Other receivables	-	11.69
Derivative instruments		
- Forward contracts	90.64	-
Total other current financials assets	**227.89**	**153.04**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Derivative instruments reflect the change in fair value forex forward contracts, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for sales and purchases in US Dollars (USD) and Euros (EUR).

Earnest money deposit from customers are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Receivables from related parties are non-derivative financial assets and are refundable in cash.

NOTE 10: OTHER ASSETS

	March 31, 2020	March 31, 2019
Non-current		
Balances with Government authorities	114.63	114.46
Advance income tax, including tax deducted at source	181.79	80.76
Advances recoverable	-	1.90
Total other non-current assets	**296.42**	**197.12**
Current		
Vendor advances	147.60	160.37
Balances with government authorities*	1,021.27	1,110.63
Prepaid expenses	86.22	158.05
Contract assets related to EPC contracts (refer note 22)	2,202.98	2,741.50
Total other current assets	**3,458.07**	**4,170.56**

*As per Section 16 of CGST Act 2017, the Company is required to add the Input Tax Credit (ITC) availed to outward tax liability pertaining to suppliers which remain unpaid for the period of more than 180 days from the date of invoicing. The Company has added ITC of ₹90.69 million (March 31, 2019: Nil) availed relating to such vendors which are outstanding as on March 31, 2020 and this ITC shall be re-availed post payment to the vendors. The Company has provided interest amounting to ₹20.99 million (March 31, 2019: Nil) in the books.

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NOTE 10A : NON CURRENT ASSETS HELD FOR SALE

Pursuant to Ind AS - 105 "Non Current Assets Held for Sale and Discontinued Operations", the Company has identified non-current assets referred to in note 10A (a) below as held for sale as the carrying amount of these assets will be recovered principally through a sale transaction rather than through continuing use. These assets are available for immediate sale in its present condition and the sale transaction is highly probable.

Following assets and liabilities are classified as held for sale as at March 31, 2020 and as at March 31, 2019:

(a) **Investment in equity shares of Sterlite Investment Managers Ltd (SIML)**

During the year, SIML served a call money notice on Sterlite Power Transmission Limited ('SPTL') requesting to pay call money of ₹0.50 per share. Based on the communication provided by the Company, SIML has forfeited 11,25,00,000 partly paid equity shares of ₹2 each partly paid-up ₹0.25 per share held by the Company leading to recognition of loss on forfeiture amounting to ₹25.28 million (Refer Note 29).

During the year, the Company has exercised an option to convert 1.00 million 8.98% non- cumulative non participating redeemable preference share (RPS) with face value of ₹10 per RPS to 10,00,000 8.98% compulsorily convertible preference shares (CCPS). The compulsorily convertible preference shares were to be redeemed fully on September 30, 2026. CCPS carried voting rights as per provision of section 47(2) of the Companies Act, 2013. Further during the year, the Company has been allotted 49,99,125 fully paid up equity shares of face value ₹2 each at a premium of ₹18 per share on conversion of 10,00,000 8.98% Compulsorily Convertible Preference Shares ('CCPS').

Pursuant to "Share Subscription and Purchase Agreement" executed between Electron IM PTE. LTD ('EIMPT') and the Company on April 30, 2019, the Company shall sell 74% of its stake in its subsidiary Sterlite Investment Managers Limited (SIML) in two tranches starting from June 30, 2019 till June 30, 2021. During the year , the Company has sold 40% of the its stake in SIML for a consideration of ₹60.05 million and recognition of increase in fair valuation by ₹20.08 million (net of deferred tax ₹4.68 million). Accordingly, SIML is considered as an associate from such date of sell of stake. Further, the remaining investment in SIML to the extent of 14% i.e. ₹21.01 million has been disclosed as "Non-current asset classified as held for Sale" as at March 31, 2020.

(₹ in million)

	March 31, 2020	March 31, 2019
Investment in equity shares	21.01	69.37
Investment in redeemable preference shares	-	100.63
Total	**21.01**	**170.00**
Non Current	21.01	109.95
Current	-	60.05

NOTE 11: INVENTORIES

(Valued at lower of cost and net realisable value)

(₹ in million)

	March 31, 2020	March 31, 2019
Raw materials and components [Includes stock in transit ₹453.66 million (March 31, 2019: ₹71.05 million)]	1,454.23	1,001.96
Work-in-progress	264.51	391.96
Finished goods [Includes stock in transit ₹410.57 million (March 31, 2019: ₹41.21 million)]	2,006.93	391.98
Traded goods	34.90	7.46
Stores, spares, packing materials and others	142.79	147.81
Total	**3,903.36**	**1,941.17**

Notes to Financial Statements

for the year ended March 31, 2020
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NOTE 12: CASH AND CASH EQUIVALENTS

(₹ in million)

	March 31, 2020	March 31, 2019
Balances with banks:		
On current accounts	11.36	579.41
Cash in hand	0.14	0.13
Total	**11.50**	**579.54**

NOTE 13: OTHER BANK BALANCES

(₹ in million)

	March 31, 2020	March 31, 2019
Deposits with original maturity for more than 3 months but less than 12 months*	173.54	482.33
Total	**173.54**	**482.33**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

*Includes ₹0.94 million (March 31, 2019: ₹5.71 million) held as lien by banks against bank guarantees and ₹172.04 million (March 31, 2019: ₹476.62 million) held in debt service reserve account.

NOTE 14: SHARE CAPITAL

(₹ in million)

	March 31, 2020	March 31, 2019
Authorised shares (nos. million)		
80.00 (March 31, 2019: 80.00) equity shares of ₹2 each	160.00	160.00
Issued, subscribed and fully paid-up shares (nos. million)		
61.18 (March 31, 2019: 61.18) equity shares of ₹2 each fully paid - up.	122.36	122.36
Total issued, subscribed and fully paid-up share capital	**122.36**	**122.36**

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

	Nos. in million	₹ in million
At April 01, 2018	61.18	122.36
Add: Movement during the year	-	-
At March 31, 2019	**61.18**	**122.36**
Add: Movement during the year	-	-
At March 31, 2020	**61.18**	**122.36**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. In case dividend is proposed by the board of directors, the same is subject to the approval of the shareholders in the general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

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c. **Shares held by holding company and their subsidiaries/associates:**

	March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
[Ultimate holding company]				
Vedanta Limited	0.95	1.56%	0.95	1.56%

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

	March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding
Twin Star Overseas Limited, Mauritius (Immediate holding company)	43.67	71.38%	43.67	71.38%

NOTE 15: OTHER EQUITY

(₹ in million)

	March 31, 2020	March 31, 2019
Securities premium		
Balance as per last financial statements	4,536.80	4,536.80
Add: Movement during the year	-	-
Closing balance	**4,536.80**	**4,536.80**
Retained earnings		
Balance as per last financial statements	(2,375.28)	(219.30)
Loss for the year	(5,329.09)	(2,149.26)
Add: Effect of adoption of Ind AS 116 (Refer Note 36)	(6.28)	-
Add: Realised gain on sale of investments in East-North Interconnection Company Limited transferred from FVTOCI reserve	22.12	-
Add: Realised gain on sale of investments in Sterlite Investment Managers Limited transferred from FVTOCI reserve (refer note 6)	7.70	-
Add/(less): Remeasurement of post employment benefit obligation, net of tax	0.12	(6.72)
Closing balance	**(7,680.71)**	**(2,375.28)**
Others		
FVTOCI reserve		
Balance as per last financial statements	28,403.18	17,272.54
Add/(Less): Fair value of investments through other comprehensive income	(4,202.22)	11,130.64
Less: Realised gain on sale of investments in East-North Interconnection Company Limited transferred to retained earnings	(22.12)	-
Less: Realised gain on sale of investments in Sterlite Investment Managers Limited transferred to retained earnings (refer note 6)	(7.70)	-
Closing balance	**24,171.14**	**28,403.18**
Cash flow hedge reserve		
Balance as per last financial statements	(1,168.42)	(428.35)
Add: Cash flow hedge reserve created on hedging contracts	(3,210.65)	(829.06)
Less: Amount reclassified to statement of profit and loss	(2,850.81)	(88.99)
Closing balance	**(1,528.26)**	**(1,168.42)**
Total other reserves	**22,642.88**	**27,234.76**

Nature and purpose of reserves :-

15.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes to Financial Statements

for the year ended March 31, 2020
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15.2 FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15.3 Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with receivable and payable and commodity risk associated with purchase of aluminium and copper. For hedging these risks, the Company uses commodity future and foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects the statement of profit or loss.

NOTE 16A : NON CURRENT BORROWINGS

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current		
Non-convertible debentures (secured)		
Nil (March 31, 2019: 3,500) 12.50% Non-convertible debentures of ₹10,00,000 each #	-	3,445.90
Term loans		
Indian rupee loans from financial institutions (secured)	-	863.12
Loan from related parties (unsecured) (refer note 46)	-	9,375.00
Redeemable preference shares (unsecured)		
Nil (March 31, 2019: 18,000,000) redeemable preferences shares of ₹2 each ##	-	40.04
Total non-current borrowings	**-**	**13,724.06**
Current maturities of long-term borrowing (included in Note 18)	3,509.44	2,684.97
3,500 (March 31, 2019: 3,500) 12.50% Non convertible debentures of ₹10,00,000 each (secured)	3,467.37	-
Indian rupee loans from financial institutions (secured)	-	1,934.97
Indian rupee loans from bank (secured)	-	750.00
18,000,000 (March 31, 2019: Nil) redeemable preferences shares of ₹2 each (unsecured)	42.07	-
Current maturities of lease liabilities (included in Note 18)	40.01	0.41
Interest accrued and not due on long term borrowings (secured)	-	10.20
Total	**3,549.45**	**2,695.58**

(a) Loan from related parties, include unsecured Indian rupee loan from subsidiary amounting to Nil (March 31, 2019: ₹10,500 million) and carries nil rate of interest. During the year, terms of repayment of the loan have been modified pursuant to which the loan is now repayable on demand on or before March 31, 2021. Due to modification of terms, the loan is classified as short term borrowings.

(b) During the year ended March 31, 2019, the Company has issued 3,500 non-convertible debentures ("NCDs") of face value ₹10,00,000/- each amounting to ₹3,500 million carrying interest of 12.50%. The debentures are secured by:

a) first and exclusive charge over all present and future fixed assets,

b) investments of the Company in Sterlite Power Grid Ventures Limited ('SPGVL') including 51% pledge of shares of SPGVL on a fully diluted basis,

c) any loans and advances given to and dividend and any other receivables from SPGVL

d) second charge on all current assets of the Company

e) first and exclusive charge over any OCPRS ,CCPS, or any other instrument by which money has been infused in SPGVL.

With respect to these NCDs, the NCD trust deed ("Deed") requires compliance with debt covenants relating to limitation on indebtedness and net borrowings to EBITDA ratio. The Company has not complied with the debt covenants mentioned in the Deed as at March 31, 2020. In the event of non compliance of the covenants,

Notes to Financial Statements

for the year ended March 31, 2020
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as per the Deed, the debenture trustees have the right to demand immediate repayment of NCDs and charge penal interest @ 2% p.a. from the date of non compliance. Accordingly, the NCDs have been disclosed as current maturity and the Company has accrued for the penal interest. The Company has not defaulted in repayment of loan or payment of non-penal interest or payment of penal interest claimed by the NCD holders during the year.

(c) Indian rupee term loan from banks outstanding as at March 31, 2019 amounting to ₹750.00 million carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated instalments of ₹150 million (excluding interest) starting from June 2017. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future.

(d) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to ₹441.71 million carries interest @ MCLR +225 BPS p.a. Loan amount is repayable in 5 annual instalments starting from December 2018 in 5%,10%,20%,30% & 35% of loan amount. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL.

d) First charge all receivables , present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

(e) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to ₹462.88 million carries interest @ 11% p.a. Balance loan amount is repayable in 3 annual instalments 20%,30% & 35% of loan amount. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL

d) First charge all receivables , present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

(f) During the previous year, Indian rupee term loan from financial institutions outstanding as at March 31, 2019 amounting to ₹993.50 million carries interest @ HDFC MCLR + 2.15% p.a. First tranche of the loan amount of ₹700.00 million is repaid in Feb 2018 and balance loan amount is repayable in 10 quarterly instalments starting from June 2018. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First ranking and pari passu charge on the mortgaged properties

b) First ranking and pari passu charge by the way of hypothecation on all the movable fixed assets

c) First ranking and pari passu charge by the way of hypothecation on all the receivables

d) Second ranking and pari passu charge by the way of hypothecation on all the current assets

e) First ranking and pari passu pledge over atleast 51% Pledged Securities of SPGVL held by the borrower.

(g) During the previous year, Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to ₹790.00 million carries interest @ L&T infra PLR minus Spread. During the year the loan has been repaid in full and outstanding balance is Nil.

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for the year ended March 31, 2020
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The term loan is secured by pari passu charge on below:

a) A first ranking and pari passu mortgage on the Mortgaged Property , both present and future

b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets, both present and future

c) First Ranking and pari passu charge by the way of hypothecation on all the dividends,any other receivable, Loans and advances from the borrower investment in SPGVL both present and future

d) An exclusive charge by the way of hypothecation on the DSRA, The DSR term Deposit and The DSR term Instruments (if any), both present and future

e) Pledge of equity share &OCRPS /CCPS, amounting to 51% economic interest and voting right on fully diluted basis of Sterlite Power Grid Venture Limited held by SPTL.

(h) Finance lease obligation is secured by hypothecation of related assets taken on lease. The interest rate implicit in the lease is between 10% p.a. to 12.50% p.a. The gross investment in lease i.e. lease obligation and interest is payable in quarterly instalments at approximately ₹0.75 million.

(i) The preference shares carry 0.01% non cumulative dividend. Holders of preference shares have a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. There shares carrying face value of ₹2 per share are to be redeemed at a premium of 8% compounded annually. The shares are redeemable at December 31, 2020.

Redeemable Preference Shares

(₹ in million)

	March 31, 2020	March 31, 2019
Authorised shares (nos. million)		
36.40 (March 31, 2019: 36.40) redeemable preference shares of ₹2 each	72.80	72.80
Issued, subscribed and fully paid-up shares (nos. million)		
18 (March 31, 2019: 18) non cumulative redeemable preference shares of ₹2 each		
- Nominal Value	36.00	36.00
- Securities Premium	-	-

Terms/rights attached to equity shares

The non cumulative redeemable preference shares carry preference dividend at 0.01% per annum. Holders of preference shares have a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. These shares of face value of ₹2 per share were issued at par and will be redeemed at a premium of 8% compounded annually.

Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

	Nos. in million	₹ in million
At April 01, 2018	18.00	36.00
Add: Movement during the year	-	-
At March 31, 2019	**18.00**	**36.00**
Add: Movement during the year	-	-
At March 31, 2020	**18.00**	**36.00**

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

	March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding
Clix Finance India Private Limited	18.00	100.00%	18.00	100.00%

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NOTE 16B : SHORT TERM BORROWINGS

(₹ in million)

	March 31, 2020	March 31, 2019
Loan from related parties (refer Note 46)	20,480.64	9,090.64
Cash credit from banks (secured)	500.88	245.49
Working capital demand loans from banks (secured)	2,250.00	1,322.85
Packing credit (secured)	499.80	2,118.03
Other loan from banks (secured)	628.19	9.54
Suppliers credit (secured)	713.75	377.66
Suppliers credit (unsecured)	116.93	-
Total	**25,190.19**	**13,164.21**
The above amount includes		
Secured borrowings	4,592.62	4,073.57
Unsecured borrowings	20,597.57	9,090.64
Net amount	**25,190.19**	**13,164.21**

a) Unsecured Indian Rupee loan from subsidiary amounting to ₹19,430.64 million (March 31, 2019: INR 9090.64 million) carries nil rate of interest. The loan is repayable on demand on or before March 31, 2021.

b) Loan from related parties include an unsecured demand loan from PTC Cables Private Limited with an interest rate between 10.25% - 10.90% p.a. (SBI MCLR + 250 Basis points). Interest will be calculated on the basis of 360 days in a year consisting of 12 months of 30 days. The borrower shall pay the interest on the last day of the term. However, Company can repay the partial or full amount to the lender with prior not less than 10 days irrevocable notice or the lender may ask the repayment by giving 5 business day notice to the Company.

c) Cash credit is secured by hypothecation of raw materials , work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable as collateral charge. Few Cash credit limits are also secured by way of second charge over immovable fixed assets. The cash credit is repayable on demand and carries interest @ 9.10% - 13.35% p.a.

d) Working capital demand loans from banks are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge. Working Capital Demand Loan is generally taken for a period of less than 365 days and carries interest @ 8.15% - 13.35% p.a.

e) Export packing credits are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge. and is generally taken for a period of 180 days. It carries interest @ 9.25% - 9.5% p.a.

f) Unsecured suppliers credit consists of financing of payable to MSME vendors with banks and is generally taken for a period of not more than 90 days. It carries interest @ 8.3% - 9.25% p.a.

g) Suppliers' credit arrangements are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables. Suppliers' credit is repaid after a period of six months where foreign currency suppliers credit carry interest @ 2.30% - 3.37% p.a. in (excluding hedging premium) and domestic suppliers credit carry interest @ 7.90% - 13.27% p.a.

h) Other borrowings from banks consists of short term facility in the form of vendor financing which is repayable within period of 90 days and carries interest rate @8.25% p.a.

Notes to Financial Statements

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NOTE 17 : TRADE PAYABLES

(₹ in million)

	March 31, 2020	March 31, 2019
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 41)	835.77	72.83
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,851.17	6,471.58
Current		
Trade payables	4,587.48	5,974.60
Trade payables to related parties (refer note 46)	84.49	124.83
Operational suppliers credit (refer note 46)	3,014.96	444.98
Total	**7,686.94**	**6,544.41**

Trade payables are non-interest bearing and are normally settled on 60-90 days terms

a) Trade payables are non-interest bearing and are normally settled on 60-90 days terms

b) Operational supplier's credit are availed in Indian Rupees at an interest rate of 7.50% and is backed by standby letter of credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pair passus charge over the present and future current assets of the Company.

NOTE 18 : OTHER FINANCIAL LIABILITIES

(₹ in million)

	March 31, 2020	March 31, 2019
Non Current		
Other financial liabilities at amortised cost		
Long-term maturities of lease liabilities #	5.43	-
Payable for employee stock appreciation rights (refer Note 48)	-	45.89
Total non-current financial liabilities	**5.43**	**45.89**
Current		
Derivative instruments		
- Forward contracts	-	66.93
- Commodity futures	982.49	869.18
	982.49	**936.11**
Current maturities of long-term borrowings (refer Note 16A)	3,509.44	2,684.96
Current maturities of lease obligations (refer Note 16A)	40.01	0.41
Interest accrued and not due on Long term borrowings	-	10.20
Interest accrued and not due on short term borrowings	130.30	-
Interest free deposit from customers	0.92	1.47
Earnest money deposit from vendors	2.01	2.02
Payables for property plant & equipment*	30.04	194.77
Payable for employee stock appreciation rights (Refer note 48)	27.02	-
Others	193.43	15.86
Total	**4,915.66**	**3,845.80**

*Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-90 days terms. It also includes the current maturities of long term payables for purchase of property, plant and equipment which have been valued at amortised cost. It includes deferred payables for purchase of property, plant and equipment. Deferred payables where credit terms allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity future contracts, designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD) and Euros (EUR).

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Interest free deposits from customer and earnest money deposits to vendor are non interest bearing.

Other payables are non-interest bearing and have an average term of 30 -60 days.

Interest payable is normally settled within 30 days throughout the financial year.

For explanations on the Company's credit risk management processes, refer to Note 44.

#Finance lease obligation is secured by hypothecation of vehicles in favour of the employee taken on lease. The interest rate implicit in the lease ranges from 10.50 % p.a. to 11.65% p.a. The gross investment in lease i.e. lease obligation and interest is payable in monthly installments at approximately ₹0.20 million.

NOTE 19 : EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current		
Provision for employee benefits		
Provision for gratuity (refer Note 35)	47.55	39.82
Total	**47.55**	**39.82**
Current		
Provision for employee benefits		
Provision for gratuity (refer Note 35)	4.13	4.62
Provision for leave benefit	37.28	31.15
Total	**41.41**	**35.77**

NOTE 20: DEFERRED TAX LIABILITIES (NET)

(₹ in million)

	March 31, 2020	March 31, 2019
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	89.39	139.53
Fair valuation of land on transition date	38.86	38.86
Fair valuation of FVTOCI investments	7,539.56	8,815.84
Equity component of interest free loan received from subsidiary	-	393.08
Gross deferred tax liability	**7,667.81**	**9,387.31**
Deferred tax assets		
Provision for doubtful debts and advances	112.25	127.12
Business loss	194.05	298.12
Gross deferred tax assets	**306.31**	**425.24**
Net deferred tax liability	**7,361.50**	**8,962.07**

Reconciliation of deferred tax liability

(₹ in million)

	March 31, 2020	March 31, 2019
Opening deferred tax liability, net	8,962.07	5,482.50
Deferred tax credit recorded in statement of profit and loss	(88.42)	(324.36)
Deferred tax charge recorded in OCI	(1,276.28)	3,381.28
Deferred tax charge on equity component of loan accepted from subsidiary (refer Note 16A)	(235.87)	422.65
Closing deferred tax liability, net	**7,361.50**	**8,962.07**

Notes to Financial Statements

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The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(₹ in million)

	March 31, 2020	March 31, 2019
Profit or loss section		
Deferred Tax		
Relating to origination and reversal of temporary differences	(88.42)	(324.36)
Income tax expenses reported in the statement of profit or loss	**(88.42)**	**(324.36)**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:	1,276.28	(3,381.28)
Income tax charged through OCI	**1,276.28**	**(3,381.28)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

(₹ in million)

	March 31, 2020	March 31, 2019
Accounting profit before income tax	**(5,417.51)**	**(2,473.62)**
At India's statutory income tax rate of 25.17% (March 31, 2019: 34.94%)	(1,363.48)	(864.28)
Adjustments in respect of deferred tax of previous years	4.46	57.45
Deferred tax not created on business losses and other disallowances	1,070.91	316.17
Disallowance of amortisation of goodwill	119.79	166.30
Change in rate of tax	79.90	-
At the effective income tax rate of 1.63% (March 31, 2019: 34.94%)	**(88.41)**	**(324.38)**
Income tax expense reported in the statement of profit and loss	(88.42)	(324.36)

NOTE 21: OTHER LIABILITIES

(₹ in million)

	March 31, 2020	March 31, 2019
Current Liabilities		
Advance from customers (refer note 46)	1,211.58	340.67
GST payable	74.00	552.22
TDS payable	53.73	48.35
Contract liabilities related to EPC contracts (refer note 22)	365.14	326.12
Others	88.27	368.39
Total	**1,792.72**	**1,635.75**

NOTE 22: REVENUE FROM OPERATIONS

(₹ in million)

	March 31, 2020	March 31, 2019
Revenue from contracts with customers		
Sale of goods and services (See notes below)	19,853.41	24,263.73
Other operating revenue		
Sale of scrap	93.96	113.66
Export incentives #	46.64	92.18
Total revenue from operations	**19,994.01**	**24,469.57**
# Export incentive are subject to realisation of proceeds of exports from customers		
Type of goods or service:		
Revenue from sale of conductors and power cables	12,622.28	17,361.49
Revenue from Engineering, Procurement and Construction (EPC) contracts	5,056.71	6,730.55
Sale of traded goods	1,923.76	171.69
Revenue from Project Consultancy Services	250.66	-
Total revenue from contracts with customers	**19,853.41**	**24,263.73**

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	March 31, 2020	March 31, 2019
Geographical disaggregation:		
Within India	16,683.13	19,031.98
Outside India	3,170.28	5,231.76
Total revenue from contracts with customers	**19,853.41**	**24,263.73**
Timing of revenue recognition:		
Goods transferred at a point in time	14,546.04	17,533.19
Services transferred over time	5,307.37	6,730.55
Total revenue from contracts with customers	**19,853.41**	**24,263.73**

(a) Performance obligations

Information about the company's performance obligations are summarised below:

Revenue from sale of conductors and power cables

The performance obligation is satisfied upon delivery of conductor, power cable or aluminium traded rods and payment is generally due within 60 to 180 days from delivery Some contracts provide the company right to receive price variation from customers which are based on market metal prices and mutual agreement. Payment in such cases is generally due within 60 to 180 days from the agreement.

Revenue from Engineering, Procurement and Construction ('EPC') contracts

The performance obligation is satisfied progressively over the construction period, the Company's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

Project consultancy services

Project consultancy services represents the performance obligation for providing consultation services in relation to operation and maintenance of Grid assets of the customer and payment is generally due within 30 days from provision of service.

(b) Assets and liabilities related to contracts with customers

(₹ in million)

	March 31, 2020	March 31, 2019
Balances at the beginning of the year		
Trade receivables	7,384.43	9,160.44
Contract assets	2,741.50	350.44
Contract liabilities	326.12	97.18
Balances at the end of the year		
Trade receivables	5,353.65	7,384.43
Contract assets	2,202.98	2,741.50
Contract liabilities	365.14	326.12

The Company receives payments from customers based on a billing schedule, as established in the contracts. Contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) performed under the contract. Also there are no significant changes in the contract assets and contract liabilities balances during the reporting period.

(c) Revenue recognised in relation to contract liabilities

(₹ in million)

	March 31, 2020	March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the year	90.34	70.69

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(d) Transaction price allocated to the remaining performance obligations

(₹ in million)

	March 31, 2020	March 31, 2019
Expected to be recognised as revenue over the next one year	6,925.26	5,511.79
Expected to be recognised as revenue beyond next one year	-	-
Total	**6,925.26**	**5,511.79**
Sale of products		
Finished goods	12,622.29	21,274.46
Traded goods	1,923.76	204.31
Revenue from projects	5,056.60	2,760.34
Sale of services	250.77	24.48
Other operating revenue		
Scrap sales	93.96	113.66
Export incentive #	46.64	92.18
Revenue from operations	**19,994.01**	**24,469.43**

Export incentive are subject to realisation of proceeds of exports from customers

NOTE 23: FINANCE INCOME

(₹ in million)

	March 31, 2020	March 31, 2019
Interest income on		
Bank deposits	25.91	28.18
Loan to related parties (refer Note 46)	21.98	20.22
Gain on sale of mutual funds	2.68	3.24
Others	12.01	19.10
Total	**62.58**	**70.74**

NOTE 24: OTHER INCOME

(₹ in million)

	March 31, 2020	March 31, 2019
Management fee income from related parties (refer Note 46)	366.35	63.27
Profit on sale of property, plant and equipment (net)	4.27	5.23
Employees stock appreciation rights (refer Note 48)	18.88	-
Miscellaneous income	1.42	4.40
Total	**390.92**	**72.90**

NOTE 25: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	March 31, 2020	March 31, 2019
Inventory at the beginning of the year	1,001.96	1,486.02
Add: Purchases	11,837.08	13,852.50
	12,839.04	**15,338.52**
Less: Inventory at the end of the year	1,454.23	1,001.96
Cost of raw material and components consumed	**11,384.81**	**14,336.56**

Notes to Financial Statements

for the year ended March 31, 2020
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NOTE 26: CONTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	March 31, 2020	March 31, 2019
Constructions material purchased	2,722.26	3,926.73
Subcontracting charges*	876.65	875.26
Total	**3,598.91**	**4,801.99**

*These charges pertain to services availed in relation to construction contracts.

NOTE 27: INCREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	March 31, 2020	March 31, 2019
Opening inventories:		
Traded goods	7.46	38.59
Work-in-progress	391.96	287.63
Finished goods	391.98	201.03
	791.40	**527.25**
Closing inventories:		
Traded goods	34.90	7.46
Work-in-progress	264.51	391.96
Construction work in progress		
Finished goods	2,006.93	391.98
	2,306.34	**791.40**
Increase in inventories of finished goods, work-in-progress and traded goods	**(1,514.94)**	**(264.15)**

NOTE 28: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	1,216.54	894.79
Contribution to provident fund	37.73	28.31
Employees stock appreciation rights expense (refer Note 48)	-	36.03
Gratuity expense (refer Note 35)	12.58	8.14
Staff welfare expenses	44.75	39.50
Total	**1,311.60**	**1,006.77**

Notes to Financial Statements

for the year ended March 31, 2020
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NOTE 29: OTHER EXPENSES

(₹ in million)

	March 31, 2020	March 31, 2019
Consumption of stores and spares	84.63	93.58
Power, fuel and water	259.74	274.89
Loss on forfeiture of investment in equity shares (Refer Note 10A)	25.28	-
Repairs and maintenance		
- Building	0.57	1.66
- Machinery	80.17	86.19
Service expenses and labour charges	262.01	347.50
Consumption of packing materials	426.63	389.73
Sales commission	411.33	251.67
Sales promotion	22.38	19.70
Carriage outwards	416.79	454.37
Rent	131.95	125.02
Insurance	49.32	30.49
Rates and taxes	24.42	17.70
Travelling and conveyance	197.13	201.40
Bad debts / advances written off	23.80	0.61
Provision for doubtful debts	82.18	41.71
Directors sitting fee and commission	5.30	3.40
Legal and professional Fees	279.51	388.83
Payment to auditor (refer details below)	6.01	5.30
Miscellaneous expenses	485.10	500.32
Total	**3,274.26**	**3,234.07**

Payment to auditor

(₹ in million)

	March 31, 2020	March 31, 2019
As auditor:		
Audit fee (including audit of consolidated financial statements)	5.00	4.35
Tax audit fee	0.90	0.90
Other services (including certification fees)	0.11	0.05
Total	**6.01**	**5.30**

The Company is not required to spend on CSR as per Section 135 of the Companies Act,2013

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	March 31, 2020	March 31, 2019
Depreciation of tangible assets	271.38	289.14
Depreciation of right-of-use assets	32.44	0.04
Amortisation of intangible assets	33.33	14.94
Amortisation of goodwill	475.95	475.96
Total	**813.10**	**780.09**

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 31: FINANCE COST

(₹ in million)

	March 31, 2020	March 31, 2019
Interest on financial liabilities measured at amortised cost	2,251.04	2,725.63
Interest on lease liabilities	7.25	-
Bill discounting and factoring charges	134.64	181.11
Bank charges	139.67	145.00
Exchange difference to the extent considered as an adjustment to borrowing costs	2.33	2.38
Total	**2,534.93**	**3,054.12**

NOTE 32: EXCEPTIONAL ITEMS

(₹ in million)

	March 31, 2020	March 31, 2019
Ineffectiveness of derivative contracts designated as cash flow hedges*	2,565.95	-
Total	**2,565.95**	-

*During the year, the wholly owned subsidiary of the Company, Sterlite Power Grid Ventures Limited, has sold some of its investments in Brazilian transmission project entities. The contract for supply of conductor to these project entities have subsequently been cancelled, and this cancellation has been considered as a non-recurring event. The loss on cancellation of corresponding cash flow hedges entered for mitigation of risk of fluctuation in prices of aluminium and foreign currency has been disclosed as exceptional item.

NOTE 33: EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the 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 loss and share data used in the basic and diluted EPS computation

(₹ in million)

	March 31, 2020	March 31, 2019
Loss before exceptional item attributable to equity shareholders for computation of basic and diluted EPS	(2,763.14)	(2,149.26)
Loss after exceptional item attributable to equity shareholders for computation of basic and diluted EPS	(5,329.09)	(2,149.26)
Weighted average number of equity shares in calculating diluted EPS	61.18	61.18
Earnings per share		
Basis and diluted before exceptional item (on nominal value of ₹2 per share)	(45.16)	(35.13)
Basis and diluted after exceptional item (on nominal value of ₹2 per share)	**(87.10)**	**(35.13)**

NOTE 34: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to Financial Statements

for the year ended March 31, 2020
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Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis, are disclosed and further explained in Note 4A.

Revenue from contract with customers - EPC contracts
As described in Note 2.2, revenue and costs in respect of construction contracts are recognised by reference to stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Company estimates the total cost of the project at each period end. These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 35

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 and 43 for further disclosures.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The company has recognised deferred tax assets of ₹194.05 million (March 31, 2019: 298.11 million) on tax losses and unabsorbed depreciation carried forward. Further details on taxes are disclosed in Note 20.

Determining the lease term of contracts with renewal and termination options – Company as lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the

Notes to Financial Statements

for the year ended March 31, 2020
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renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, in case of office building, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. For leases pertaining to vehicles, Company has used implicit rate in agreement.

NOTE 35: GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan.
Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Changes in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of the year	44.44	32.35
Interest Cost	3.21	2.52
Current service cost	8.95	5.62
Liability Transferred In/Acquisitions	0.43	-
Liability Transferred Out/Divestments	(1.24)	-
Benefit paid directly by the employer	(3.99)	(2.77)
Actuarial (gain)/loss due to change in financial assumptions	0.26	4.36
Actuarial (gain)/loss on obligation due to experience	2.86	3.03
Actuarial (gain)/loss on obligation due to demographic assumptions	(3.24)	(0.67)
Present value of defined benefit obligation at the end of the year	51.68	44.44

Details of defined benefit obligation

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	51.68	44.44
Fair value of plan assets	-	-
Benefit liability	**51.68**	**44.44**

Net employee benefit expense recognised in the statement of profit and loss:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Current service cost	8.95	5.62
Liability Transferred In/Acquisitions	0.43	-
Interest cost on benefit obligation	3.21	2.52
Net benefit expense	**12.58**	**8.14**

Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Actuarial (gain)/loss on obligation for the year	(0.12)	6.72
Net (Income)/Expense for the period recognised in OCI	**(0.12)**	**6.72**

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for the year ended March 31, 2020
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Amounts for the current and previous periods are as follows:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	51.68	44.44
Plan assets	-	-
Surplus / (deficit)	51.68	44.44
Experience adjustments on plan liabilities	2.86	3.03

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate	5.76%	7.22%
Expected rate of return on plan asset	NA	NA
Employee turnover	20.00%	14.00%
Expected rate of salary increase	8.00%	9.50%
Actual rate of return on plan assets	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

Sensitivity Analysis

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Projected Benefit obligation on Current Assumptions	51.68	44.44
Delta Effect of +1% Change in Rate of Discounting	(2.02)	(2.40)
Delta Effect of -1% Change in Rate of Discounting	2.21	2.68
Delta Effect of +1% Change in Rate of Salary Increase	1.95	2.23
Delta Effect of -1% Change in Rate of Salary Increase	(1.84)	(2.10)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.47)	(0.46)
Delta Effect of -1% Change in Rate of Employee Turnover	0.49	0.49

Maturity Analysis of Projected Benefit Obligation: From the Employer (undiscounted)

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Projected Benefits Payable in Future Years from the date of Reporting		
1st Following Year	5.48	4.62
2nd Following Year	6.12	4.71
3rd Following Year	6.45	5.15
4th Following Year	5.55	5.61
5th Following Year	5.70	4.73
Sum of Years 6 to 10	23.96	20.37
Beyond 10 years	28.32	28.83

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NOTE 36: ADOPTION OF IND AS 116 "LEASES"

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/(decrease)) is, as follows:

Particulars	Amount (In Million)
Assets	
Right-of-use assets	
Vehicles	-
Office building	63.67
Total assets	**63.67**
Liabilities	
Lease liabilities	
Vehicles	-
Office building	69.95
Total liabilities	**69.95**
Total adjustment on equity:	
Retained earnings	**6.28**

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.2 (l) Leases for the accounting policy beginning April 01, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

A) Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019.

B) Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Based on the above, as at April 01, 2019:

- Right-of -use asset of ₹63.67 million was recognised and presented separately in the balance sheet.
- Additional lease liabilities of ₹69.95 million was recognised.
- The net effect of these adjustments had been adjusted to retained earnings amounting to ₹6.28 million.

Notes to Financial Statements

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The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount (In Million)
Operating lease commitments as at March 31, 2019	13.46
Add: Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	73.32
Less: Commitments relating to leases of low-value assets	7.25
Net Long Term Lease Liability disclosed in the Financials as on March 31, 2019	**79.53**
Weighted average incremental borrowing rate as at April 01, 2019	12.50%
Discounted operating lease commitments as at April 01, 2019	59.12
Less:	
Commitments relating to leases of low-value assets	-
Add:	
Difference in Lease liabilities and PV of cash flows as on April 01, 2019 on account of discounting net of adjustment in Retained Earnings	4.55
Impact due to retrospective application of Ind AS 116	6.28
Lease liabilities as at April 01, 2019	**69.95**

NOTE 37: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹60.07 million (March 31, 2019: ₹76.87 million).

NOTE 38: CONTINGENT LIABILITIES

(₹ in million)

	Particulars	March 31, 2020	March 31, 2019
1	Disputed liabilities in appeal		
	a) Service tax	-	3.24
	b) Excise duty	76.40	127.18
	c) Value Added Tax (VAT)	80.77	82.90
2	Corporate guarantees given on behalf of its related parties for loans and hedging facilities taken from bank/ financial institution and settlement of arbitration proceedings (to the extent of loans and hedging facilities outstanding as at balance sheet date)	688.60	186.25
3	Bank guarantee given to Long Term Transmission Customers on behalf of its subsidiary companies.	6.30	538.37

The Company has not provided for disputed excise duty and value added tax arising from disallowances made in assessments which are pending with appellate authorities for its decision. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

NOTE 39: HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts

Foreign exchange forward contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments, majorly for sales and purchases in USD and EUR. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

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Commodity future contracts

Commodity future contracts entered on London Metal Exchange (LME) measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for purchases of aluminium and copper. The futures contract balances vary with the level of expected quantity of purchases of aluminium and copper. The terms of the future contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges during the year ended March 31, 2020 were assessed to be highly effective, except for as disclosed in Note 32, and a net unrealised loss of ₹1,528.26 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended March 31, 2019 were assessed to be highly effective and an unrealised loss of ₹1,168.42 million was included in OCI in respect of these contracts. The amounts retained in OCI at March 31, 2020 are expected to mature and affect the statement of profit and loss by March 31, 2021.

NOTE 40: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the Company, for hedge purpose, as on March 31, 2020

Purpose	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
March 31, 2020				
Hedge of payables, suppliers credit and highly probable purchases *	USD 70.74	5,332.80	Buy	99
Hedge of trade receivables, margin money deposits and highly probable sale	USD 88.62	6,680.70	Sell	84
Hedge of payables and highly probable purchases	EUR 0.25	20.76	Buy	1
Hedge of trade receivables and highly probable sale	EUR 3.70	307.28	Sell	15
March 31, 2019				
Hedge of payables, suppliers credit and highly probable purchases *	USD 91.17	6,306.07	Buy	229
Hedge of trade receivables, margin money deposits and highly probable sale	USD 67.05	4,637.80	Sell	67
Hedge of payables and highly probable purchases	EUR 2.43	188.43	Buy	1
Hedge of trade receivables and highly probable sale	EUR 5.48	426.09	Sell	15
Hedge of trade receivables and highly probable sale	BRL 52.31	924.73	Sell	11

*Includes foreign currency forward contracts of US $ 1.58 million (March 31, 2019: US $ 7.19 million) hedged on behalf of Sterlite Power Grid Ventures Limited.

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amounts payable in foreign currency on account of the following:

(₹ in million)

Category	Currency type	March 31, 2020		March 31, 2019	
		Foreign currency	Amount	Foreign currency	Amount
Import of goods and services	EUR	0.01	0.93	-	-
Import of goods and services	USD	0.09	6.49	0.01	0.89

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(c) Commodity future contracts to hedge against fluctuation in commodity prices:
The following are the outstanding future contracts entered into by the company as on March 31, 2020:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
March 31, 2020 #	Aluminium	157	119,760	Buy
March 31, 2020	Aluminium	120	102,595	Sell
March 31, 2020	Copper	5	137	Buy
March 31, 2020	Copper	4	104	Sell
March 31, 2020	Midwest premium on aluminium	16	5,650	Buy
March 31, 2019 #	Aluminium	256	106,294	Buy
March 31, 2019	Aluminium	37	12,561	Sell
March 31, 2019	Copper	10	795	Buy
March 31, 2019	Copper	2	354	Sell
March 31, 2019	Midwest premium on aluminium	28	11,825	Buy

Includes commodity futures contracts of 778 MT (March 31, 2019 : 3,234 MT) of aluminium entered on behalf of Sterlite Power Grid Ventures Limited.

NOTE 41: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

(₹ in million)

Description	**March 31, 2020**	March 31, 2019
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	835.77	72.83
Interest due on above	31.29	1.95
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	31.29	1.95
(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 Enterprise Development Act, 2006	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent of ₹31.29 million (March 31, 2019 : Nil) is accrued in the books of account and to the extent of ₹1.95 million (March 31, 2019 : ₹1.95 million) is not accrued in the books of account.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the suppliers/informations available with the Company regarding their status under MSMED Act, 2006.

Notes to Financial Statements

for the year ended March 31, 2020
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NOTE 42 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Financial assets				
Investment in subsidiaries	50,234.22	58,881.06	50,234.22	58,881.06
Investment others	112.45	112.45	112.45	112.45
Investment in mutual funds	-	68.84	-	68.84
Derivative instruments	90.64	-	90.64	-
Total	**50,437.32**	**59,062.34**	**50,437.32**	**59,062.34**
Financial liabilities				
Payable for ESAR	27.02	45.89	27.02	45.89
Derivative instruments	982.49	936.11	982.49	936.11
Total	**1,009.51**	**982.01**	**1,009.51**	**982.01**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporates various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The fair values of commodity futures contracts are based on price quotations on LME at the reporting date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

Description of significant unobservable inputs to valuation:

A. **FVTOCI assets - Unquoted equity instruments of Sterlite Power Grid Ventures Limited ('SPGVL')**

The fair value of the investments in equity instruments of SPGVL (Equity shares) have been determined based on the fair values of the various transmission projects owned by Indian and Brazilian subsidiaries of SPGVL and the fair value of the EPC business undertaken by SPGVL (for its subsidiaries which are transmission project entities). Such fair values have been computed based on Comparable Company Market Multiples (CCM) method for EPC business and discounted cash flow (DCF) method for all transmission projects as at March 31, 2020 and have been computed based on discounted cash flow (DCF) method for EPC business and for all transmission projects as at March 31, 2019.

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

S.N.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value (of equity shares	
				March 31, 2020	March 31, 2019
(i)	Change in multiple	EV/EBITDA multiple-	0.5% increase	399.93	NA
		March 31, 2020- 4.0x March 31, 2019- NA	0.5% decrease	(399.93)	NA
(ii)	Cost of Equity	(i) Operational Projects/projects nearing completion - March 31, 2020 - NA March 31, 2019 - 13% - 14%	0.5% increase	(245.63)	(1,125.04)
		(ii) New/under construction project - March 31, 2020 - 13.25% - 14.25% March 31, 2019 - 14% - 16% (iii) EPC Business March 31, 2020 - NA March 31, 2019 - 12.85%	0.5% decrease	272.71	1,229.25
(iii)	Cost of Debt	(i) Transmission projects March 31, 2020 - 8.50% March 31, 2019 - 8.50% to 8.95%	0.5% increase	(482.72)	(1,340.00)
		(ii) EPC Business March 31, 2020 - NA March 31, 2019 - 8.81%	0.5% decrease	480.25	1,320.00
(iv)	Incremental tariff expected to be approved by CERC in respect of cost overruns due to force majeure/change in law (as % of non-escalable tariff)	Incremental tariff has been considered in the fair valuation of Gurgaon Palwal Transmission Limited, Khargone Transmission Limited and NER-II Transmission Limited as at March 31, 2020 and March 31, 2019	Increase by 5% (of non-escalable tariff)	109.64	60.00
			Decrease by 5% (of non-escalable tariff)	(109.64)	(60.00)
(v)	Debt refinancing after completion of the project (for under construction assets)	Refer note below	10% increase	NA	1,420.00
			10% decrease	NA	(1,370.00)
(vi)	Project cost (for under construction assets)	Refer note below	5% increase	(2,472.00)	(2,580.00)
			5% decrease	2,453.00	2,590.00
(vii)	Coupon rate for investments which will be transferred	March 31, 2020 - 8.5% March 31, 2019 - 9%	0.25% increase	(1,519.55)	(1,240.00)
			0.25% decrease	1,526.80	1,240.00

Note:

(₹ in million)

Project	Debt refinancing after completion of project		Project cost	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Khargone Transmission Limited*	-	-	-	11,850.00
Gurgaon-Palwal Transmission Limited*	-	-	-	8,260.00
NER-II Transmission Limited*	-	8,200.00	-	22,120.00
Lakadia Vadodara Transmission Project Limited	NA	-	-	-
Goa-Tamnar Transmission Project Company Limited	NA	1,850.00	-	9,587.00

*These projects are to be transferred by SPGVL to India Grid Trust.

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(b) Investment in Brazilian transmission projects:

(₹ in million)

S.N.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value of equity shares	
				March 31, 2020	March 31, 2019
(i)	Cost of Equity	(i) Operational Projects/projects nearing completion - March 31, 2020 - 11.5% March 31, 2019 - 13% (ii) New/under construction project - March 31, 2020 - 13.5% March 31, 2019 - 14%	0.5% increase	(11.21)	(842.37)
			0.5% decrease	12.23	912.86
(ii)	Cost of Debt	March 31, 2020 - 5% to 6%	0.5% increase	(16.51)	(1,030.33)
		March 31, 2019 - 6% to 12%	0.5% decrease	16.32	1,001.79
(iii)	Inflation	March 31, 2020 - 3.50%	0.5% increase	3.25	997.63
		March 31, 2019 -4%	0.5% decrease	(3.16)	(920.97)
(iv)	Project cost (for under construction assets)		5% increase	(45.92)	(2,036.67)
			5% decrease	47.98	1,954.90

B. FVTOCI assets - Unquoted equity instruments of Sharper Shape Group Inc.

Valuation technique: Discounted Cash Flow (DCF) method

(₹ in million)

S.N.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value of equity shares	
				March 31, 2020	March 31, 2019
(i)	Long-term growth rate for cash flows for subsequent years	March 31, 2020: 3%	2% increase	6.92	3.51
		March 31, 2019: 3%	2% decrease	(5.69)	(3.51)
(ii)	Long-term operating margin	March 31, 2020: 30.00%	1% increase	2.13	4.01
		March 31, 2019: 10.48%	1% decrease	(2.13)	(4.01)
(iii)	WACC (pre-tax)	March 31, 2020: 23.40%	1% increase	(7.83)	(8.25)
		March 31, 2019: 22.92%	1% decrease	8.68	8.25
(iv)	Discount for lack of marketability	March 31, 2020: 10%	5% increase	(6.27)	(6.25)
		March 31, 2019: 10%	5% decrease	6.27	6.25

C. FVTOCI assets - Unquoted equity instruments of Sterlite Investment Managers Limited (SIML)

As at March 31, 2019, the Company was in process of selling its stake in SIML to an Investor. It had signed a binding agreement for sale of 74% of its stake in SIML to an investor at an agreed price in different tranches (refer note 10A). For the balance 26% stake in total share capital of SIML, the Company had put option with agreed put price. Hence, sensitivity in respect of the same had not been disclosed in previous year.

Notes to Financial Statements

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NOTE 43 : FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020 and March 31, 2019

(₹ in million)

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at March 31, 2020	-	-	-	-
As at March 31, 2019	68.84	68.84	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at March 31, 2020	43,678.12			43,678.12
As at March 31, 2019	48,894.96	-	-	48,894.96
Derivative liabilities (net of assets)				
As at March 31, 2020	891.84	-	891.84	-
As at March 31, 2019	936.11	-	936.11	-

There have been no transfers among Level 1, Level 2 and Level 3.

NOTE 44 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Company reviews and agrees policies for managing each of these risks, which are summarised below

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit Risk, Liquidity Risk and Market risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analysis:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019

Notes to Financial Statements

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Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate primarily relates to the Company's long term debt obligations with floating interest rates.

The Company is exposed to the interest rate fluctuation in domestic borrowing. The Company has all its borrowing on floating rate of interest.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on that portion of loans and borrowings affected. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in million)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
March 31, 2020		
Base Rate	+50	31.05
Base Rate	-50	(31.05)
March 31, 2019		
Base Rate	+50	38.11
Base Rate	-50	(38.11)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Company has hedged the exposure of 99.94% as at March 31, 2020 and 99.96% as at March 31, 2019.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows-

(₹ in million)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
March 31, 2020	+5%	(0.32) / (0.21)	+5%	(0.05) / (0.03)
	-5%	0.32 / 0.21	-5%	0.05 / 0.03
March 31, 2019	+5%	(0.04)/(0.03)	+5%	*0.00/*0.00
	-5%	0.04/0.03	-5%	*0.00/*0.00

*below ₹0.01 million

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Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of aluminium and copper for manufacture of conductor and OPGW, power cables and therefore require a continuous supply of aluminium and copper. Due to the volatility of the price of aluminium and copper, the Company enters into various purchase contracts for aluminium and copper on London Metal Exchange. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1 month forecast of the required copper, and aluminium supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Equity price risk

The Company's non-listed equity securities, redeemable preference shares and compulsorily convertible preference shares are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to non-listed equity securities, redeemable preference shares was ₹43,678.12 million (March 31, 2019: ₹48,894.95 million).

Sensitivity analysis of these investments have been provided in Note 42

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financials guarantee given by the Company on behalf of subsidiaries. The Company's maximum exposure in this regard is the maximum amount company could have to pay if the guarantee is called on as at March 31, 2020 ₹694.90 million (March 31, 2019: ₹724.62 million). These financial guarantees have been issued to bank and long term transmission customer on behalf of its subsidiaries . Based on the expectations at the end of reporting period, the company considers likelihood of any claim under guarantee is remote.

Factoring

The company has entered into an arrangement with HDFC Bank for non recourse factoring pursuant to which the company has derecognised trade receivables of Nil (March 31, 2019: 750.43 million)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in Note 39 and the liquidity table below:

(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 growth projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 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:

₹ in million

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2020						
Borrowings	20,981.52	4,208.67	0.00	-	-	25,190.19
Lease Liability	-	10.61	32.54	6.89	-	50.03
Other financial liabilities	-	3,597.67	265.45	-	-	3,863.12
Trade payables	-	7,686.94	-	-	-	7,686.94
Payables for purchase of property, plant and equipment	-	30.04	-	-	-	30.04
Derivatives	-	-	982.49	-	-	982.49
Financial guarantee contracts*	694.90	-	-	-	-	694.90
	21,676.42	**15,533.92**	**1,280.48**	**6.89**	**-**	**38,497.71**
As at March 31, 2019						
Borrowings	245.49	3,828.08	9,090.64	13,724.06	-	26,888.26
Other financial liabilities	-	1,653.42	1,061.50	45.89	-	2,760.82
Trade payables	-	6,471.58	-	-	-	6,471.58
Payables for purchase of property, plant and equipment	-	194.77	-	-	-	194.78
Derivatives	-	112.53	823.58	-	-	936.12
Financial guarantee contracts*	724.63	-	-	-	-	724.64
	970.12	**12,260.36**	**10,975.71**	**13,769.95**	**-**	**37,976.20**

*Based on the maximum amount that can be called for under the financial guarantee contract. Financial guarantee contract pertains to guarantees given to term loan lender, long term transmission customer on behalf of subsidiaries. These will be invoked in case of default by subsidiaries.(refer Note 37)

NOTE 45: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

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(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Interest bearing loans and borrowings (Net of redeemable preference shares from SPGVL)	22,201.39	29,573.64
Trade payables	7,686.94	6,544.41
Other financial liabilities	258.85	260.00
Less: cash and short-term deposits and current Investments	(185.04)	(11,298.09)
Net debt	**29,962.15**	**25,079.96**
Equity share capital	122.36	122.36
Other equity	19,498.97	29,396.27
Total capital	**19,621.32**	**29,518.64**
Capital and net debt	**49,583.47**	**54,598.60**
Gearing ratio	60.43%	45.94%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The company has breached some debt covenants during the current year for which the company has accrued additional interest as per the terms of the borrowings agreed with the lender. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period except the one specified in note 16A(b).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

NOTE 46: RELATED PARTY DISCLOSURES

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

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

(ii) Subsidiaries

Sterlite Power Grid Ventures Limited
Sterlite Investment Managers Limited (Till July 30, 2019)
Sterlite Grid 2 Limited (Till June 03, 2019)
Sterlite Grid 3 Limited (Till June 28, 2019)
Sterlite Grid 4 Limited
Sterlite Grid 5 Limited
Sterlite Grid 6 Limited
Sterlite Grid 7 Limited
Sterlite Grid 8 Limited
Sterlite Grid 9 Limited
Sterlite Grid 10 Limited
Sterlite Grid 11 Limited
Sterlite Grid 12 Limited
Sterlite Grid 13 Limited
Sterlite Grid 14 Limited
Sterlite Grid 15 Limited
Sterlite Grid 16 Limited
Sterlite Grid 17 Limited
Sterlite Grid 18 Limited
Sterlite Grid 19 Limited
Sterlite Grid 20 Limited
Sterlite Grid 21 Limited
Sterlite Grid 22 Limited
Sterlite Grid 23 Limited

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Sterlite Grid 24 Limited
Sterlite Grid 25 Limited
Sterlite Grid 26 Limited
Sterlite Grid 27 Limited
Sterlite Grid 28 Limited
Sterlite Grid 29 Limited
Sterlite Grid 30 Limited (Formerly known as NRSS XXIX (JS) Transmission Limited)
Sterlite EdIndia Foundation
East-North Interconnection Company Limited (Till March 23, 2020)
NRSS XXIX Transmission Limited (Till June 03, 2019)
Odisha Generation Phase II Transmission Limited (Till June 28, 2019)
Gurgaon Palwal Transmission Limited
NER II Transmission Limited
Sterlite Convergence Limited
Goa Tamnar Transmission Limited
Khargone Transmission Limited
Lakadia Vadodara Transmission Project Limited (From November 26, 2019)
Udupi Kasargode Transmission Limited (From September 12, 2019)
Se Vineyards Power Transmission S.A., Brazil
Arcoverde Transmissao De Energia S.A., Brazil (Till March 13, 2020)
Sterlite Brazil Participicos,S.A., Brazil
Sterlite Novo Estado Energia S.A, Brazil (Till March 03, 2020)
Dunas Transmissão de Energia S.A
Borborema Transmissão de Energia S.A.
São Francisco Transmissão de Energia S.A.
Goyas Transmissão de Energia S.A.
Marituba Transmissão de Energia S.A.
Solaris Transmissão de Energia S.A.
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A) (Till March 10, 2020)
Castelo Transmissao de Energia S.A

(iii) **Associates**

India Grid Trust
Sterlite Investment Managers Limited (from July 31, 2019)
Sterlite Interlinks Limited (from May 29, 2019)

(iv) **Subsidiaries of associate**

Sterlite Grid 1 Limited
Sterlite Grid 2 Limited (from June 04, 2019)
Sterlite Grid 3 Limited (from June 29, 2019)
Jabalpur Transmission Company Limited
Bhopal Dhule Transmission Company Limited
Purulia & Kharagpur Transmission Company Limited
RAPP Transmission Company Limited
Maheshwaram Transmission Limited
Patran Transmission Company Limited
NRSS XXIX Transmission Limited (from June 04, 2019)
Odisha Generation Phase II Transmission Limited (from June 29, 2019)
East-North Interconnection Company Limited (from March 24, 2020)

Notes to Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ million unless otherwise stated)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) **Key Management Personnel (KMP)**

Mr. Pratik Agarwal (Managing Director)

Mr. Anuraag Srivastava (Chief Financial Officer)

(ii) **Fellow subsidiaries**

Vedanta Limited

Fujairah Gold FZC

Bharat Aluminium Company Limited

Hindustan Zinc Limited

Sterlite Technologies Limited

Sterlite Power Technologies Private Limited

Maharashtra Transmission Communication Infrastructure Limited

Electrosteel Steels Limited

(c) Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year

(i) **Key Management Personnel (KMP)**

Mr. Ashok Ganesan (Company Secretary)

Mr. Arun Todarwal (Director)

Mr. Lalit Tandon (Director) (Till May 15, 2019)

Ms. Zhao Haixia (Director) (From August 08, 2020)

Mr. A.R. Narayanswamy (Director)

Ms. Avaantika Kakkar (Director)

(ii) **Entities in which directors are interested**

PTC Cables Private Limited

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

(₹ in million)

S. No.	Particulars	Subsidiaries		Associates		KMP		Fellow subsidiaries		Subsidiaries of associate		Entities in which directors are interested	
	Transactions	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19
1	Investment in equity shares of related parties	0.50	-	0.05	-	-	-	-	-	-	-	-	-
2	Loss on forfeiture of investment in related party	25.78	-	-	-	-	-	-	-	-	-	-	-
3	Redemption of preference shares in related party	3,430.00	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances given	1.60	50.70	-	-	-	-	-	75.00	-	-	-	-
5	Loans and advances received	-	10,390.64	-	-	-	-	-	-	-	-	1,500.00	-
6	Repayment of loans received	610.00	-	-	-	-	-	-	-	-	-	-	-
7	Purchase of goods	-	-	-	-	-	-	10,149.31	11,127.25	-	-	-	-
8	Sale of project consultancy services	250.00	-	-	-	-	-	-	-	-	-	-	-
9	Sale of goods	900.58	1,182.91	114.89	-	-	-	8.68	30.15	4.31	6.58	-	-
10	Revenue from EPC contracts	155.38	144.23	-	-	-	-	-	-	1.19	-	-	-
11	Interest paid	-	-	-	-	-	-	258.64	-	-	-	103.08	-
12	Interest received	-	-	-	-	-	-	21.98	11.05	-	-	-	-

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

S. No.	Particulars	Subsidiaries		Associates		KMP		Fellow subsidiaries		Subsidiaries of associate		Entities in which directors are interested	
	Transactions	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19
13	Advance received against supplies	924.41	145.68	-	-	-	-	-	-	-	-	-	-
14	Management fees received	366.35	63.27	-	-	-	-	-	-	-	-	-	-
15	Management fees paid	-	-	-	-	-	-	-	30.00	-	-	-	-
16	Reimbursement of expenses paid to related parties	28.94	-	-	-	-	-	1.49	6.92	-	-	-	-
17	Reimbursement of expenses recovered from related parties	3.03	26.17	-	-	-	-	0.19	-	-	-	-	-
18	Purchase of power	-	-	-	-	-	-	34.14	16.83	-	-	-	-
19	Capital advances paid	-	-	-	-	-	-	-	-	-	2.00	-	-
20	Purchase of fixed assets	-	-	-	-	-	-	-	-	8.00	-	-	-
21	Sale of fixed assets	-	-	-	-	-	-	3.51	-	-	-	-	-
22	Remuneration	-	-	-	-	69.25	71.21	-	-	-	-	-	-
23	Directors sitting fee	-	-	-	-	5.30	3.10	-	-	-	-	-	-
24	Rent expense paid	-	-	-	-	-	-	1.94	-	-	-	-	-
25	Recovery of other receivables	-	-	-	-	-	-	-	47.67	-	-	-	-
	Outstanding balances												
1	Advance outstanding against supplies	474.41	145.68	-	-	-	-	-	-	-	-	-	-
2	Loans/advance receivables (including interest receivable) ##	52.30	50.70	-	-	-	-	282.84	263.98	-	-	-	-
3	Loan payable (including interest payable)	18,980.64	19,590.64	-	-	-	-	1,592.77	-	-	-	-	-
4	Capital advance	-	-	-	-	-	-	-	-	-	2.00	-	-
5	Trade receivables	205.93	928.36	41.57	-	-	-	5.25	16.25	-	0.58	-	-
6	Contract assets	195.51	-	-	-	-	-	-	-	-	-	-	-
7	Management fee receivable	-	68.33	7.47	-	-	-	-	-	-	-	-	-
8	Trade payables (including operational supplier's credit)	9.26	-	-	-	-	-	3,090.19	569.81	-	-	-	-
9	Contract liabilities	-	-	-	-	-	-	-	-	5.30	-	-	-
10	Other receivables	3.86	-	-	-	-	-	23.16	-	27.96	44.87	-	-
11	Corporate and bank guarantees given and outstanding	6.30	538.37	500.00	-	-	-	188.60	186.25	-	-	-	-

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(C) Disclosure in respect of material related party transactions during the year:

(₹ in million)

	Particulars	Relationship	March 31, 2020	March 31, 2019
1	**Investment in equity shares of related parties**			
	Sterlite Edindia Foundation	Subsidiary	0.50	-
	Sterlite Interlinks Limited $	Associate	0.05	-
2	**Loss on forfeiture of investment in related party**			
	Sterlite Investment Managers Limited	Subsidiary	25.78	-
3	**Redemption of preference shares in related party**			
	Sterlite Power Grid Ventures Limited	Subsidiary	3,430.00	-
4	**Loans and advances given**			
	Sterlite Technologies Limited	Fellow subsidiary	-	75.00
	Sterlite Convergence Limited	Subsidiary	1.60	50.70
5	**Loans and advances received**			
	Sterlite Power Grid Ventures Limited	Subsidiary	-	10,390.64
	PTC Cables Private Limited	Entity in which director is interested	1,500.00	-
6	**Repayment of loans received**			
	Sterlite Power Grid Ventures Limited	Subsidiary	610.00	-
7	**Purchase of goods**			
	Vedanta Limited	Fellow subsidiary	8,122.29	10,297.27
	Bharat Aluminium Company Limited	Fellow subsidiary	1,631.15	588.06
	Electrosteel Steels Limited	Fellow subsidiary	189.25	-
	Sterlite Technologies Limited	Fellow subsidiary	96.92	228.23
	Fujairah Gold FZC	Fellow subsidiary	94.68	-
	Hindustan Zinc Limited	Fellow subsidiary	15.03	13.68
8	**Sale of project consultancy services**			
	Sterlite Power Grid Ventures Limited	Subsidiary	150.00	-
	East-North Interconnection Company Limited	Subsidiary	100.00	-
9	**Sale of goods**			
	Sterlite Power Grid Ventures Limited	Subsidiary	899.82	1,156.49
	Sterlite Interlinks Limited	Associate	114.89	-
	Vedanta Limited	Fellow subsidiary	4.41	-
	Sterlite Technologies Limited	Fellow subsidiary	2.31	16.38
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	1.95	-
	Jabalpur Transmission Company Limited	Subsidiary of associate	4.31	-
	East-North Interconnection Company Limited	Subsidiary	0.76	26.42
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	6.58
	Hindustan Zinc Limited	Fellow subsidiary	-	13.77
10	**Revenue from EPC contracts**			
	Sterlite Convergence Limited	Subsidiary	81.17	144.23
	Sterlite Power Grid Ventures Limited	Subsidiary	4.44	-
	Jabalpur Transmission Company Limited	Subsidiary of associate	1.19	-
	East-North Interconnection Company Limited	Subsidiary	69.78	-
11	**Interest paid**			
	PTC Cables Private Limited	Entity in which director is interested	103.08	-
	Vedanta Limited	Fellow subsidiary	204.24	-
	Bharat Aluminium Company Limited	Fellow subsidiary	54.40	-
12	**Interest received**			
	Sterlite Power Technologies Private Limited	Fellow subsidiary	9.26	11.05
	Sterlite Technologies Limited	Fellow subsidiary	12.71	-

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Particulars	Relationship	March 31, 2020	March 31, 2019
13	**Advance received against supplies**			
	Sterlite Power Grid Ventures Limited	Subsidiary	924.41	145.68
	Sterlite Convergence Limited	Subsidiary	30.00	-
14	**Management fees received**			
	Sterlite Investment Managers Limited	Subsidiary	35.45	63.27
	Sterlite Power Grid Ventures Limited	Subsidiary	330.90	-
15	**Management fees paid**			
	Sterlite Technologies Limited	Fellow subsidiary	-	30.00
16	**Reimbursement of expenses paid to related parties**			
	Sterlite Technologies Limited	Fellow subsidiary	1.49	6.92
	Sterlite Power Grid Ventures Limited	Subsidiary	28.94	-
17	**Reimbursement of expenses recovered from related parties**			
	Sterlite Investment Managers Limited	Subsidiary	3.03	-
	Sterlite Power Technologies Private Limited	Fellow subsidiary	0.19	-
	Sterlite Power Grid Ventures Limited	Subsidiary	-	26.17
18	**Purchase of power**			
	Vedanta Limited	Fellow subsidiary	34.14	16.83
19	**Capital advances paid**			
	Sterlite Grid 1 Limited	Subsidiary of associate	-	2.00
20	**Purchase of fixed assets**			
	Sterlite Grid 1 Limited	Subsidiary of associate	8.00	-
21	**Sale of fixed assets**			
	Sterlite Technologies Limited	Fellow subsidiary	3.51	-
22	**Remuneration**			
	Mr. Pratik Agarwal	KMP	41.20	48.69
	Mr. Anuraag Srivastava	KMP	21.16	15.97
	Mr. Ashok Ganesan	KMP	6.89	6.55
23	**Directors sitting fee**			
	Mr. Arun Todarwal	KMP	2.25	1.53
	Mr. Lalit Tandon	KMP	0.35	1.58
	Mr. A.R. Narayanaswamy	KMP	1.70	-
	Ms. Zhao Haixia	KMP	1.00	-
24	**Rent expense paid**			
	Vedanta Limited	Fellow Subsidiary	1.94	-
25	**Recovery of other receivables**			
	Sterlite Technologies Limited	Fellow subsidiary	-	47.67

(D) Compensation of key management personnel of the company:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Short term employee benefits	69.25	71.21
Post employment benefits#	-	-

#As the liabilities for gratuity and leave encashment are provided on the basis of actuarial valuation for the Company as a whole, the amounts pertaining to the Key Management Personnel are not included above.

The Company has given loan of 162.50 million to Sterlite Power Technologies Private Limited which carries an interest at the rate of 5.70%. The balance outstanding as on March 31, 2020 includes interest accrued of ₹31.28 million.

$ Share of Sterlite Interlinks Limited are bought from Mr. Pratik Agarwal (Managing Director) at fair value of ₹10 per share.

Note

All the related party transactions disclosed above have been shown at their nominal values without giving effect to the impact of reclassification into equity and liability and adjustment arising on account of effective interest rate method under Ind AS.

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 47: SEGMENT INFORMATION

Operating segment

The Company's operations predominantly relate to power product and solutions and accordingly this is the only reportable segment in the context of Indian Accounting Standard 108 . Hence no separate disclosure under Indian Accounting Standard 108 is considered necessary.

Geographic information

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

(₹ in million)

Revenues from external customers	March 31, 2020	March 31, 2019
India	16,823.73	19,237.81
Outside India	3,170.28	5,231.76
Total	**19,994.01**	**24,469.57**

Non- current assets*

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
India	2,465.68	3,052.03
Outside India	-	-
Total	**2,465.68**	**3,052.03**

*Non-current assets are Property, plant and equipment including capital work in progress and intangible assets including intangible assets under development

NOTE 48: EMPLOYEE STOCK APPRECIATION RIGHTS

During the year ended March 31, 2020, the Company granted 85,943 (March 31, 2019 : 2,18,625) Employee Stock Appreciation Rights (ESARs) to eligible employees and cancelled 38,000 (March 31, 2019: 1,55,700) ESARs due to separation or otherwise, under the Employee Stock Appreciation Rights 2017 ("ESAR 2017") Plan ("Plan") as approved by the Committee formed under the Plan vide Board Resolution dated October 08, 2017.

Following is the reconciliation of provision for ESAR outstanding -

Particulars	March 31, 2020		March 31, 2019	
	Numbers	Amount (₹ in million)	Numbers	Amount (₹ in million)
Opening balance as at the beginning of the year	**360,825**	**45.89**	**297,900**	**9.86**
ESARs granted during the year	85,943	10.94	218,625	7.23
ESARs cancelled during the year	(38,000)	(4.84)	(155,700)	(5.15)
Payment towards ESARs vested	-	-	-	-
Balance	**408,768**	**51.99**	**360,825**	**11.94**
Accrual for the year at previous years FMV	-	34.68	-	23.88
Impact of increase/(decrease) in FMV of equity share	-	(59.66)	-	10.07
Closing balance as at the end of the year	**408,768**	**27.02**	**360,825**	**45.89**

Vesting of ESARs is subject to continued employment with the Company. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the SAR price (i.e the base price defined on the grant date of SAR) specified in the Scheme. The FMV is determined by the Committee based on the valuation and other relevant factors. As at March 31, 2020, excess of FMV over SAR price specified in the ESAR Scheme 2017 is ₹66.09 (March 31, 2019: 127.19) per share. Accordingly, the Company has recognised a reversal of expense of ₹18.88 million in the statement of profit and loss during the year ended March 31, 2020. Comparatively, the Company had accrued an expense of ₹36.03 million in the statement of profit and loss during the year ended March 31, 2019.

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 49: IMPACT OF COVID-19 ON USE GOING CONCERN ASSUMPTION

a. The COVID pandemic is rapidly spreading throughout the world. The Company's plants and offices were under lockdown since March 25, 2020. As a result of the lockdown, the operations of the Company have been impacted from the last week of March 2020 to mid of April 2020. However, as electricity has been declared as an essential commodity by the government, the operations of the Company relating to manufacturing and supply of components for generation and supply of electricity have resumed in a phased manner since then. In assessing the liquidity position for the next one year and recoverability of Company's assets such as investments, loans, Property, plant and equipment, trade receivables, inventory etc. the Company has considered internal and external information upto the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used for cash flow projections basis the internal and external information / indicators of future economic conditions and expect to recover the carrying amount of these assets. Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Company.

   Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Management believes that it has taken all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact. However, the estimate of the impact of COVID-19 may differ from the same ascertained up to the date of approval of these financial statements by the Board of Directors, based on how the COVID-19 situation evolves over a period of time.

b. In the current financial year ending on March 31, 2020, the Company has incurred a loss of ₹5,329.09 million (March 31, 2019: ₹2,149.26 million), which has resulted in erosion of net worth as at the balance sheet date. Further, the Company has outstanding obligations to lenders whose loans may fall due on account of non-compliance with financial covenants and hence are classified as current liabilities in the financial statement, resulting into a net current liability position of ₹19,495.22 million as at March 31, 2020. The management is recalibrating its business strategy and focusing on streamlining the operations including an efficient product cost structure which could generate profit by operating at better capacity utilisation. The Company is also evaluating more effective capital structure including refinancing of debt, working capital facilities from banks and financial institutions for funding the requirements. Hence, the management believes that there is no risk in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due including repayment of existing loans. Based on current estimates made by the management, the Company believes to have a short-term impact and no impact on medium term to long term basis on its operations, liquidity position, fund raising (available committed undrawn facilities) and ability to service debt.

   In addition to above, in order to streamline operations, the Board of Directors of the Company, in its meeting held on May 30, 2018 have approved a scheme of amalgamation of Sterlite Power Grid Ventures Limited ("wholly owned subsidiary") with the Company under the Companies Act, 2013 with the appointed date of April 01, 2017 and have filed the scheme with National Company Law Tribunal ('NCLT'). The Scheme of Amalgamation has been approved by the National Company Law Tribunal vide it's order pronounced on May 22, 2020. Currently the order is made available to the Company on the website of NCLT, however the certified copy of the order is not received. On receiving the certified copy of the order, the Company will proceed with necessary regulatory filing with the registrar of companies and finalise the merger. Pending this, till the date of adoption of these financial statements, no effect of the scheme has been considered in these financial statements.

   Accordingly, the accompanying Ind AS financial statements have been prepared on going concern basis, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

NOTE 50: DEMERGER OF POWER PRODUCTS BUSINESS FROM STERLITE TECHNOLOGIES LIMITED

The Board of directors of the Sterlite Technologies Limited on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of April 01, 2015. The Scheme was approved

Notes to Financial Statements

for the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

by the Hon'ble Bombay High Court vide Order dated April 22, 2016 and it became effective from May 23, 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, an amount of ₹2,379.79 million being the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. April 01, 2015. This goodwill is being amortised over a period of five years as required under the Scheme. The amortisation charge for the current year is ₹475.96 million (March 31, 2019: ₹475.96 million). Under Ind AS, the differential amount of ₹2,379.79 would have been adjusted to reserves and no goodwill would have been recognised since the business combination was a common control transaction.

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: September 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
Date: September 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Pune
Date: September 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: September 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: September 30, 2020

Independent Auditor's Report

To
The Members of
Sterlite Power Transmission Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Sterlite Power Transmission Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to note 50 (b) of the consolidated Ind AS financial statements which more fully describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Group.

Our opinion is not modified in respect of this matter.

We draw attention to Note 51 to the consolidated Ind AS financial statements which describes that the Group had recognised goodwill on accounting for demerger during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date i.e. April 01, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Honorable Bombay High Court. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for Engineering, procurement and construction ('EPC') contracts	
(refer note 2.3 (f) (accounting policy), note 25 (financial disclosures) and note 38 (significant judgments and estimates) of the consolidated Ind AS financial statements)	
During the year, the Group recognised revenue of ₹5,031.53 million from fixed price Engineering, procurement and construction contracts ("EPC projects") using the estimated contract margins and the progress of work based on actual costs incurred to total estimated costs. Significant management judgment and estimation is required in the estimation of the total contract costs which form part of computation of estimated contract margins as well as used in calculation of progress of work for recognition of revenue over time. In addition to above, there are lot of uncertainties caused on account of COVID-19 pandemic as at the year-end, which includes changes in the project time lines, changes in the cost estimates, etc. which has led to changes in the judgements and assumptions. Accordingly, determination of revenue recognition for EPC projects is a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following: • We have obtained and read customer contracts and confirmed our understanding of the Group's sales process from initiation to collection of receivables, including design and implementation of controls and tested the operating effectiveness of these controls. • We read and understood the Group's accounting policy for recognition of revenue. • We understood the management's methodology for estimating the total contract costs and assessed the reasonableness of key inputs in the cost estimation. • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to the process of computation and review of estimated costs of the EPC projects, estimated revenues of the EPC projects and actual costs incurred for EPC projects till date. • Tested the appropriateness of estimated costs by comparing these against actual costs incurred for historical periods. • Checked the arithmetical accuracy of computation of estimated margins and also the revenues recognized based on project progress for the current financial year. • Obtained and tested project progress reports from the project management team to assess the appropriateness of management's calculation of project progress based on actual costs incurred. • We performed transaction testing based on a representative sampling of the sales orders to assess revenue recognition and recognition of trade receivables including transactions occurring at and around the year end. • We read and assessed the related disclosures made with respect to revenue in the consolidated Ind AS financial statements.
Revenue recognition at the year end (sales cutoff) (refer note 2.3 (f) and (i) (accounting policy), note 25 (financial disclosures), to the consolidated Ind AS financial statements)	
Revenue from operations for the year ended March 31, 2020 amounted to ₹11,724.68 million from sales of conductors and power cables. Revenue is recognized when promised goods are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods. The Group uses a variety of shipment terms with customers across its operating markets and this has an impact on the timing of revenue recognition. Given the nature of industry in which the Group operates and the variety of shipment terms with customers, along with local and global lockdowns on account of the COVID-19 pandemic at the year end, ascertainment of timing of revenue recognition is a key audit consideration for sales transactions occurring near to the year end. Due to the significance of revenue and judgement involved in the timing of revenue recognition this is considered as a key audit matter.	Our audit procedures included: • We have obtained and read customer contracts and confirmed our understanding of the Group's sales process from initiation to collection of receivables, including design and implementation of controls and tested the operating effectiveness of these controls. • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's procedure to evaluate the shipping terms and to ensure cutoff. • We read and understood the Group's accounting policy for recognition of revenue. • We performed transaction testing based on a representative sampling of the sales orders to assess revenue recognition and recognition of trade receivables including transactions occurring at and around the year end.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>• We performed sales cut off procedures on a test check basis by agreeing deliveries occurring around the year end to supporting documentation.
• Due to local and global lockdowns on account of the COVID-19 pandemic, the delivery of goods is delayed and postponement of revenue recognition due to control not being transferred. We have on test check basis verified the incoterms, supporting documents and the delivery status of goods as part of our sales cut off testing procedures.
• We read and assessed the related disclosures made with respect to revenue in the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2">Applicability of Appendix C of Ind AS 115 'Service Concession Arrangement' to transmission projects in India
(refer note 2.3(f),(i) and (r) (accounting policy), note 25 (financial disclosures) and note 38 (significant judgments and estimates) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group through its subsidiaries in India acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff-based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 35 years.
The management of the Group is of the view that the grantor as defined under Appendix C of Ind AS 115 ("Appendix C") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix C is not applicable to the Group.
Significant management judgement is involved in determining the grantor's involvement and whether the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, it is considered as a key audit matter.</td><td>Our audit procedures included the following:
• We obtained and read the TSAs to understand roles and responsibilities of the grantor (respective group entity);
• We read and evaluated the TSAs to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise.
• We evaluated the management's assessment process for determination of Appendix C of Ind AS 115 and discussed with the management regarding the extent of grantor's involvement in the transmission assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise.
• We assessed the positions taken by other entities in India with similar projects/TSAs as to the extent of involvement of the grantor and the consequent evaluation of the applicability of Appendix C for such entities and confirmed our understanding.
• We read and assessed the related disclosures included in the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2">Key judgments and estimates used in the application of Appendix C of Ind AS 115 'Service Concession Arrangement' to transmission projects in Brazil
(refer note 2.3 (f) (accounting policy), note 25 (financial disclosures) and note 38 (significant judgments and estimates) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the Group (i.e. the operator) is not recorded as property, plant and equipment of the Group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider. Hence the arrangements are accounted for under Appendix C to Ind AS 115 – Service Concession Arrangements ('Appendix C').
The Group has classified the concession arrangements under financial asset model since the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the services.</td><td>Our audit procedures included the following:
We evaluated terms of the TSAs to understand roles and responsibilities of the grantor;
We tested, on sample basis, the base data and supporting documents for basis of key assumptions and estimates used by the management.
We evaluated the management's assessment process for applicability of Appendix C of Ind AS 115 for transmission projects in Brazil, based on the terms of the agreement and tested the judgements/estimates relating to future cash flows over the concession period, residual value of project, allocation of total contract margin to construction service and maintenance service and discounting rate used to discount expected cash flows.
We tested the arithmetical accuracy of the models;
We read and assessed the related disclosures included in the consolidated Ind AS financial statements.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
The application of Appendix C involves use of judgements and estimates by management which have significant impact on the consolidated Ind AS financial statements. These include judgements/ estimates relating to future cash flows over the concession period, residual value of project, allocation of total contract margin to construction service and maintenance service and discounting rate used to discount expected cash flows. Accordingly, the above matter was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	
Impairment of property, plant and equipment (refer note 2.3 (n) (accounting policy), note 3 and 4 (financial disclosures) and note 38 (significant judgments and estimates) to the consolidated Ind AS financial statements)	
The group owns and operates power transmission assets which are constructed on Build, Own, Operate and Maintain Basis ("BOOM"). The carrying value of the power transmission assets as at March 31, 2020 is ₹41,438.64 million (including capital work in progress). During the current year, impairment indicators were identified by the management. As a result, an impairment assessment was required to be performed by the management under Ind AS 36 – Impairment of Assets by comparing the carrying value of PP&E to their recoverable amount to determine whether an impairment needs to be recognized. The Group management involves external independent valuation experts to calculate the fair value of assets/projects. Fair value for the purpose of this calculation is determined by forecasting and discounting future cash flows of the underlying projects. In certain projects, where the Group has entered into a binding agreement for sale of the project to a third party, the fair value is calculated by discounting the agreed enterprise value after adjusting the values attributable to changes in the interest rates from the date of agreement to sell and the date of actual transaction (which is at a future date). Furthermore, the fair values are highly sensitive to changes in some of the inputs used in valuation such as discounting factor used for calculation of discounted cash flow (inputs such as debt equity ratio, cost of debt, cost of equity etc. are critical to discount rates), residual value of the project, risk premium attributable to the project depending on the stage of completion of project, etc. In addition to above, the uncertainties cause on account of COVID-19 pandemic as at the year-end have also changed the economic conditions in the market and has led to some of the key changes such as interest rates. Accordingly, the impairment assessment of the transmission assets was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements	Our audit procedures included the following: • We assessed the appropriateness of the management's valuation methodology applied in determining the fair values of transmission assets. • Obtained the fair valuation report issued by the external valuer engaged by management and compared the fair value as per the report with the value of investment as recorded in the underlying books of accounts. • We evaluated the independence, objectivity and competence of the external valuation experts engaged by the management. • To determine appropriateness of cash flows considered in the valuation model, we tested that the tariff revenues considered in the respective valuation models are in agreement with Transmission Service Agreement (TSAs) / tariff orders and in cases where there were binding agreements with third parties to sell the investment, we tested the enterprise value considered in the model with the enterprise value as per such agreement. • We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, debt equity ratio and residual values. • To evaluate the fair values determined by external independent management valuer, we involved valuation specialist to perform an independent review of methodology and key assumptions used in the valuation. • We discussed changes in key drivers as compared to previous year / actual performance with management in order to evaluate the inputs and assumptions used in the valuation models. • We tested the arithmetical accuracy of the models. • We read and assessed the related disclosures included in the consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting of sale of subsidiary - East-North Interconnection Company Limited in the consolidated Ind AS financial statement as per Ind AS 110	
(refer note 2.2 (accounting policy), note 27 (financial disclosures) and note 38 (significant judgments and estimates) of the consolidated Ind AS financial statements)	
During the year, the Group has sold its investment in its subsidiary, East-North Interconnection Limited (ENICL), to India Grid Trust ('IGT'). As per the Share Purchase Agreement, the Group has transferred 49% of its holding to IGT on March 23, 2020 and balance holding of 51% will be transferred upon fulfilling the conditions precedent to the second closing for the transfer. Based on the contractual terms of the Agreement, the Group has given the following rights to IGT: • Right to nominate all directors on the Board of directors of the ENICL; • Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of ENICL; • Non-disposal undertaking for the remaining 51% equity stake in ENICL. Considering the requirements under Ind AS 110, the Group has assessed whether it controls ENICL on the basis the above rights under the agreement and the fact that the Group has entered into irrevocable binding agreement to sale remaining 51% paid up equity capital in ENICL. Based on the assessment, management has concluded that the Group does not control ENICL even after holding 51% of the paid-up capital of ENICL. Basis the above assumption of control, the Group has not consolidated ENICL in the consolidated Ind AS financial statement. Remaining purchase consideration receivable from buyer is recognized as financial asset in the consolidated Ind AS financial statements. Considering the judgement required in assessing whether the Group controls ENICL, consolidation of ENICL is considered as a key audit matter.	Our audit procedures included the following: • We obtained and read the share purchase agreement dated March 23, 2020 ("the Agreement") with India Grid Trust for acquisition of equity stake in ENICL. • We obtained understating of management's assessment of whether the Group controls ENICL. We discussed with management the contractual terms and rights available to the Group pursuant to the Agreement. • We obtained and read the requirements for consolidation of entity under Ind AS 110. • We read and assessed the related disclosures included in the consolidated Ind AS financial statements.
Recoverability of trade receivables (impairment allowance for trade receivables)	
(refer note 2.3 (r) of accounting policy and note 8 of the consolidated Ind AS financial statements)	
As of March 31, 2020, the Group has trade receivables of ₹5,985.56 million before impairment allowance of ₹446.02 million. Out of the total trade receivables, ₹279.29 million (5%) are outstanding for more than 1 year. The determination as to whether a trade receivable is collectable involves significant management judgement. Management considers specific factors which include the age of the balance, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall. Significant management judgement is involved in assessing recoverability of trade receivables. Also due to COVID-19 pandemic, there is possibility of increase in credit risk or delays in collection. Due to these factors it is considered as a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following: • In assessing the appropriateness of the overall provision for impairment we considered the consistency of management's application of policy for recognising impairment allowance with that for the previous year. • We assessed and tested the design and operating effectiveness of the controls over the impairment assessment for trade receivables. These controls included those over credit review and approval, system access, segregation of duties, identification and monitoring of receivables that were impaired, and the calculation of the impairment allowances. • We tested completeness and accuracy of aging report of trade receivables as made available to us by management. • We assessed recoverability of major trade receivables which are outstanding for more than 1 year. This included testing if payments had been received post balance sheet date, checked the historical payment patterns and any correspondence with customers on expected settlement dates.

Key audit matters	How our audit addressed the key audit matter
	• We selected a sample of the trade receivable balances where a provision for impairment of trade receivables was recognised and understood the rationale behind management's judgement. We also checked ageing of receivable balances, the customer's historical payment patterns and whether any post balance sheet payments had been received. • We also obtained corroborative evidence including correspondence supporting any disputes between the parties involved, attempts by management to recover the amounts outstanding. • We understood and evaluated management's rationale where provisions were recognised on balances that were not overdue as at the balance sheet date and tested these were appropriately supported. • We read and assessed the related disclosures made with respect to trade receivable in the consolidated Ind AS financial statements.
Recognition of current and deferred tax on account of merger order received by the Group	
(refer note 2.3 (a) & (g) (accounting policy), note 56 (financial disclosures) of the consolidated Ind AS financial statements)	
The Board of directors in its meeting held on May 30, 2018 approved a Scheme of amalgamation ('the Scheme') of Sterlite Power Grid Ventures Limited (SPGVL or 'the Transferor') with Sterlite Power Transmission Limited (SPTL or the transferee') under the Companies Act, 2013 with the appointed date of April 1, 2017. The Group has received certified copy of the Scheme on October 21, 2020 duly approved by the NCLT and has filed the same with ROC on November 15, 2020 ('effective date'). Consequently, the Group has accounted for synergies on account of merger on the income tax and deferred tax expenses of ₹1,389.13 million in the consolidated Ind AS financial statements. Accordingly, recognition of current and deferred tax on account of merger is considered a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following: • We have obtained and read merger scheme approved by the NCLT and filed by the Group with the ROC. • We read and understood the Group's accounting policy for recognition of current and deferred tax. • We understood the management's methodology for calculating current and deferred tax due to merger. • We have involved our tax experts to understand the effect of tax arising from the merger. • Checked the arithmetical accuracy of computation of current and deferred tax recognized in the consolidated Ind AS financial statements. • We read and assessed the related disclosures made with respect to effect of merger in the consolidated Ind AS financial statements.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises Key Performance Indicators, Management Discussion and Analysis, Director's report and Annexures to Director's report included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of 24 subsidiaries, whose Ind AS financial statements include total assets of ₹19,244.86 million as at March 31, 2020, and total revenues of ₹7,802.22 million and net cash outflows of ₹2,023.59 for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹10.85 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) The matter described in Emphasis of Matter – impact of COVID-19 pandemic in paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates as noted in the 'Other Matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer Note 43 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 9, 20 and 21 to the consolidated Ind AS financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates, incorporated in India during the year ended March 31, 2020.

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAAF05406
Place of Signature: Pune
Date: November 30, 2020

Annexure 1 to the Independent Auditor’s Report of even date on the Consolidated Ind AS Financial Statements of Sterlite Power Transmission Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Sterlite Power Transmission Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Sterlite Power Transmission Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies and associate companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 17 subsidiary companies and 1 associate company, which are companies incorporated in India, is based on the corresponding report of the auditors of such subsidiaries and associate incorporated in India.

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAAF05406
Place of Signature: Pune
Date: November 30, 2020

Consolidated Balance Sheet

As at March 31, 2020

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	19,828.37	13,927.29
Capital work-in-progress	3	25,220.05	28,915.24
Goodwill	4,5	-	601.85
Other intangible assets	4	480.58	129.16
Intangible assets under development	4	65.53	225.05
Investment in associate	6A	47.81	8.26
Financial assets			
i. Investments	6B	120.83	112.45
ii. Other financial assets	9	636.16	76.09
Other non-current assets	10	8,170.53	12,535.04
Deferred tax assets (net)	23	1,475.77	2,882.92
Assets classified as held for sale	11	21.01	129.55
Total non-current assets		**56,066.64**	**59,542.90**
Current assets			
Inventories	12	3,922.79	1,992.03
Financial assets			
i. Investments	6B	299.40	802.25
ii. Loans	7	282.84	260.65
iii. Trade receivables	8	5,539.54	6,911.57
iv. Cash and cash equivalents	13	2,946.34	4,264.43
v. Other bank balances	14	8,022.89	554.28
vi. Other financial assets	9	2,010.62	966.75
Other current assets	10	5,048.31	5,229.70
Non-current assets classified as held for sale	11	7,325.63	41,970.04
Total current assets		**35,398.36**	**62,951.70**
TOTAL ASSETS		**91,464.99**	**122,494.60**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	122.36	122.36
Other equity			
i. Securities premium	16	4,536.80	4,536.80
ii. Retained earnings	16	(5,629.78)	(10,406.09)
iii. Other reserves	16	1,578.21	(1,008.51)
Total equity		**607.59**	**(6,755.44)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17	39,560.78	46,957.17
ii. Other financial liabilities	20	89.62	45.89
Provisions	21	680.00	278.83
Employee benefit obligations	22	74.96	94.08
Deferred tax liabilities (net)	23	1,208.47	175.29
Total non-current liabilities		**41,613.83**	**47,551.26**
Current liabilities			
Financial liabilities			
i. Borrowings	18	13,769.43	11,241.98
ii. Trade payables	19	7,797.83	8,341.70
iii. Other financial liabilities	20	24,546.38	16,006.19
Provisions		-	-
Employee benefit obligations	22	76.52	47.63
Other current liabilities	24	2,136.70	2,797.49
Current tax liabilities (net)		916.71	147.42
Liabilities directly associated with assets classified as held for sale	11	-	43,116.37
Total current liabilities		**49,243.57**	**81,698.78**
Total liabilities		**90,857.40**	**129,250.04**
TOTAL EQUITY AND LIABILITIES		**91,464.99**	**122,494.60**
Summary of significant accounting policies	**2.3**		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

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

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: November 30, 2020

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
November 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
November 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: November 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: November 30, 2020

Consolidated Statement of Profit and Loss

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	25	30,043.19	35,550.06
Other income	27	21,539.97	164.54
Total income (I)		**51,583.16**	**35,714.60**
EXPENSES			
Cost of raw material and components consumed	29	10,360.19	13,271.57
Construction material and contract expense	30	9,061.15	11,104.86
Purchase of traded goods and subcontracting charges		1,896.40	137.38
Increase in inventories of finished goods, work-in-progress and traded goods	31	(1,514.94)	(264.15)
Employee benefits expense	32	2,445.68	1,654.85
Other expenses	33	5,278.40	5,309.11
Total expenses (II)		**27,526.88**	**31,213.63**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**24,056.28**	**4,500.97**
Depreciation and amortisation expense	34	1,751.91	1,951.90
Impairment expense	35	669.40	1,873.65
Finance costs	36	7,648.71	6,011.47
Finance income	26	(300.34)	(185.00)
Profit/(loss) before exceptional items, share of profit of an associate and tax expense		**14,286.60**	**(5,151.05)**
Share of profit of an associate	6A	**8.74**	**325.99**
Exceptional item	28	**925.87**	-
Profit/(loss) before tax		**13,369.47**	**(4,825.06)**
Tax expense:	23		
Current tax		2,157.44	1,198.92
Less: MAT credit entitlement		-	(154.23)
Deferred tax		2,479.53	(611.19)
Income tax for earlier years		(684.11)	(21.50)
Income tax expense		**3,952.86**	**412.00**
Profit/(loss) for the year		**9,416.61**	**(5,237.06)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(1,519.82)	(340.42)
		(1,519.82)	**(340.42)**
Net movement on cash flow hedges		(3,497.46)	(475.83)
Income tax effect		105.66	(131.16)
		(3,391.80)	**(606.99)**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(4,911.62)**	**(947.41)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(1.09)	(8.68)
Income tax effect		0.31	0.68
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(0.78)**	**(8.00)**
Other comprehensive income for the year		**(4,912.40)**	**(955.41)**
Total comprehensive income for the year		**4,504.21**	**(6,192.47)**
Earnings per equity share	37		
Basic and diluted			
Computed on the basis of loss for the year before exceptional item (net of tax) (₹)		**169.04**	**(85.60)**
Computed on the basis of loss for the year after exceptional item (net of tax) (₹)		**153.91**	**(85.60)**
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: November 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
November 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
November 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: November 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: November 30, 2020

Consolidated Cash Flow Statement

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/ (Loss) as per consolidated statement of profit and loss		9,416.61	(5,237.06)
Adjustment for taxation		3,952.86	412.00
Profit/(Loss) before tax		**13,369.47**	**(4,825.06)**
Non-cash adjustment to reconcile profit/(loss) before tax to net cash flows			
Depreciation and amortisation expense	34	1,751.91	1,951.91
Provision for doubtful debts and advances	33	94.72	41.71
Loss/(gain) on sale of property, plant and equipment	33, 27	(5.74)	43.77
Loss on sale of stake in subsidiary (loss of control) (refer note 6A)	33	38.51	-
Insurance claim written off	33	4.31	65.44
Unrealized exchange difference (net)	33	(194.52)	519.32
Provision (net of reversal) for estimated loss in a contract	33	406.65	-
Impairment expense	35	669.40	1,873.65
Provision for employees stock appreciation rights	32	-	50.60
Provision taken/(reversal) for onerous contracts	33	-	278.83
Provision for diminution in value of investment in units of India Grid Trust	33	-	624.27
Bad debts / advances written off	33	23.80	0.61
Finance costs	36	7,648.71	6,011.47
Finance income	26	(300.34)	(185.00)
Share in profit of an associate	6A	(8.74)	(325.99)
Dividend income on investment in units of India Grid Trust	27	(957.82)	-
Net gain on sale of power transmission assets	27	(20,535.16)	(156.72)
		(11,364.31)	**10,793.87**
Operating profit before working capital changes		**2,005.16**	**5,968.81**
Movements in working capital :			
Increase in trade payables		353.66	981.17
Increase in employee benefit obligations		8.67	31.45
Increase/(decrease) in other liabilities		(1,156.00)	(53.43)
Increase/(decrease) in other financial liabilities		1,283.07	(1,272.37)
Decrease in trade receivables		650.67	1,364.44
(Decrease)/increase in inventories		(1,896.00)	101.46
Increase in other financial assets		(706.61)	(195.95)
Increase in other assets		(6,319.52)	(12,071.52)
Change in working capital		**(7,782.06)**	**(11,114.76)**
Cash generated (used in) operations		**(5,776.90)**	**(5,145.95)**
Direct taxes paid (net of refunds)		(1,493.87)	(1,157.01)
Net cash flow (used in) operating activities		**(7,270.77)**	**(6,302.95)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including capital work-in-progress and capital advances		(12,192.83)	(19,220.98)
Proceeds from sale of tangible assets		20.32	22.49
Purchase of current investments (net)		(701.25)	(1,594.65)
Investment in units of India Grid Trust		(2,289.77)	(119.06)
Proceeds from sale of investments in subsidiaries		24,283.08	-
Investment in bank deposits (having original maturity of more than three months)		(7,468.62)	(239.82)
Dividend income on investment in units of India Grid Trust		957.82	-
Loans given to related parties, net of repayment		(23.79)	(71.68)
Loans repayment received		-	2.30
Interest/dividend received		265.04	858.88
Net cash flow from / (used in) investing activities		**2,850.00**	**(20,362.52)**

Consolidated Cash Flow Statement

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	March 31, 2020	March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Sterlite Interlinks Limited		6,200.00	-
Proceeds of long term borrowings		26,846.78	71,368.45
Repayment of long term borrowings		(12,543.43)	(34,293.40)
Proceeds/(repayment) of short term borrowings (net)		(3,530.51)	2,043.69
Repayment of lease obligation		(120.78)	-
Finance costs paid		(8,740.69)	(8,994.51)
Net cash flow from financing activities		**8,111.37**	**30,124.23**
Net increase in cash and cash equivalents		3,690.60	3,458.76
Cash and cash equivalents as at beginning of year		4,264.43	959.91
Cash and cash equivalents classified under assets held for sale		(5,008.69)	(154.24)
Cash and cash equivalents as at year end		**2,946.34**	**4,264.43**
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts		1,190.24	3,907.16
Deposit with original maturity of less than 3 months		1,755.93	357.14
Cash in hand		0.17	0.13
Total cash and cash equivalents (Refer note 13)		**2,946.34**	**4,264.43**

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

Particulars	Long term borrowing	Short term borrowing
April 01, 2018	**53,272.10**	**8,158.87**
Cash flow		
- Interest	(7,698.85)	(1,295.65)
- Proceeds, net	37,075.05	2,043.69
Non-cash changes		
- Classified as current maturities	(543.29)	-
- Notional interest	1,110.74	-
- Others	(0.99)	(8.65)
- Transferred to held for sale	(40,607.09)	-
Accrual for the period	4,349.50	2,343.72
March 31, 2019	**46,957.17**	**11,241.98**
Cash flow		
- Interest	(6,771.28)	(1,969.41)
- Proceeds/(repayments)	14,303.35	2,667.88
Non-cash changes		
- Classified as current maturities	(12,750.36)	-
- Others	(2,148.28)	(54.83)
- Transferred on sale of subsidiaries	(8,001.82)	(109.50)
Accrual for the period	7,972.02	1,993.31
March 31, 2020	**39,560.78**	**13,769.43**

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: November 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
November 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
November 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: November 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: November 30, 2020

Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

(All amounts in ₹ million unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Nos. in million	₹ in million
Equity shares of ₹2 each issued, subscribed and fully paid		
At April 01, 2018	**61.18**	**122.36**
Issued during the year	-	-
At March 31, 2019	**61.18**	**122.36**
Issued during the year	-	-
At March 31, 2020	**61.18**	**122.36**

B. OTHER EQUITY

(₹ in million)

Particulars	Reserves and surplus							Items of other comprehensive income		Total equity
	Securities premium	Retained earnings	Debenture redemption reserve	Legal reserve	Special unearned income reserve	Capital Redemption Reserve	Capital reserve	Cash flow hedge reserve	Foreign currency translation reserve	
Balance as at April 01, 2018	**4,536.80**	**(5,282.04)**	**440.45**	-	-	-	**0.35**	**(375.28)**	**0.04**	**(679.68)**
Loss for the year	-	(5,237.01)	-	-	-	-	-	-	-	(5,237.01)
Other comprehensive income	-	(7.98)	-	-	-	-	-	(606.99)	-	(614.97)
Total comprehensive income	-	**(5,244.99)**	-	-	-			**(606.99)**	-	**(5,851.98)**
Add: Impact of adoption of Ind AS 115	-	18.22	-	-	-	-	-	-	-	18.22
Amount transferred from retained earning to debenture redemption reserve	-	341.57	(341.57)	-	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	-	(23.96)	-	(23.96)
Add: Addition during the year	-	-	-	-		0.02	-	-	(340.42)	(340.40)
Amount transferred from retained earnings to special unearned income reserve	-	(226.90)	-	-	226.90	-	-	-	-	-
Amount transferred from retained earnings to legal reserve		(11.94)		11.94						-
Balance as at March 31, 2019	**4,536.80**	**(10,406.09)**	**98.88**	**11.94**	**226.90**	**0.02**	**0.35**	**(1,006.23)**	**(340.38)**	**(6,877.81)**

Consolidated Statement of Changes in Equity

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Reserves and surplus							Items of other comprehensive income		Total equity
	Securities premium	Retained earnings	Debenture redemption reserve	Legal reserve	Special unearned income reserve	Capital Redemption Reserve	Capital reserve	Cash flow hedge reserve	Foreign currency translation reserve	
Profit for the year	-	9,416.61	-	-	-	-	-	-	-	9,416.61
Other comprehensive income	-	(0.78)	-	-	-	-	-	(3,391.80)	(1,519.82)	(4,912.40)
Total comprehensive income	**-**	**9,415.82**	**-**	**-**	**-**	**-**		**(3,391.80)**	**(1,519.82)**	**4,504.21**
Add: Impact of adoption of Ind AS 116 (Refer note 48)	-	8.98	-	-	-	-	-	-	-	8.98
Amount transferred from debenture redemption reserve to retained earnings	-	98.88	(98.88)	-	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	-	2,849.85	-	2,849.85
Amount transferred from retained earnings to capital redemption reserve	-	(1,543.65)	-	-	-	1,543.65	-			-
Amount transferred from retained earnings to special unearned income reserve	-	(3,043.54)	-	-	3,043.54	-	-	-	-	-
Amount transferred from retained earnings to legal reserve	-	(160.19)	-	160.19	-	-	-	-	-	-
Balance as at March 31, 2020	**4,536.80**	**(5,629.79)**	**-**	**172.13**	**3,270.44**	**1,543.67**	**0.35**	**(1,548.18)**	**(1,860.20)**	**485.23**

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: November 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
November 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
November 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: November 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: November 30, 2020

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

1. CORPORATE INFORMATION

Sterlite Power Transmission Limited ('the Company') is a public company domiciled in India and incorporated on May 05, 2015 under the provisions of the Companies Act, 2013. The Company and its subsidiaries (together referred to as 'the Group') are engaged in the business of power products and solutions and in the business of developing power transmission systems for concessional periods ranging from 25 to 35 years under Build, Own, Operate and Maintain ("BOOM") and Build, Operate and Transfer ('BOT') models. Power products and solutions mainly include power transmission conductors, optical ground wire cables and power cable.

The consolidated financial Statements were authorised for issue in accordance with the resolution passed by the Board of Directors of the Company on November 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

2.2 Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2020. Control is achieved when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income

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and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS-12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business Combinations and goodwill

Goodwill arising on account of excess consideration paid over business value transferred under scheme of arrangement is amortised on a straight-line basis over a period of five years from the date of arrangement as per Court Order (Refer note 51).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and

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Discontinued Operations are measured in accordance with that standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business Combination under Common control

A business combination involving entities or businesses under common control is a business

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combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

- The assets and liabilities of the combining entities are reflected at the carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. The only adjustments are made to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved, and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost to the Group. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained

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investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

d) **Foreign currencies**

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated

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in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

e) Fair value measurement

The Group measures financial instruments such as mutual funds and derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant liabilities, such as optionally convertible redeemable preference shares. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for the valuation.

At each reporting date, the management analyses the movement of assets and liabilities which are

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required to be remeasured or reassessed as per the Groups's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 55)
- Disclosures for valuation methods, significant estimates and assumptions (Note 38)
- Financial instruments (including those carried at amortised cost) (Note 6A, 6B, 7, 8, 9, 13, 14, 17, 18, 19, 20)

f) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. Amounts disclosed in revenue are net of goods and service tax (GST).

The Disclosure for significant accounting judgements, estimates and assumptions relating to revenue from operations are provided in Note 38.

Sale of power products

Revenue from the sale of goods is recognised at a point in time control of the goods is transferred to the customer, generally on delivery of the equipment. The normal credit term is 60 to 180 days upon delivery.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods of 25/35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

Revenue from Engineering, procurement and construction contracts

In case of revenue from fixed price EPC contracts for power transmission lines and installation of power transmission products, the performance obligation is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the profits from the contract cannot be estimated reliably, revenue is recognised equalling to expense incurred to the extent that it is probable that the expense will be recovered.

Revenue from construction of concession assets

The Group constructs transmission infrastructure in Brazil which is used to provide transmission services and operates and maintains that infrastructure

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for a specified period of time. The infrastructure constructed by the group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider. These arrangements are accounted for under Appendix C to Ind AS 115 Service Concession Arrangements. Such arrangements give rise to contract assets till the transmission services are rendered. The contract asset refers to the Group's right to the consideration as a result of the investments made in the construction of transmission line infrastructure.

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered. For the estimate related to the revenue from construction assets, the Group used a model that calculates the cost of financing the customer (in this case, the Concession Grantor). The discount rates represent a market rate that considers the risks and premiums specific to the service concession transmission asset. The discount rates are fixed over the concession period and reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Remuneration of concession assets

Remuneration from service concession arrangement comprise of interest income recognised using the discount rate that reflects the economic volatility on the future cash flows from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

Rendering of other services

Revenues from services are recognised over the period of the contract as and when services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Contract modifications:

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. The Group does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

Variable considerations:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the

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customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement".

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Project management and Investment management services

Income from project and investment management services is recognised as per the terms of the agreement on the basis of services rendered.

Dividend

Dividend income is recognised in the consolidated statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Interest Income

The Group recognises the interest income based on the rate of interest as mentioned in the loan agreement. The Group annually assess the recoverability of the loan based by reviewing the financial position of the lender and considers the provision on the recoverability based on the such assessment. Interest accrual is considered in the books only if it is considered to be recoverable.

License Fees

Initial license fees is recognised over the period of time for use of infrastructure assets.

g) Taxation

Current income tax

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

Current income tax relating to items recognised outside statement of profit or loss is recognised outside consolidated statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a

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transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

h) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Refer note 11 for additional disclosures.

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- A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:
- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

i) Property, plant and equipment

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

(Life in number of years)

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Office / factory)	30/60	30/60
Plant and machinery	2-20*	Continuous process plant- 25 Years Others- 15 Years
Substations	25-35	40

(Life in number of years)

Asset Category	Useful Life considered	Useful life (Schedule II#)
Power transmission lines (including components)	25-35	40
Data processing equipment (Computers)	3-6*	3-6
Furniture and fittings	7.5	10
Electric fittings	4 - 10 *	10
Office equipment	4-5*	3
Leasehold improvements	Lease period$	30
Vehicles	4-5*	8

Schedule II to the Companies Act, 2013

$Leasehold improvements are depreciated over the useful life of the asset or the lease period, whichever is lower.

*The Group, based on technical assessments made by technical experts and management estimates, depreciates certain items of, plant and equipment, data processing equipment, furniture and fittings, electrical fittings, office equipments and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The Group does not have any intangible assets with indefinite useful life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software are amortised on a straight-line basis over a period of five to six years. Goodwill on consolidation is being amortised on a straight-line basis over a period of five years as per the Court Order (Refer note 51).

k) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building – 1 to 5 years
- Computers – 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) ***Lease Liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised

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by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note17).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Inventories

Traded goods are valued at lower of cost and net realisable value. Cost is determined on weighted average basis and includes all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis except for aluminium wherein the cost is determined on specific identification method based on the costing details of each project.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis except for aluminium conductors wherein the cost is determined on specific identification method based on the costing details of each project.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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n) **Impairment of non-financial assets**

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

o) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability

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after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group has a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method at Group level.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability. The cost of accumulated leave under the short-term employee benefit plan is determined using the projected unit credit method at Group level.

q) Employee Stock Appreciation Rights Scheme

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for Employee Stock Appreciation Rights (ESARs) (cash-settled transactions). The cost of ESARs is measured as the difference between the fair market value of equity shares of the Group on the reporting date and the SAR price on the Grant date as specified in the ESAR Scheme, and is recognized as employee compensation cost over the vesting period.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to loans, trade and other receivables (refer note 7, 8 and 9)

Debt instrument at FVTOCI
A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

The asset's contractual cash flows represent SPPI.

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

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Majority of the financial assets of the Group which are not reflected at fair value pertain to Loans to related parties and Trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its Loans and trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the Group does not have any past history of impairment of Trade receivables.

For the financial assets which are reflected at fair value no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instrument.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

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

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Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t) Cash dividend distribution to equity holders of the Company

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

u) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and commodity future contracts to hedge metal price risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has not classified any hedge as Fair Value hedge or hedge of net investment in foreign operation.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast purchase occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

v) **Presentation of EBITDA**

The Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the consolidated statement of profit and loss. This is not required by the Ind AS 1. The EBITDA is not defined in the Ind AS. Ind AS compliant schedule III allows companies to present line items, sub line items and sub totals to be presented as an addition or substitution on the face of the consolidated financial statements when such presentation is relevant to an understanding of the Group's financial position or performance.

Accordingly, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the consolidated statement of profit and loss. The group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the group does not include depreciation and amortisation expense, finance income, finance costs and tax expense.

w) **Earnings per share**

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

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

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

2.4 Changes in accounting policies and disclosures

The standards/amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Other Amendments to Standards, issued but not effective, which are either not applicable to the Group or the impact is not expected to be material

a) Amendments to Ind AS 103 Business Combinations

b) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

c) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

Notes to Consolidated Financial Statements

For the year ended March 31, 2020

(All amounts in ₹ million unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(also refer note 34, 35, 41)

(₹ in million)

Particulars	Freehold Land	Leasehold improvements	Building	Transmission Lines	Plant and Machinery	Data Processing Equipments **	Furniture and Fittings	Office Equipments	Vehicles	Electrical Installations	Sub-Station	Subtotal (Other than ROU Assets)	Right of use asset (Land)	Right of use asset (Office Building)	Right of use asset (Vehicles)	Subtotal of ROU Assets	Total
Cost																	
As at April 01, 2018	**966.38**	**60.59**	**963.07**	**15,391.88**	**2,963.33**	**101.99**	**44.75**	**38.18**	**17.43**	**271.63**	**-**	**20,819.23**	**3.17**	**-**	**-**	**3.17**	**20,822.41**
Additions #	401.93	-	45.81	21,572.69	162.09	30.70	5.44	12.13	22.98	3.49	-	22,257.25	-	-	-		22,257.26
Adjustments ^	-	-	-	(150.00)	-	-	-	-	-	-		(150.00)	-	-	-		(150.00)
Impairment												-	-	-	-		-
Disposals	-	-	(0.17)	(63.05)	(113.71)	-	(0.30)	(0.42)	(4.53)	(0.02)		(182.20)	-	-	-		(182.20)
Transferred to assets held for sale (refer note 11)	-	-	-	(23,959.21)	(0.45)	(0.58)	(2.22)	(7.92)	(2.72)	-		(23,973.09)	-	-	-		(23,973.10)
As at March 31, 2019	**1,368.31**	**60.59**	**1,008.71**	**12,792.31**	**3,011.26**	**132.11**	**47.67**	**41.97**	**33.16**	**275.10**	**-**	**18,771.19**	**3.17**	**-**	**-**	**3.17**	**18,774.37**
Additions #	68.72	-	20.85	8,137.20	193.10	15.99	2.99	7.53	6.39	6.48	7,954.23	16,413.48	-	261.90	7.85	269.75	16,683.23
Adjustments ^	(25.59)	-	-	-	-	-	-	(0.08)	-	-	-	(25.67)	-	(12.79)	-	(12.79)	(38.46)
Disposals	-	-	-	-	(50.96)	(14.75)	(1.07)	(1.51)	(12.25)	(29.11)	-	(109.65)	-	-	-	-	(109.65)
Transferred to assets held for sale (Refer note 11)	(9.29)	-	-	(12,484.61)	-	(0.77)	(0.19)	(0.13)	-	-	-	(12,494.99)	-	-	-	-	(12,494.99)
As at March 31, 2020	**1,402.15**	**60.59**	**1,029.56**	**8,444.90**	**3,153.40**	**132.58**	**49.40**	**47.78**	**27.30**	**252.47**	**7,954.23**	**22,554.36**	**3.17**	**249.09**	**7.85**	**256.96**	**22,814.50**
Depreciation/ Impairment																	
As at April 01, 2018		**19.64**	**261.72**	**2,087.54**	**1,721.91**	**56.92**	**23.99**	**19.92**	**5.48**	**111.53**	**-**	**4,308.65**	**0.18**	**-**	**-**	**0.18**	**4,308.83**
Additions		21.19	43.82	980.58	221.67	20.01	9.65	11.62	5.18	17.25	-	1,330.97	0.04	-	-	0.04	1,331.01
Impairment	-	-	-	388.43	-	-	-	-	-	-	-	388.43	-	-	-	-	388.43
Disposals	-	-	(0.09)	(14.03)	(97.32)	-	(0.16)	(0.21)	(2.99)	(0.00)	-	(114.81)	-	-	-	-	(114.80)
Transferred to assets held for sale (refer note 11)	-	-	-	(1,060.61)	(0.28)	(0.28)	(0.70)	(4.37)	(0.15)	-	-	(1,066.38)	-	-	-	-	(1,066.39)
As at March 31, 2019	**-**	**40.83**	**305.45**	**2,381.91**	**1,845.98**	**76.65**	**32.78**	**26.96**	**7.52**	**128.78**	**-**	**4,846.86**	**0.22**	**-**	**-**	**0.22**	**4,847.08**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Freehold Land	Leasehold improvements	Building	Transmission Lines	Plant and Machinery	Data Processing Equipments **	Furniture and Fittings	Office Equipments	Vehicles	Electrical Installations	Sub-Station	Subtotal (Other than ROU Assets)	Right of use asset (Land)	Right of use asset (Office Building)	Right of use asset (Vehicles)	Subtotal of ROU Assets	Total
Additions	-	10.47	42.38	570.30	212.37	22.27	5.91	7.49	7.06	15.89	84.36	978.51	0.04	102.61	0.60	103.25	1,081.76
Adjustment#	-	-	-	93.67	-	(0.05)	-	-	-	-	-	93.62	-	-	(1.78)	(1.78)	91.84
Disposal	-	-	-	-	(44.52)	(10.46)	(0.92)	(0.86)	(3.94)	(20.80)	-	(81.50)	(0.01)	-	-	(0.01)	(81.51)
Transferred to assets held for sale (Refer note 11)	-	-	-	(2,952.03)	-	(0.77)	(0.16)	(0.10)	-	-	-	(2,953.06)	-	-	-	-	(2,953.06)
As at March 31, 2020	**-**	**51.30**	**347.83**	**93.85**	**2,013.83**	**87.64**	**37.61**	**33.49**	**10.64**	**123.87**	**84.36**	**2,884.44**	**0.25**	**102.61**	**(1.18)**	**101.67**	**2,986.11**
Net Book Value																	
As at March 31, 2019	**1,368.31**	**19.76**	**703.26**	**10,410.40**	**1,165.28**	**55.46**	**14.89**	**15.01**	**25.64**	**146.32**	**-**	**13,924.33**	**2.95**	**-**	**-**	**2.95**	**13,927.29**
As at March 31, 2020	**1,402.15**	**9.29**	**681.73**	**8,351.06**	**1,139.57**	**44.94**	**11.79**	**14.29**	**16.66**	**128.60**	**7,869.87**	**19,669.92**	**2.92**	**146.48**	**9.03**	**155.27**	**19,828.37**

Pending negotiations and settlement of claims/counter claims with EPC contractors/vendors in respect of delays in commissioning of the project /other reasons, the management has considered its best estimate of cost incurred till year end based on the contract terms, purchase/work orders issued and the work completed. Any adjustment arising subsequently would be adjusted to the cost of property, plant and equipments at the time of settlement.

^ Adjustment to the cost of property, plant and equipment pertain to those arising on account of final settlement with EPC Contractors/vendors.

Capital work in progress*	(₹ in million)
As at March 31, 2019	28,915.24
As at March 31, 2020	25,220.05

** Data processing equipments include laptops taken on finance lease:
Gross block ₹18.00 million (March 31, 2019: ₹18.00 million)
Depreciation for the year ₹1.52 million (March 31, 2019: ₹5.21 million)
Accumulated depreciation ₹18.00 million (March 31, 2019: ₹16.48 million)
Net block ₹Nil (March 31, 2019: ₹1.52 million)"

*Capital work in progress mainly includes expenditure incurred on construction of transmission infrastructure.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

(₹ in million)

DESCRIPTION	Goodwill	Software/ Licenses	Right of Way (Row Asset)	Total
April 01, 2018	3,675.42	94.17	-	3,769.59
Additions	-	87.30	-	87.30
Disposals	-	-	-	-
As at March 31, 2019	**3,675.42**	**181.47**	**-**	**3,856.89**
Additions	-	187.56	244.83	432.39
Disposals	-	14.11	-	14.11
Adjustments on account of foreign currency translation	-	(6.53)	-	(6.53)
As at March 31, 2020	**3,675.42**	**348.39**	**244.83**	**4,268.64**
Amortisation/Impairment				-
April 01, 2018	2,473.37	31.68	-	2,505.05
Amortisation charge for the year	600.20	20.63	-	620.83
As at March 31, 2019	**3,073.57**	**52.31**	**-**	**3,125.88**
Amortisation charge for the year	601.85	63.68	4.62	670.15
Impairment	-	-	-	-
Disposals	-	6.35	-	6.35
Adjustments on account of foreign currency translation	-	(1.62)	-	(1.62)
As at March 31, 2020	**3,675.42**	**108.02**	**4.62**	**3,788.06**
Net Book Value				
As at March 31, 2019	**601.85**	**129.16**	**-**	**731.01**
As at March 31, 2020	**-**	**240.37**	**240.21**	**480.58**

The Group has undertaken a project awarded by Gurugram Metropolitan Development Authority (“GMDA”) to a consortium of which the Group is a party which involves laying of four ducts for creation of Optical Fibre cable backbone network for Gurugram smart city as per the designs approved by GMDA. The entire infrastructure shall be in the ownership of GMDA; Out of the four ducts, the Group will be given right of use of two ducts for monetizing its investments. One duct along with Optical Fibre Cable shall be used solely by GMDA and one duct will be spare and will be in the custody of GMDA, revenue earned out of the said duct shall be shared between GMDA and the consortium. The Group shall also undertake maintenance of the above network infrastructure for a period of 21 years on its own cost.

The consideration for the development of infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Group, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Group. The Group has valued the consideration in the form of ROW at fair value which is included in intangible asset and the intangible assets under development. The Group has also recognised contract liability at present value of future cash flows for its performance obligations related to maintenance of the ducts over the period of 21 years.

Intangible assets under development*	(₹ in million)
As at March 31, 2019	225.05
As at March 31, 2020	65.53

* Intangible assets under development include rights relating to a fibre infrastructure project.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 5: IMPAIRMENT TESTING OF GOODWILL

Goodwill generated as a result of recording of assets and liabilities as part of the Scheme of demerger of Sterlite Technologies Limited (Refer note 51) with effect from April 01, 2015 had been allocated to the following CGUs (transmission projects and power products and solutions business) for impairment testing:

1. East-North Interconnection Company Limited (ENICL)
2. Power product and solutions

Carrying amount of goodwill allocated to each of the CGUs:

(₹ in million)

	March 31, 2020	March 31, 2019
East-North Interconnection Company Limited (ENICL)	-	8.53
Power product and solutions	-	593.32
Goodwill on consolidation	**-**	**601.85**

As the carrying value of goodwill as at March 31, 2020 is Nil, the Group has not performed impairment testing of goodwill as at that date. The Group had performed its annual impairment testing for the year ended March 31, 2019. The recoverable amount of power products business as at March 31, 2019 was determined based on its value in use calculated using cash flow projections from financial budgets approved by senior management covering a five-year period. The terminal growth rate used to extrapolate the cash flows of the unit beyond the five-year period was 2%.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:

Power products and solutions CGU

EBITDA margin: EBITDA margin of revenue had been considered based on average values achieved in the three years preceding the valuation date. A decrease in EBITDA margin by 2.74% would have resulted in impairment.

EBITDA margins were based on the actual EBITDA of power products business for the three years preceding the beginning of the budget period. The EBITDA margins that were considered were from 6.30% - 9.35% over the budget period for anticipated order flows as at March 31, 2019.

Discount rate: Discount rate represented the then market assessment of the risks specific to the cash generating unit ('CGU'), taking into consideration the time value of money and individual risks of the underlying assets that had not been incorporated in the cash flow estimates. The discount rate calculations were based on the specific circumstances of the Group and was derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity was derived from the expected return on investment by the Group's investors. The cost of debt was based on the interest-bearing borrowings the Group was obliged to service. Segment-specific risk was incorporated by applying individual beta factor. The beta factor was evaluated annually based on publicly available market data. Adjustments to the discount rate were made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in pre-tax WACC by 24.42% would have resulted in impairment.

Growth rate: Growth rate had been considered for a period of five years based on management estimates and past trends. A decrease in growth rate by 11.69% during the next five year period would have resulted in impairment.

East-North Interconnection Company Limited (ENICL)

During the year, the Group has written off Goodwill amounting to ₹8.53 million pursuant to sale of ENICL to India Grid Trust (Refer note 34)

Notes to Consolidated Financial Statements

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(All amounts in ₹ million unless otherwise stated)

NOTE 6A: INVESTMENT IN ASSOCIATE

(₹ in million)

	March 31, 2020	March 31, 2019
Non-Current		
Equity Investments (Quoted):		
India Grid Trust		
Nil units (March 31, 2019: 1,00,000) fully paid up (Refer note i below)	-	8.26
Equity instruments (Unquoted)		
Sterlite Investment Managers Limited		
16,24,515 (March 31, 2019: Nil) equity shares of ₹2 each fully paid up (Refer note ii below)	36.92	-
Sterlite Interlinks Limited*		
4,895 (March 31, 2019: Nil) equity shares of ₹10 each fully paid up (Refer note iii below)	10.89	-
Total	**47.81**	**8.26**

*Pledged as security against borrowings of Sterlite Interlinks Limited.

Note i:

During the previous year, the Group had a 21.18% interest in India Grid Trust, which undertakes activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of India Grid Trust is to own and invest in power transmission assets in India with the objective of producing stable and sustainable distributions to unitholders. The Group's interest in India Grid Trust was accounted for using the equity method in the consolidated financial statements. During the current year, the investment in India Grid Trust is reduced to 15% hence associate accounting using equity method is not done for the year ended March 31, 2020:

(₹ in million)

	March 31, 2020	March 31, 2019
Non-Current		
Current assets	-	3,438.82
Non-current assets	-	50,023.44
Current liabilities	-	(637.43)
Non-current liabilities	-	(26,058.72)
	-	**26,766.11**
Equity Investments (Quoted):		
Proportion of the Group's ownership	-	21.18%
Carrying amount of the investment	-	5,668.51
Less: Provision for diminution in value of units of India Grid Trust	-	(624.27)
Less: Classified as assets held for sale (Refer note 11)	-	(5,035.98)
Investment in associate	**-**	**8.26**
Total	**-**	**8.26**
Statement of Profit and Loss		
Revenue	-	6,739.05
Depreciation expense	-	(1,809.22)
Finance cost	-	(2,295.83)
Other expense	-	(1,088.50)
Profit before tax	**-**	**1,545.50**
Income tax	-	(6.36)
Profit for the year	**-**	**1,539.14**
Total comprehensive income for the year	**-**	**1,539.14**
Group's share of profit for the year	**-**	**325.99**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(a) During the previous year, the Sterlite Power Grid Ventures Limited ('the transferor company' refer note 56(iii)) being the sponsor of India Grid Trust (“IndiGrid”) has entered into “Inter-se sponsor agreement” dated April 30, 2019 (“the Agreement”) with Esoteric II Pte. Ltd. (“Investor”) to designate the Investor as a “Sponsor” of IndiGrid subject to approval from SEBI in terms of SEBI InvIT Regulations and approval from the unitholders of IndiGrid. Pursuant to the Agreement, the transferor company has agreed to sell 60.03 million units of IndiGrid to the Investor. Accordingly, the transferor company has classified such investment in the units of IndiGrid as held for sale which is recognised at cost or fair value less costs to sell whichever is lower, resulting in an impairment loss of ₹624.27 million in consolidated financial statements of the Group as on March 31, 2019.

Subsequent to the year end the Agreement has expired and the Group has sold 85.51 million units of IndiGrid in an open market transaction through National Stock Exchange ('NSE') at an average price of ₹98 per unit

(b) The subsidiaries of associate have entered into transmission services agreement (TSA) with long term transmission customers pursuant to which those subsidiaries have to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

Note ii

During the year, Sterlite Investment Managers Ltd ('SIML') served a call money notice on Sterlite Power Transmission Limited (‘SPTL’ or the 'Company') requesting to pay call money of ₹0.50 per share. Based on the communication provided by the Company, SIML has forfeited 11,25,00,000 partly paid equity shares of ₹2 each partly paid-up ₹0.25 per share held by the Company leading to recognition of loss on forfeiture amounting to ₹25.28 million (Refer Note 33).

During the year, the Company has exercised an option to convert 1.00 million 8.98% non- cumulative non participating redeemable preference share (RPS) with face value of ₹10 per RPS to 10,00,000 8.98% compulsorily convertible preference shares (CCPS). The compulsorily convertible preference shares were to be redeemed fully on September 30, 2026. CCPS carried voting rights as per provision of section 47(2) of the Companies Act, 2013. Further during the year, the Company has been allotted 49,99,125 fully paid up equity shares of face value ₹2 each at a premium of ₹18 per share on conversion of 10,00,000 8.98% Compulsorily Convertible Preference Shares (‘CCPS’).

Pursuant to “Share Subscription and Purchase Agreement” executed between Electron IM PTE. LTD (EIMPT) and the Company on April 30, 2019, the Company shall sell 74% of its stake in its subsidiary SIML in two tranches starting from June 30, 2019 till June 30, 2021. Pursuant to equity share subscription by SIML, the Company has sold 40% of its stake in SIML for a consideration of ₹60.05 million. Accordingly, SIML is considered as an associate from the date of sell of stake. Further, the remaining investment in SIML to the extent of 14% has been disclosed as "Non-current asset classified as held for Sale" as at March 31, 2020. The Group’s interest in SIML is accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group’s investment in SIML.

(₹ in million)

	March 31, 2020	March 31, 2019
Non-Current		
Current assets	154.49	-
Non-current assets	72.22	-
Current liabilities	(48.00)	-
Non-current liabilities	(36.73)	-
	141.98	**-**
Equity Investments (Quoted):		
Proportion of the Group’s ownership	26.00%	-
Carrying amount of the investment	36.92	-
Investment in associate	**36.92**	**-**
Statement of Profit and Loss		
Revenue	164.35	-
Purchase of traded goods	-	-
Employee Benefit Expense	(108.78)	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	March 31, 2020	March 31, 2019
Depreciation expense	(63.53)	-
Finance cost	(3.19)	-
Finance income	(0.82)	-
Other expense	4.07	-
Profit before tax	**(7.90)**	**-**
Income tax	(0.20)	-
Profit for the year	**(8.10)**	**-**
Total comprehensive income for the year	**(8.10)**	**-**
Group's share of profit for the year	**(2.11)**	**-**

Note iii

The Group has 49% (March 31, 2019 : Nil) interest in Sterlite Interlinks Limited ('SIL'), which undertakes activities of construction, maintaintance of the infrastructure of Dark Fibre through OPGW / Cabling, ROW, Duct Space and towers on lease/ rent out basis. The Group's interest in SIL is accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in SIL.

(₹ in million)

	March 31, 2020	March 31, 2019
Non-Current		
Current assets	6,663.47	-
Non-current assets	1.36	-
Current liabilities	(6,635.08)	-
Non-current liabilities	(7.51)	-
	22.24	**-**
Equity Investments (Quoted):		
Proportion of the Group's ownership	49.00%	
Carrying amount of the investment	10.89	-
Investment in associate	**10.89**	**-**
Statement of Profit and Loss		
Revenue	120.12	-
Purchase of traded goods	(79.66)	-
Employee Benefit Expense	-	-
Depreciation expense	-	-
Finance cost	(0.00)	-
Finance income	-	-
Other expense	(10.45)	-
Profit before tax	**30.01**	**-**
Income tax	(7.51)	-
Profit for the year	**22.49**	**-**
Total comprehensive income for the year	22.49	-
Group's share of profit for the year	**10.85**	**-**

Notes to Consolidated Financial Statements

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(All amounts in ₹ million unless otherwise stated)

NOTE 6B: INVESTMENTS

(₹ in million)

	March 31, 2020	March 31, 2019
Non current		
Investments at fair value through statement of profit or loss		
Equity Investments (Quoted):		
1,00,000 units (March 31, 2019: Nil) equity shares of India Grid Trust each fully paid up	8.38	-
Investments at fair value through OCI		
Unquoted equity instruments		
26,505 (March 31, 2019: 26,505) equity shares of Sharper Shape Group Inc of $ 0.01 each fully paid up	112.45	112.45
Current		
Investment in mutual funds (valued at fair value through statement of profit or loss)		
Quoted		
Nil (March 31, 2019: 68,036.35) units of L & T Liquid Fund - Regular Daily Dividend option #	-	68.84
Nil (March 31, 2019: 35,349.80) units of DSP Black Rock Liquidity Fund - Direct Plan Daily Dividend	-	35.38
Nil (March 31, 2019: 35,354.66) units of Axis Liquid Fund - Direct Plan Daily Dividend	-	35.39
Nil (March 31, 2019: 34,713.52) units of UTI Liquid Fund - Direct Plan Daily Dividend	-	35.39
Nil (March 31, 2019: 35,275) units of ₹1,000 each of SBI Premier Liquid Fund (formerly named as SBI Liquid Fund) - Direct plan daily dividend	-	35.39
Nil (March 31, 2019: 23,140.029) units of Reliance Liquid Fund - Direct Plan Daily Dividend Option	-	35.39
1,72,310.21 (March 31, 2019: 2,88,957.58) units of Axis Liquid fund direct plan - Daily dividend reinvestment*	172.50	29.00
Nil (March 31, 2019: 1,23,06,841.38) units Santander Cash Blue RF Referenciado DI FI	-	527.47
93,859.73 (March 31, 2019: Nil) units of Invesco India liquid fund direct plan- Daily dividend reinvestment**	93.95	-
9,535.71 (March 31, 2019: Nil) units of UTI Liquid cash plan - Daily dividend reinvestment***	32.95	-
Total	**420.23**	**914.70**
Current	**299.40**	**802.25**
Non-current	**120.83**	**112.45**

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 54 and Note 55 for determination of their fair values.

The investment is held as debt service reserve account.

Out of above units followings are the lien marked
*1,70,437.06 units (March 31, 2019:Nil) units of Axis Liquid fund direct plan - Daily dividend reinvestment
**92,910.84 units (March 31, 2019: Nil) of Invesco India liquid fund direct plan- Daily dividend reinvestment
***9,535.71 units (March 31, 2019: Nil units) of UTI Liquid cash plan - Daily dividend reinvestment

NOTE 7: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	March 31, 2020	March 31, 2019
Current		
Loans to related party (Refer note 57)	282.84	260.65
Total	**282.84**	**260.65**

Loans are non-derivative financial assets which generate a fixed interest income for the Group.

Notes to Consolidated Financial Statements

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(All amounts in ₹ million unless otherwise stated)

(i) Loan from Sterlite Power Technologies Private Limited (SPTPL) carries variable interest rate linked to SBI deposit rate and is repayable on demand.

As at March 31, 2020, the Group has unsecured loan receivable amounting to ₹195.12 million (including accumulated interest accrued), the net worth of SPTPL is eroded and currently does not have any operating business. SPTPL has obtained the support letter from its holding company, Twin Star Overseas Limited, based on which the Group considers the loan to be recoverable.

(ii) Loan from Sterlite Technologies Ltd ('STL') carries an interest @ 10% and is repayable on demand.

NOTE 8: TRADE RECEIVABLES

(₹ in million)

	March 31, 2020	March 31, 2019
Trade receivables	446.02	363.84
Total	**446.02**	**363.84**
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	446.02	363.84
	446.02	**363.84**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, credit impaired receivables	446.02	363.84
	446.02	**363.84**
Total non-current trade receivables	-	-
Current		
Trade receivables	5,487.31	6,841.14
Receivables from associate (Refer note 57)	-	15.21
Receivables from other related parties (Refer note 57)	52.23	55.22
Total	**5,539.54**	**6,911.57**
Break-up for security details:		
- Unsecured, considered good	5,539.54	6,911.57
- Unsecured, credit impaired receivables	-	-
Total current trade receivables	**5,539.54**	**6,911.57**

As at March 31, 2020, there are no trade or other receivable which are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The Group has entered into an arrangement with HDFC Bank Limited for non recourse factoring pursuant to which the company has derecognised trade receivables of Nil (March 31, 2019: ₹750.43 million).

See Note 52 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 9: OTHER FINANCIAL ASSETS

(₹ in million)

		March 31, 2020	March 31, 2019
Non-current			
Security deposits (unsecured, considered good)		76.83	48.91
Non-current bank balance #		559.33	27.18
Total other non-current financials assets		**636.16**	**76.09**
Current			
Security deposits (unsecured, considered good)		48.35	57.19
Advances recoverable in cash (unsecured, considered good)		4.34	83.13
Contract assets of transmission charges ##		134.46	114.86
Interest accrued on investments		14.28	2.64
Insurance claim receivable		-	204.20
Receivable from related parties (Refer note 57)		58.56	199.85
Receivable from Indigrid for sale of investment		1,420.77	-
Earnest money deposit with customer		51.48	51.95
Others		-	11.69
	(A)	**1,732.24**	**725.51**
Derivative instruments			
- Forward exchange contracts		278.38	241.24
	(B)	**278.38**	**241.24**
Total other current financial assets	**(C=A+B)**	**2,010.62**	**966.75**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Advances recoverable in cash are non-derivative financial assets. These contain other costs incurred as part of project execution which are recoverable on actual basis.

Earnest money deposit from customers are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Derivative instruments reflect the change in fair value forex forward contracts, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for sales and purchases in US Dollars (USD) and Euros (EUR).

Receivables from related parties are non-derivative financial assets and are refundable in cash.

During the year, the Group has sold its equity stake in Sterlite Novo Estado Energia S.A, Brazil ('Nova Estado'), Arcoverde Transmissao De Energia S.A., Brazil ('Arcoverde'), Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A). Pursuant to this, the Group has established an escrow account of ₹478.44 million (March 31, 2019: Nil) for Nova Estado and Arcoverde which will be released after a period of more than 12 months on fulfilment of certain conditions prescribed in the share purchse agreement executed for the assets sold.
Balance amounting to ₹50.11 million pertains to lien with Gurgaon Metropolitian Development Authority.

Contract assets of transmission charges pertains to unbilled revenue for the month of March 31, 2020 amounting to ₹134.46 million (March 31, 2019: ₹114.86 million) billed to transmission utilities in the month of April 2020.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 10: OTHER ASSETS

(₹ in million)

	March 31, 2020	March 31, 2019
Non- Current		
Capital advances (unsecured, considered good)	1,452.76	3,193.34
Concession contract assets*	5,328.51	7,837.35
Advances to vendors/contractors (unsecured, considered good)	-	1,031.42
Balances with government authorities	418.34	114.46
Advance income tax, including TDS (net of provisions)	872.04	82.94
Prepaid expenses	44.77	189.94
Deposits paid with government authorities under tax litigation (refer note 43)	54.11	54.11
Advances recoverable in kind (unsecured, considered good)	-	1.90
Others	-	29.58
Total other non-current assets	**8,170.53**	**12,535.04**
Current		
Advance income tax, including TDS (net of provisions)	0.35	-
Advances to vendors/contractors (unsecured, considered good)	300.28	682.97
Balances with government authorities**	1,823.89	1,277.61
Prepaid expenses	354.16	560.49
Deposits paid under dispute	-	75.28
Contract assets related to EPC contracts (Refer note 25)	2,017.04	2,629.56
Concession contract assets*	551.34	-
Others	1.25	3.79
Total other current assets	**5,048.31**	**5,229.70**

(₹ in million)

*Movement of concession contract assets can be summarized as follows:	March 31, 2020	March 31, 2019
Opening balance	7,837.35	-
Adjustment for opening impact of Ind AS 115 "Revenue from contracts with customers"	-	278.20
Revenue from construction of concession assets (Refer note 25)	6,448.20	6,800.91
Remuneration of the concession assets (Refer note 25)	1,306.08	422.27
Assets sold during the year	(8,275.54)	-
Impact of foreign currency conversion	(1,436.24)	335.97
Closing balance	**5,879.85**	**7,837.35**
Current	551.34	-
Non-current	**5,328.51**	**7,837.35**

**As per Section 16 of CGST Act 2017, the Group is required to add the Input Tax Credit (ITC) availed to outward tax liability pertaining to suppliers which remain unpaid for the period of more than 180 days from the date of invoicing. The Group has added ITC of ₹90.69 million (March 31, 2019: Nil) availed relating to such vendors which are outstanding as on March 31, 2020 and this ITC shall be re-availed post payment to the vendors. The Group has provided interest amounting to ₹20.99 million (March 31, 2019: Nil) in the books.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 11: ASSETS AND LIABILITIES HELD FOR SALE

Pursuant to “Share Subscription and Purchase Agreement” executed between Electron IM PTE. LTD ('EIMPT') and Sterlite Power Transmission Limited ('SPTL') on April 30, 2019, SPTL shall sell 74% of its stake in its subsidiary Sterlite Investment Managers Limited (SIML) (Disposal Group 3) in two tranches starting from June 30, 2019 till June 30, 2021. During the year, SPTL has sold 40% of the its stake in SIML for a consideration of ₹60.05 million and recognition of increase in fair valuation by ₹20.08 million (net of deferred tax ₹4.68 million). Accordingly, SIML is considered as an associate from such date of sell of stake. Further, the remaining investment in SIML to the extent of 14% i.e. ₹21.01 million has been disclosed as "Non-current asset classified as held for Sale" as at March 31, 2020 (Refer Note a below).

"Sterlite Power Grid Ventures Limited ('the transferor company' refer note 56(iii)) being the sponsor of India Grid Trust (“IndiGrid”) had entered into 'Inter-se sponsor agreement' dated April 30, 2019 (“the Inter-se Agreement”) with Esoteric II Pte. Ltd. (“Investor”) to designate the Investor as a “Sponsor” of IndiGrid subject to approval under the SEBI (Infrastructure Investment Trusts) Regulations, 2016. Pursuant to the Inter-se Agreement, the the transferor company had agreed to sell 87.45 million units (‘Units’) of IndiGrid to the Investor. On September 24, 2019, the transferor company and Sterlite Interlinks Limited (‘SIL’) entered into a Unit transfer agreement (‘Unit Transfer Agreement’) for sale of the Units by the transferor company to SIL and consequently the transferor company, the Investor and SIL entered into an amendment agreement dated September 25, 2019 amending the Inter-se Agreement to include clauses for Unit Transfer Agreement and sale of units by SIL to the Investor.

Pursuant to the Unit Transfer Agreement, SIL has given an interest bearing advance to the the transferor company of ₹6,200.00 million for the purchase of the Units. The Units are currently owned by the the transferor company and have been pledged as security, basis which SIL has raised funds from its lenders. Accordingly, the advance has been presented under short term borrowings (Refer note 18) as at March 31, 2020 and investment in Indigrid units classified as assets held for sale.

The transferor company shall receive the consideration in cash within one year of sale therefore disposal groups had been disclosed as current. (Refer Note b below)"

Ind AS -105 Non Current Assets Held for Sale and Discontinued Operations requires a disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition and the sale must be highly probable. Based on the assessment performed by the management, it has been determined that the disposal groups as above should be disclosed as held for sale under Ind AS. Consequently the assets and liabilities of the disposal groups held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet.

The asset held for sale included in these consolidated financial statements as on March 31, 2020 are as follows:

(₹ in million)

		March 31, 2020
a)	**Assets classified as held for sale**	
	8,74,735 equity share of Sterlite Investment Managers Limited	21.01
		21.01
b)	**Non-current assets classified as held for sale**	
	8,74,48,026 units of India Grid Trust	7,325.63
		7,325.63

The amounts of assets and liabilities of the disposal groups and the asset held for sale included in these consolidated financial statements as on March 31, 2019 are as follows:

The Group had entered into agreement dated April 30, 2019 with India Grid Trust pursuant to which the investments of the Group in net assets of subsidiaries - Sterlite Grid 2 limited ('SGL2') and NRSS XXIX transmission limited ('NRSS') (referred to as "Disposal Group 1") and Sterlite Grid 3 Limited ('SGL3') and Odisha General Phase-II transmission limited ('OGPTL') (referred to as 'Disposal Group 2') were transferred to India Grid Trust at an agreed cash consideration specified in respective share purchase agreements.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	March 31, 2019				
	Disposal Group 1	Disposal Group 2	Disposal Group 3	Investment in associate held for sale	Total
	Refer note 11(i)				
Assets					
- Non-current assets		-	129.55	-	129.55
- Current assets	25,190.08	11,683.94	60.05	5,035.98	41,970.04
Liabilities					
- Non-current liabilities		-	-	-	-
- Current liabilities	33,884.26	9,211.78	20.33	-	43,116.36

(i) Break up of assets and liabilities of Disposal Group 1, Disposal Group 2 and Disposal Group 3 as at March 31, 2019:

(₹ in million)

	March 31, 2019			
	Disposal Group 1	Disposal Group 2	Disposal Group 3	Total
Assets				
Property, plant and equipment	22,411.63	493.39	1.71	22,906.73
Capital work-in-progress	0.00	10,996.85	-	10,996.85
Other non-current financial assets	0.42	-	-	0.42
Other non-current assets	53.50	37.59	19.79	110.88
Investments	1,315.22	-	108.38	1,423.60
Deferred tax asset, net	-	9.95	-	9.95
Trade receivables	751.00	119.48	51.19	921.67
Cash and bank balances	152.74	0.83	0.66	154.23
Other bank balances	-	3.93	-	3.93
Other current financial assets	451.46	8.05	2.68	462.19
Other current assets	54.11	13.87	5.19	73.17
Total assets held for sale	**25,190.08**	**11,683.94**	**189.60**	**37,063.62**
Presented as:				
- Non-current assets	**-**	**-**	**129.55**	**129.55**
- Current assets	**25,190.08**	**11,683.94**	**60.05**	**36,934.06**
Liabilities				
Long term borrowings	32,081.45	8,525.64	-	40,607.09
Deferred tax liability, net	197.13	-	-	197.13
Trade payables	60.04	3.21	4.85	68.10
Other financial liabilities	855.25	678.20	7.64	1,541.09
Other liabilities	690.39	4.73	7.84	702.96
Total liabilities held for sale	**33,884.26**	**9,211.78**	**20.33**	**43,116.37**
Presented as:				
- Non-current liabilities	-	-	-	-
- Current liabilities	**33,884.26**	**9,211.78**	**20.33**	**43,116.36**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 12: INVENTORIES

(₹ in million)

	March 31, 2020	March 31, 2019
(Valued at lower of cost and net realisable value)		
Raw materials and components [Includes stock in transit ₹453.66 million (March 31, 2019: ₹71.05 million)]	1,454.23	1,001.96
Work-in-progress	264.51	391.96
Finished goods [Includes stock in transit ₹410.57 million (March 31, 2019: ₹41.21 million)]	2,006.93	391.98
Traded goods	34.90	7.46
Construction material	19.43	50.86
Stores, spares, packing materials and others	142.79	147.81
Total	**3,922.79**	**1,992.03**

NOTE 13: CASH AND CASH EQUIVALENTS

(₹ in million)

	March 31, 2020	March 31, 2019
Balances with banks:		
On current accounts	1,190.24	3,907.16
Deposit with original maturity of less than 3 months	1,755.93	357.14
Cash in hand	0.17	0.13
Total	**2,946.34**	**4,264.43**

NOTE 14: OTHER BANK BALANCES

(₹ in million)

	March 31, 2020	March 31, 2019
Deposit with original maturity for more than 12 months*	0.89	27.60
Deposits with original maturity for more than 3 months but less than 12 months**	7,930.17	554.28
Escrow account	92.72	-
	8,023.78	**581.88**
Amount disclosed under non-current assets	(0.89)	(27.60)
Total	**8,022.89**	**554.28**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

* Held as lien by bank against bank guarantees

** Out of total deposits, amount held as lien by banks against bank guarantees includes ₹650.64 million (March 31, 2019: ₹5.71 million), ₹242.04 million (March 31, 2019: ₹476.62 million) held in debt service reserve account, deposit of Nil (March 31, 2019: ₹25.78 million) against margin money and Nil (March 31, 2019: ₹40.71 million) lien against bill discounting.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 15: EQUITY SHARE CAPITAL

(₹ in million)

	March 31, 2020	March 31, 2019
Authorised shares (no. million)		
80.00 (March 31, 2019: 80.00) equity shares of ₹2 each	160.00	160.00
Issued, subscribed and fully paid-up shares (no. million)		
61.18 (March 31, 2019: 61.18) equity shares of ₹2 each fully paid - up.	122.36	122.36
Total issued, subscribed and fully paid-up share capital	**122.36**	**122.36**

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

	No. in million	₹ in million
At April 01, 2018	61.18	122.36
At March 31, 2019	**61.18**	**122.36**
At March 31, 2020	**61.18**	**122.36**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders

The shareholding information is based on the legal ownership of shares and has been extracted from the record of the company including register of shareholder/ member.

c. **Shares held by holding company and their subsidiaries/associates:**

	March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
[Ultimate holding company]				
Vedanta Limited	0.95	1.56%	0.95	1.56%

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

	March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 16 : OTHER EQUITY

(₹ in million)

	March 31, 2020	March 31, 2019
Securities premium		
Balance as per last financial statements	4,536.80	4,536.80
Closing balance	**4,536.80**	**4,536.80**
Retained earnings		
Balance as per last financial statements	(10,406.09)	(5,282.04)
Add: Impact of adoption of Ind AS 115	-	18.22
Less: Impact of adoption of Ind AS 116 (Refer note 48)	8.98	-
Add: Net profit/(loss) for the year	9,416.61	(5,237.00)
Less: Re-measurement gain/(loss) on defined benefit plans, net of tax	(0.78)	(7.98)
Add: Amount transferred from debenture redemption reserve	98.88	341.57
Less: Amount transferred to legal reserve	(160.19)	(11.94)
Less:- Amount transferred to capital redemption reserve on redemption of preference shares	(1,543.65)	-
Less: Amount transferred to special unearned income reserve	(3,043.54)	(226.90)
Net deficit in the statement of profit and loss	**(5,629.78)**	**(10,406.09)**
Other reserves		
Debenture redemption reserve		
Balance as per last financial statements	98.88	440.45
Add: Created during the year	-	75.24
Less: Amount reclassified to retained earning	(98.88)	(416.81)
Closing balance	**-**	**98.88**
Cash flow hedge reserve		
Balance as per last financial statements	(1,006.23)	(375.28)
Add: Cash flow hedge reserve created on derivative contracts	(3,391.80)	(606.99)
Less: Amount reclassified to retained earning	(2,849.85)	23.96
Closing balance	**(1,548.18)**	**(1,006.23)**
Foreign currency translation reserve		
Balance as per last financial statements	(340.38)	0.04
Addition during the year	(1,519.82)	(340.42)
Closing balance	**(1,860.20)**	**(340.38)**
Capital Redemption Reserve		
Balance as per last financial statements	0.02	-
Add : Addition during the year	1,543.65	0.02
Closing balance	**1,543.67**	**0.02**
Legal reserve		
Balance as per last financial statements	11.94	-
Add : Addition during the year	160.19	11.94
Closing balance	**172.13**	**11.94**
Special unearned income reserve		
Balance as per last financial statements	226.90	-
Add: Transferred from retained earnings	3,043.54	226.90
Closing balance	**3,270.44**	**226.90**
Capital reserve		
Balance as per last financial statements	0.35	0.35
Add: Transferred from retained earnings	-	-
Closing balance	**0.35**	**0.35**
Total other reserves	**1,578.21**	**(1,008.51)**
Total Other equity	**485.22**	**(6,877.81)**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Nature and purpose of reserves:

16.1 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

16.2 Debenture redemption reserve

The Group has issued non-convertible debentures. As per the Companies (Share Capital and Debentures) Amendment Rules, 2019, the Company is not required to create debenture redemption reserve. Accordingly, the debenture redemption reserve existing in the books as on March 31, 2019 has been reversed during the financial year ended March 31, 2020.

16.3 Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with receivable and payable and commodity risk associated with purchase of aluminium and copper. For hedging commodity and foreign currency, the Group uses commodity future and foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects statement of profit or loss.

16.4 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

16.5 Legal reserve

Brazilian subsidiaries of the Group recognise 5% of net profit for the year subject to 20% of capital, before any allocation, as legal reserve.

16.6 Special unearned income reserve

The special unearned income reserve includes unrealised profit on construction of concession assets executed during the year.

16.7 Capital redemption reserve

During the year, Sterlite Power Grid Ventures Limited ('SPGVL" and "the transferor company") (refer note 56(iii) has redeemed 154.36 million redeemable preference share face value of ₹10 each subscribed by Sterlite Power Transmission Limited. Accordingly, SPGVL has created capital redemption reserve of ₹1,543.65 million in compliance of section 69 of Companies act, 2013.

NOTE 17 : LONG TERM BORROWINGS

(₹ in million)

	March 31, 2020	March 31, 2019
Non-current		
Non Convertible Debentures (secured) (refer note I)		
Nil (March 31, 2019: 9,375) Non convertible debentures of ₹1 million each	-	9,564.25
Nil (March 31, 2019: 3,500) 12.50% Non convertible debentures of ₹1 million each	-	3,445.90
2,50,000 (March 31, 2019: Nil) Non-Convertible Debentures of BRL 1,000 each	3,698.07	-
Term loans (secured) (refer note II)		
Indian rupee loans from banks	9,357.59	9,232.27
Indian rupee loans from financial institution	20,561.33	15,663.63
Local bills discounting and acceptances	5,892.50	9,011.08
Lease Obligation (unsecured)	51.29	-
Redeemable Preference Shares (unsecured) (refer note III)		
8.98% Redeemable Preference Shares	-	40.04
Total non-current borrowings	**39,560.78**	**46,957.17**
The above amount includes		
Secured borrowings	39,560.78	46,917.13
Unsecured borrowings	-	40.04

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	March 31, 2020	March 31, 2019
Current maturities		
Non Convertible Debentures (secured) (refer note I)		
Nil (March 31, 2019: 400) Non-Convertible Debentures of ₹1 million each	-	402.13
3,500 (March 31, 2019: Nil) 12.50% Non convertible debentures of ₹1 million each	3,467.37	-
11,500 (March 31, 2019: Nil) Non convertible debentures of ₹1 million each	11,417.08	-
Interest accrued but not due on debentures	887.06	-
Term loans (secured) (refer note II)		
Indian rupee loans from banks	271.47	833.96
Indian rupee loans from financial institution	237.36	3,208.45
Current maturities of lease obligations	112.10	1.44
Interest accrued on term loans	14.30	85.27
Redeemable Preference Shares (unsecured) (refer note III)		
18.00 million (March 31, 2019: Nil) redeemable preferences shares of ₹2 each (unsecured)	42.07	-
Total current maturities	**16,448.81**	**4,531.25**
The above amount includes		
Secured borrowings	16,448.81	4,531.25
Unsecured borrowings	-	-
	16,448.81	**4,531.25**
Amount disclosed under the head "other current financial liabilities" (note 20)	16,448.81	4,531.25
Net amount	-	-

NOTES:

I. **Non-convertible debentures**

a) **Sterlite Power Transmission Limited (SPTL)**

(i) Sterlite Power Grid Ventures Limited ('the transferor company' refer note 56(iii)) has issued 11,500 Non-Convertible Debentures ('NCDs') of ₹1 million each on private placement basis between March 2019 and July 2019 in 4 different tranches of ₹1,950 million, ₹5,500 million, ₹1,050 million and ₹3,000 million. All these instruments are redeemable after a period of 3 years from the deemed date of allotment of the first tranche (i.e. March 28, 2022) These NCDs carry interest rate between 11.50% p.a. – 12.30% p.a. between different tranches. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

i. First Pari-Passu charge on loans and advances given by the the transferor company to project Sterlite Grid 4 Limited ('SGL-4') Sterlite Grid 5 Limited ('SGL-5'), Khargone Transmission Limited ('KTL'), Gurgaon Palwal Transmission Limited ('GPTL'), NER- II Transmission Limited ('NER-II') & Goa Tamnar Transmission Project Limited ('GTTPL').

ii. Pledge of 51% shares of ('SGL 4') & ('SGL 5') on fully diluted basis at all times

iii. Non-disposal undertaking for balance 49% shares of SGL 4 & SGL 5.

iv. Pledge of 49% shares of the following Project SPV's i.e. KTL, GPTL, NER-II & GTTPL.

v. a first rank pari passu charge on Interest Service Reserve Account ('ICRA') and ISRA amount.

The Company is in process of creation of security as on March 31, 2020.

Note for Debt Covenants

The Company has outstanding obligations to lenders on account of non-compliance with financial covenants. In the event of non-compliance, the debenture trustees have the right to demand full repayment of NCD's. Accordingly, the NCD's have been classified as current maturity.

(ii) In the previous year, SPTL has issued 3,500 non convertible debentures of face value ₹1 million each amounting to ₹3,500 million carrying interest of 12.50%.

Notes to Consolidated Financial Statements

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The Debentures will be redeemed in the following manner

On June 30, 2020 : ₹750 million
On March 31, 2021 : ₹750 million
On March 29, 2022 : ₹2,000 million

The debentures are secured by

a) first and exclusive charge over all present and future fixed assets,

b) investments of SPTL in SPGVL including 51% pledge of shares of SPGVL on a fully diluted basis,

c) any loans and advances given to and dividend and any other receivables from SPGVL

d) second charge on all current assets of the Company

e) first and exclusive charge over any OCPRS, CCPS, or any other instrument by which money has been infused in SPGVL.

With respect to these NCDs, the NCD trust deed ('Deed') requires compliance with debt covenants relating to limitation on indebtedness and net borrowings to EBITDA ratio. The Company has not complied with the debt covenants mentioned in the Deed as at March 31, 2020. In the event of non compliance of the covenants, as per the Deed, the debenture trustees have the right to demand immediate repayment of NCDs and charge penal interest @ 2% p.a. from the date of non compliance. Accordingly, the NCDs have been disclosed as current maturity and the Company has accrued for the penal interest. The Company has not defaulted in repayment of loan or payment of non-penal interest or payment of penal interest claimed by the NCD holders during the year.

b) Sterlite Brazil Participoes,S.A., Brazil

The Company has issued 0.25 million non-convertible debentures of 1,000 BRL each with real and fiduciary guarantee. It carries an interest @ IPCA + 1.70% p.a. repayable in 42 semi-annual installments ith the first installment starting in January, 2022 and the last being in July, 2042. For security of these NCD's as guarantee package, the company has given bank guarantees along with fiduciary assignment of rights and pledge of 100% equity shares of it's wholly owned subsidiary Se Vineyards Power Transmission S.A.,

II. Term Loans

A) Sterlite Power Transmission Ltd (SPTL)

(a) Indian rupee term loan from banks outstanding amount as at March 31, 2019 amounting to ₹750.00 million carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated installments of ₹150 million (excluding interest) starting from June 2017. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future.

(b) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to ₹441.71 million carries interest @ MCLR +225 BPS p.a. Loan amount is repayable in 5 annual instalments starting from December 2018 in 5%,10%,20%,30% & 35% of loan amount. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL.

d) First charge all receivables, present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

(c) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to ₹462.88 million carries interest @ 11% p.a. Balance loan amount is repayable in 3 annual instalments 20%,30% & 35% of loan amount. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL

d) First charge all receivables, present & future

Notes to Consolidated Financial Statements

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e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

(d) Indian rupee term loan from financial institutions outstanding as at March 31, 2019 amounting to ₹993.50 million carries interest @ HDFC MCLR + 2.15% p.a. First tranche of the loan amount of ₹700.00 million is repaid in Feb 2018 and balance loan amount is repayable in 10 quarterly instalments starting from June 2018. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First ranking and pari passu charge on the mortgaged properties

b) First ranking and pari passu charge by the way of hypothecation on all the movable fixed assets

c) First ranking and pari passu charge by the way of hypothecation on all the receivables

d) Second ranking and pari passu charge by the way of hypothecation on all the current assets

e) First ranking and pari passu pledge over atleast 51% Pledged Securities of SPGVL held by the borrower.

(e) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to ₹790.00 million carries interest @ L&T infra PLR minus Spread. During the year the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) A first ranking and pari passu mortgage on the Mortgaged Property, both present and future

b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets, both present and future

c) First Ranking and pari passu charge by the way of hypothecation on all the dividends,any other receivable, Loans and advances from the borrower investment in SPGVL both present and future

d) An exclusive charge by the way of hypothecation on the DSRA, The DSR term Deposit and The DSR term Instruments (if any), both present and future

e) Pledge of equity share &OCRPS /CCPS, amounting to 51% economic interest and voting right on fully diluted basis of Sterlite Power Grid Venture Limited held by SPTL.

(f) Finance lease obligation is secured by hypothecation of related assets taken on lease. The interest rate implicit in the lease is between 10% p.a. to 12.50% p.a.

The gross investment in lease i.e. lease obligation and interest is payable in quarterly instalments at approximately ₹0.75 million.

B) Khargone Transmission Limited (KTL)

(i) Indian rupee term loan from banks and financial institutions of ₹10,022.42 million (March 31, 2019: ₹6,769.10 million) carries interest rate range between 11.10% p.a. to 14.00% p.a. (linked to the Lead Lenders Benchmark Rate with spread). 60% of total loan amount is repayable in 48 structured quarterly instalments post one year moratorium period in accordance with amortization schedule starting from January 31, 2021. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on October 31, 2032. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by pledge of 51% of share capital of the Company held by Sterlite Grid 4 Limited voting rights of which do not fall below 51%.

#Subsequent to year end, the Company has taken a two months moratorium and applied for further three months moratorium for interest payments under the RBI COVID-19 Regulatory Package in order to maintain optimum levels of liquidity to meet its cash and other obligations.

(ii) Domestic bill discounting amounting to Nil (March 31, 2019: ₹2,438.58 million) carries interest rate 7.40% p.a. to 9.20% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 270 days to 720 days and upon maturity gets automatically converted in into rupee term loan hence this has been classified under long-term borrowings.

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C) Gurgaon-Palwal Transmission Limited (GPTL)

(i) Indian rupee term loan of ₹6,477.83 million (March 31, 2019: ₹4,200 million) from bank and financial Institutions carries interest rate in range between 10.65% p.a. to 12.25% p.a. (linked to the Lead Lenders Benchmark Rate with Spread). 60% of total loan amount is repayable in 46 structured quarterly instalments post one year moratorium period in accordance with amortisation schedule starting from June 30, 2020. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on September 30, 2031. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

#Subsequent to year end, the Company has taken a two months moratorium and applied for further three months moratorium for interest payments under the RBI COVID-19 Regulatory Package in order to maintain optimum levels of liquidity to meet its cash and other obligations.

(ii) Domestic bill discounting of ₹924.80 million (March 31, 2019 : ₹2,424.80 million) carries interest rate 7.00% to 8.80% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 267 to 720 days and upon maturity gets automatically converted in into rupee term loan hence this has been classified under long-term borrowings.

D) NER II Transmission Limited (NER II)

(i) Indian rupee term loan from financial institutions of ₹13,077.50 million (March 31, 2019: ₹4,937.50 million) carries interest at the rate of 10.50%- 12.65% p.a payable monthly (linked to the Lead Lenders Benchmark Rate with Spread).Total loan amount is repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule (tenure of 15 year). The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

(ii) Domestic bill discounting amounting to ₹2,147.70 (March 31, 2019 : ₹2,327.70 million) carries interest rate 9% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 303 days and upon maturity gets automatically converted into rupee term loan hence this has been classified under long-term borrowings.

E) Goa Tamnar Transmission Project Limited

(i) Domestic bill discounting amounting to ₹1,820 million (March 31, 2019: ₹1,820 million) carries interest rate 8.00% p.a. to 9.10% p.a. This facility gets converted in Rupee term loan on maturity. Hence this has been classified under long-term borrowings. Total loan amount is repayable in 63 structured quarterly instalments post 6 months moratorium period in accordance with

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amortisation schedule (tenure of 20 year). The loan together with interest, liquidated damages, fees, costs, charges, expenses and all other amounts is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company till final settlement date. upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

Loan Covenants

The Company is required to ensure compliance of certain financial covenants, after completion of one financial year of full operations of the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from financial institutions. For the financial year ended March 31, 2020, the Company is not required to comply with the said covenants.

F) Lakadia Vadodara Transmission Limited

(i) Indian rupee term loan of ₹850 million (March 31, 2019: Nil) from bank carries interest rate in range between 11.50% p.a. (linked to the Lead Lenders Benchmark Rate with Spread). 60% of total loan amount is repayable in 53 structured quarterly installments post nine months moratorium period in accordance with amortisation schedule starting from March 31, 2022. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last installment on March 31, 2035.

The Facility (together with all interest, liquidated damages, fees costs, charges, expenses and other monies and all other amounts stipulated and payable to the Lender(s)) shall be secured by :-

a) First pari-passu charge on all immoveable assets/assets attached to the ground (such as transmission system and associated equipment) of the Borrower, both present and future

b) First pari-passu charge on all moveable assets of the Borrower, both present and future

c) Assignment of all benefits, rights, titles and interests of the Borrower in, to and under all assets of the Project and all Project documents, contracts, insurance policies, permits/ approvals etc. assigned, such assignment in favour of the Lenders being duly acknowledged and consented to by relevant counterparties to such project documents.

d) Assignment of the rights of the Borrower under transmission license and consent of CERC if applicable for such assignment

e) First pari-passu charge on all the Project's bank accounts including but not limited to the Debt Service Reserve Account (DSRA) and designated accounts opened in a designated bank, where all cash inflows from the Project shall be deposited and all proceeds shall be utilized in a manner and priority to be decided by the Lead Bank

f) First pari-passu charge on all the current assets of the Borrower including but not limited to the receivables, operating cash flows, commissions, revenues of whatsoever nature and wherever arising present and future,

g) First pari-passu charge on all the intangible assets of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital, both present and future;

h) Pledge of 51% of the share capital of the Borrower.

(ii) Domestic bill discounting amounting to ₹1,000 million (March 31, 2019 : Nil) carries interest rate 7.41% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills due on maturity gets automatically converted into rupee term loan hence this has been classified under long-term borrowings.

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III. Redeemable Preference Shares

(₹ in million)

	March 31, 2020	March 31, 2019
Authorised shares (nos. million)		
36.40 (March 31, 2019: 36.40) redeemable preference shares of ₹2 each	72.80	72.80
Issued, subscribed and fully paid-up shares (nos. million)*		
18.00 (March 31, 2019: 18) non cumulative redeemable preference shares of ₹2 each		
- Nominal Value	36.00	36.00

Terms/rights attached to preference shares

The non-cumulative preference shares carry 0.01% non cumulative dividend. Holders of preference shares have a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. There shares carrying face value of ₹2 per share are to be redeemed at a premium of 8% compounded annually. The shares are redeemable at December 31, 2020.

Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

(₹ in million)

	(Nos. in million)	Face value
At April 01, 2018	**18.00**	**36.00**
Add: Movement during the year	-	-
At March 31, 2019	**18.00**	**36.00**
Add: Movement during the year	-	-
At March 31, 2020	**18.00**	**36.00**

Detail of preference shareholders holding more than 5% of shares in the company

	March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding
Clix Finance India Private Limited	18.00	100.00%	18.00	100.00%

NOTE 18 : SHORT TERM BORROWINGS

(₹ in million)

	March 31, 2020	March 31, 2019
Cash credit from banks	799.24	443.58
Working capital demand loans from banks	2,700.00	2,072.85
Bridge loan from bank	447.19	4,409.49
Export packing credit	499.80	2,118.03
Factoring bill payable	-	1,611.83
Suppliers credit (secured)	878.08	377.66
Suppliers credit (unsecured)	116.93	-
Advance from Sterlite Interlinks Limited (refer note 11 and note 57)	6,200.00	-
Other loan from banks	628.19	208.54
Loans from related parties (refer note 57)	1,500.00	-
Total	**13,769.43**	**11,241.98**

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Note:

(i) Cash credit is secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable as collateral charge. Few Cash credit limits are also secured by way of second charge over immovable fixed assets. The cash credit is repayable on demand and carries interest @ 9.10% - 13.35% p.a.

(ii) Working capital demand loans from banks are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge. Working Capital Demand Loan is generally taken for a period of less than 365 days and carries interest @ 8.15% - 13.35% p.a.

(iii) Bridge Loan taken in Brazil is repayable within a period of 180 days and carries an interest rate of CDI + 3.55% p.a without guarantee.

(iv) Export packing credits are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge. and is generally taken for a period of 180 days. It carries interest @ 9.25% - 9.50% p.a.

(v) Suppliers' credit arrangements are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Suppliers' credit is repaid after a period of six months where foreign currency suppliers credit carry interest @ 2.30% - 3.37% p.a. in (excluding hedging premium) and domestic suppliers credit carry interest @ 7.90% - 13.27% p.a.

(vi) Unsecured suppliers credit consists of financing of payable to MSME vendors with banks and is generally taken for a period of not more than 90 days. It carries interest @ 8.3% - 9.25% p.a.

(vii) Advance from Sterlite Interlinks Limited ('SIL') is secured against investment made in India Grid trust units which carries interest rate of 14.90% p.a. paid on quarterly basis.

(viii) Other borrowings from banks consists of short term facility in the form of vendor financing which is repayable within period of 90 days and carries interest rate @8.25% p.a.

(ix) Loan from related parties include an unsecured demand loan from PTC Cables Private Limited with an interest rate between 10.25% - 10.90% p.a. (SBI MCLR + 250 Basis points). Interest will be calculated on the basis of 360 days in a year consisting of 12 months of 30 days. The borrower shall pay the interest on the last day of the term. However, Group can repay the partial or full amount to the lender with prior not less than 10 days irrevocable notice or the lender may ask the repayment by giving 5 business day notice to the Group.

NOTE 19 : TRADE PAYABLES

(₹ in million)

	March 31, 2020	March 31, 2019
Current		
Trade payables	7,797.83	8,341.70
Current		
Trade payables (including acceptances)	4,707.63	7,771.89
Trade payables to related parties (Refer note 57)	75.23	319.70
Suppliers credit	3,014.96	250.11
Total	**7,797.83**	**8,341.70**

a) Trade payables are non-interest bearing and are normally settled on 60-90 days terms. However, there were some creditors who have given a credit period of 180 days.

b) Operational supplier's credit are availed in Indian Rupees at an interest rate of 7.50% and is backed by standby letter of credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pair passu charge over the present and future current assets of the Group.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
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NOTE 20 : OTHER FINANCIAL LIABILITIES

(₹ in million)

	March 31, 2020	March 31, 2019
Non Current		
Other financial liabilities at amortised cost		
Payable for employee stock appreciation rights	-	45.89
Payables for property, plant and equipment	89.62	-
Total non-current financial liabilities	89.62	45.89
Current		
Derivative instruments #		
Commodity futures	982.49	869.18
	982.49	**869.18**
Other financial liabilities at amortised cost		
Security deposits (refer note 57)	50.00	-
Current maturities of long-term borrowings (Refer note 17)	15,435.35	4,520.63
Current maturities of lease obligations (Refer note 17)	112.10	0.41
Interest accrued and not due on long-term borrowings (Refer note 17)	901.36	-
Interest accrued and not due on short term borrowings	155.04	50.67
Interest free deposit from customers	0.92	1.47
Employee benefit payable	266.98	80.54
Earnest money deposit from vendors	2.01	2.02
Payable for employee stock appreciation rights (Refer note 47)	54.36	39.56
Payables for property plant & equipment*		
- Payable to related party (Refer note 57)	308.16	10,371.58
- Payable to others	5,852.89	-
Others	424.72	70.13
Total	**24,546.38**	**16,006.19**

* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-120 days terms. It also includes the current maturities of long term payables for purchase of property, plant and equipment which have been valued at amortised cost. Payables with period allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit

Derivative instruments at fair value through OCI reflect the change in fair value of foreign exchange forward contracts designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD) and Euros (EUR). Derivative instruments at fair value through OCI also include the change in fair value of commodity forward contracts. The group is exposed to changes in the price of aluminium and copper on its forecast aluminium and copper purchases. The forward contracts do not result in physical delivery of aluminium and copper, but are designated as cash flow hedges to offset the effect of price changes. The group hedges 100% of its expected aluminium and copper purchases.

Interest free deposits from customer and earnest money deposits to vendor are non interest bearing.

Other payables are non-interest bearing and have an average term of 30 -180 days.

Interest payable is normally settled within 30 days throughout the financial year.

For explanations on the group's credit risk management processes, refer to Note 52.

Notes to Consolidated Financial Statements

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NOTE 21 : PROVISIONS

(₹ in million)

	March 31, 2020	March 31, 2019
Non-Current		
Provision for onerous contracts	680.00	278.83
Total	**680.00**	**278.83**
Movement of provision		
Opening balance	278.83	-
Add: Created during the year	680.00	278.83
Less: utilised/ (reversed) during the year	(278.83)	-
Closing balance	**680.00**	**278.83**

NOTE 22 : EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	March 31, 2020	March 31, 2019
Non current		
Provision for leave benefit	-	22.59
Provision for gratuity (Refer note 40)	74.96	71.49
Total	**74.96**	**94.08**
Current		
Provision for gratuity (Refer note 40)	9.76	8.88
Provision for leave benefit	66.76	38.75
Total	**76.52**	**47.63**

NOTE 23: DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in million)

		March 31, 2020	March 31, 2019
I.	**Deferred tax liability**		
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	98.71	139.53
	Fair valuation of Land on transition date	38.86	38.86
	Timing difference on accounting profit and profit chargeable under income tax for Brazil	1,032.61	-
	Related to construction of concession assets	38.28	922.12
	Gross deferred tax liability	**1,208.47**	**1,100.51**
	Less: Netted off against deferred tax assets	-	925.22
	Net deferred tax liability	**1,208.47**	**175.29**
II.	**Deferred tax assets**		
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	528.71	638.13
	Unabsorbed tax depreciation	364.69	1,807.35
	Business loss	-	502.69
	Impairment of investment in India Grid Trust	222.47	222.47
	On capital loss incurred during current year	163.81	293.60
	Deferred tax asset on expenses disallowed in income tax, allowed as and when incurred	170.53	-
	Others	25.56	343.90
	Gross deferred tax assets	**1,475.77**	**3,808.14**
	Less: Netted off against deferred tax liabilities	-	925.22
	Net deferred tax asset	**1,475.77**	**2,882.92**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020

(All amounts in ₹ million unless otherwise stated)

Reconciliation of deferred tax asset

(₹ in million)

	March 31, 2020	March 31, 2019
Opening deferred tax asset, (net)	2,707.63	1,838.93
Deferred tax debit/(credit) recorded in statement of profit and loss (including MAT credit availed)	(2,479.53)	765.42
Net deferred tax credit recorded in OCI not to be reclassified to profit and loss in the subsequent period	105.66	52.78
Deferred tax credit recorded in cash flow hedge reserve	(105.66)	(112.95)
Deferred tax credit / (charge) on transition impact of Ind AS 115	-	(12.16)
Deferred tax asset/ (liability) classified as asset held for sale (Refer note 11)	-	187.18
Others	39.21	(11.57)
Closing deferred tax asset, net	**267.30**	**2,707.63**

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(₹ in million)

	March 31, 2020	March 31, 2019
Profit or loss section		
Current income tax	2,157.44	1,198.92
MAT credit entitlement	-	(154.23)
Adjustment of tax relating to earlier periods	(684.11)	(21.50)
Relating to origination and reversal of temporary differences	2,479.53	(611.19)
Income tax expenses reported in the statement of profit or loss	**3,952.86**	**412.00**
OCI section		
Exchange differences on translation of foreign operations	-	-
Net (gain)/loss on revaluation of cash flow hedges	(105.66)	131.16
Re-measurement loss defined benefit plans	(0.31)	(0.68)
Income tax credited through OCI	**(105.97)**	**130.48**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

(₹ in million)

	March 31, 2020	March 31, 2019
Accounting profit before income tax	**13,369.47**	**(4,825.06)**
At India's statutory income tax rate of 25.17% (March 31, 2019: 34.94%)	3,364.83	(1,685.87)
Disallowance of amortisation of goodwill	119.79	166.30
Effect of income chargeable at reduced rate of tax	79.90	41.39
Adjustments in respect of deferred tax of previous years	4.46	57.45
Deferred tax asset not recognised in relation to associate (net)	2.02	133.92
Dividend distribution tax	-	466.75
Deferred tax asset not recognised on loss for the year	-	1,128.41
Income tax of earlier years	-	(21.50)
Effect of capital gains chargeable at different rate of tax	(375.03)	-
Difference in rate of tax in Brazil and India	455.21	-
Deferred tax asset utilised against gain on sale of subsidiaries	602.54	-
Exchange rate difference	117.20	-
Income tax for earlier year*	(684.11)	-
Other non-deductible expenses	266.04	125.15
At the effective income tax rate of 29.57% (March 31, 2019: -8.54%)	**3,952.86**	**412.00**
Income tax expense reported in the statement of profit and loss	**3,952.86**	**412.00**

*As explained in note 56 (iii), the Company has accounted for synergies on account of merger on the income tax expenses and has disclosed an amount of ₹681.71 million as income tax for earlier years.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 24: OTHER LIABILITIES

(₹ in million)

	March 31, 2020	March 31, 2019
Current Liabilities		
Advance from customers	737.17	194.99
TDS payable	186.80	159.84
Contract liabilities for EPC contracts	365.14	326.12
GST payable	74.18	552.39
Other statutory dues payable to central/state government	-	958.24
Advance from vendor	277.33	-
Others	496.08	605.91
Total	**2,136.70**	**2,797.49**

NOTE 25: REVENUE FROM OPERATIONS

(₹ in million)

	March 31, 2020	March 31, 2019
Revenue from contracts with customers		
Revenue from sale of conductors and power cables	11,724.68	16,021.39
Revenue from Engineering, Procurement and Construction (EPC) contracts	5,031.53	7,176.96
Revenue from power transmission services	3,300.58	4,606.53
Revenue from construction of concession assets	6,448.20	6,800.91
Remuneration of concession assets	1,306.08	422.27
Revenue from sale of traded goods	1,923.76	171.69
Revenue from operation & maintenance of concession assets	39.08	-
Revenue from network infrastructure	2.37	-
Total revenue from contracts with customers	**29,776.28**	**35,199.75**
Other operating revenue		
Scrap sales	93.96	113.66
Export incentive	46.64	92.52
Management fees (Refer note 57)	123.13	144.12
License Fees	3.19	-
Total revenue from operations	**30,043.19**	**35,550.06**

(a) **Performance obligations**

Sale of conductors and power cables

The performance obligation is normally satisfied upon delivery of goods and payment is generally due within 60 to 180 days from delivery. Some contracts provide the Group the right to receive price variation from customers which are based on market metal prices and mutual agreement. Payment in such cases is generally due within 60 to 180 days from the agreement.

Revenue from Engineering, Procurement and Construction ('EPC') contracts

The performance obligation is satisfied progressively over the construction period, the Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

Power transmission services

Power transmission services are rendered to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the company with LTTCs. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount. Applying the practical expedient as given in Ind AS 115, the group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

Construction of concession assets

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered.

Remuneration of concession assets

Remuneration from service concession arrangement comprise of interest income which is recognized at the market interest rate that reflects the economic volatility on the future flow from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

(b) Disaggregated revenue information

(₹ in million)

		Within India		Outside India	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
(i)	Revenue from sale of conductors and power cables recognised at a point in time	8,554.40	10,789.63	3,170.28	5,231.76
(ii)	Revenue from Engineering, Procurement and Construction (EPC) contracts recognised over time	5,031.53	7,176.96	-	-
(iii)	Revenue from power transmission services recognised at a point in time	3,300.58	4,606.53	-	-
(iv)	Revenue from construction of concession assets recognised over time	-	-	6,448.20	6,800.91
(v)	Remuneration of concession assets recognised over time	-	-	1,306.08	422.27
(vi)	Revenue from sale of traded goods recognised at a point of time	1,923.76	171.69	-	-
(vii)	Revenue from professional consultancy services recognised at a point of time	-	-	-	-
(viii)	Revenue from network infrastructure recognised over time	2.37	-	-	-
(ix)	Revenue from operation & maintenance of concession assets recognised over time	-	-	39.08	-
	Total	**18,812.64**	**22,744.82**	**10,963.64**	**12,454.93**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

(c) Assets and liabilities related to contracts with customers

(₹ in million)

	March 31, 2020	March 31, 2019
Balances at the beginning of the year		
Trade receivables	6,911.57	8,016.12
Contract assets*	10,466.91	372.97
Contract liabilities (including advances from customers)	326.12	97.18
Balances at the end of the year		
Trade receivables	5,539.54	6,911.57
Contract assets	8,031.34	10,466.91
Contract liabilities (including advances from customers)	365.14	326.12

* Also includes contract assets related to construction of concession assets

The Group receives payments from customers based on a billing schedule, as established in the contracts. Contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) performed under the contract.

Set out below is the amount of revenue recognised from:

(₹ in million)

	March 31, 2020	March 31, 2019
Amounts included in contract liabilities at the beginning of the year	326.12	97.18
Performance obligations satisfied in previous years	-	-

(d) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

	March 31, 2020	March 31, 2019
Revenue as per contracted price	**29,647.68**	**35,100.00**
Adjustments:		
Incentives earned for higher asset availabilities	114.13	125.97
Surcharges received for late payments	32.96	10.14
Rebates given for early payments	(18.49)	(36.35)
Total revenue from contracts with customers	**29,776.28**	**35,199.75**

(e) Terms of service concession contracts

The Group has subsidiaries in Brazil which construct power transmission assets / facilities under service concession agreements.

Characteristics of service concession arrangement

The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time which are awarded by Brazilian Electricity Regulatory Agency ('ANEEL') through competitive bidding process. The infrastructure constructed by the Group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Periodic revision to annual permitted revenue ('RAP')

In accordance with the service concession agreement every five years after the date of signing the contracts, Brazilian Electricity Regulatory Agency ('ANEEL') will periodically tariff review of RAP of electricity transmission, in order to promote efficiency and low tariffs.

The periodic rate revision recipe comprises repositioning by determining:

a) the change of third-party capital costs in the concession agreement;

b) receipts from reinforcements and improvements;

c) identifying the amount to be considered as reducing rate - Other Income

Variable consideration

In accordance with the service concession agreement, the Group is liable to pay penalty for unavailability of transmission facilities to the Grantor. Further, the Group is eligible for additional RAP as an incentive for improving the availability of transmission facilities. These variable considerations are recognised as revenue from transmission infrastructure and/or Operation & maintenance revenue in the period in which they occur.

Details of revenue from construction of service concession assets and related construction costs

(₹ in million)

	March 31, 2020	March 31, 2019
Revenue from construction of service concession assets	6,448.20	6,800.91
Cost of construction of service concession assets	5,320.43	5,907.26

(f) Remuneration of concession assets

Remuneration from concession assets comprise of interest income which is recognized at the market interest rate that reflects the economic volatility on the future flow from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset at the time of award of the concession.

(g) Transaction price allocated to the remaining performance obligations

(₹ in million)

	March 31, 2020	March 31, 2019
Expected to be recognised as revenue over the next one year	6,925.26	5,511.79
Expected to be recognised as revenue beyond next one year	-	-
Total	**6,925.26**	**5,511.79**

NOTE 26: FINANCE INCOME

(₹ in million)

	March 31, 2020	March 31, 2019
Interest income on		
- Bank deposits	207.10	73.17
- Loan to related parties (Refer note 57)	21.98	11.05
- Others	2.74	-
Dividend/Fair value gain on mutual fund investments measured at fair value through profit or loss	50.95	72.14
Gain on sale of mutual funds	2.68	9.18
Interest on income tax refund	-	0.37
Others	14.89	19.09
Total	**300.34**	**185.00**

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
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NOTE 27: OTHER INCOME

(₹ in million)

	March 31, 2020	March 31, 2019
Net gain on sale of power transmission assets (refer note (i) below)	20,535.16	156.72
Gain on sale of property, plant and equipment (net)	5.74	-
Dividend Income on		
Investment in units of India Grid Trust	957.82	-
Miscellaneous income	41.25	7.82
Total	**21,539.97**	**164.54**

(i) **Sale of Sterlite Grid 2 Limited and Sterlite Grid 3 Limited**

Pursuant to share purchase agreements dated April 30, 2019 executed among the Group, Axis Trustee Services Limited (Trustee to India Grid Trust) and Sterlite Investment Managers Limited (Investment Manager of India Grid Trust), the Group sold 100% stake in Sterlite Grid 2 Limited ('SGL2') [and consequently in NRSS XXIX Transmission Limited ('NRSS') which is a wholly owned subsidiary of SGL2] and Sterlite Grid 3 Limited ('SGL3') [and consequently in Odisha Generation Phase II Transmission Limited ('OGPTL') which is a wholly owned subsidiary of SGL3] to India Grid Trust.

In current financial year, pursuant to this sale of power transmission assets in SGL2 and SGL3 to India Grid Trust, the group has recognised gain of ₹16,330.59 million through statement of profit and loss account.

During the year, the Group has entered into agreement to sale its equity stake in East-North Interconnection Company limited ('ENICL') to India Grid Trust ('IGT') . The Group has transferred 49.00% stake and right to appoint majority of the directors on the board of the ENICL as per the Share Purchase Agreement executed on March 23, 2020 among the Group, Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). The Share Purchase Agreement provides for a further beneficial acquisition interest to India Grid Trust to acquire 51% stake held by Group in the ENICL on the fulfilment of the terms and conditions of the agreement. Consequent to this, India Grid Trust has control over the ENICL and the Group has derecognised its power transmission assets and gain of ₹119.27 million has been recorded on such sale. Subsequent to year end, balance 51.00% has been transferred to IGT by the Group.

During the year, the Group has sold its equity stake in Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A), Arcoverde Transmissao De Energia S.A., Brazil & Sterlite Novo Estado Energia S.A, Brazil. Consequent to this, the Group has derecognised these Power Transmission Assets and gain of ₹4,085.30 million has been recognised on this sale.

During the previous year, the Group has received additional consideration of ₹156.72 million from India Grid Trust in respect of the sale of Bhopal Dhule Transmission Company Limited ("BDTCL") project pursuant to the Project Implementation and Management Agreement dated November 10, 2016, as amended, in connection with the additional tariff allowed by CERC for BDTCL project.

NOTE 28: EXCEPTIONAL ITEM

(₹ in million)

	March 31, 2020	March 31, 2019
Ineffectiveness of derivative contracts designated as cash flow hedges#	925.87	-
	925.87	**-**

#During the year, the contract for supply of conductor to subsidiaries in Brazil have subsequently been cancelled, and this cancellation has been considered as a non-recurring event. The loss on cancellation of corresponding cash flow hedges entered for mitigation of risk of fluctuation in prices of aluminium and foreign currency has been disclosed as exceptional item.

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NOTE 29: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	March 31, 2020	March 31, 2019
Inventory at the beginning of the year	1,001.96	1,486.02
Add: Purchases	10,812.46	12,787.51
	11,814.42	**14,273.53**
Less: Inventory at the end of the year	1,454.23	1,001.96
Cost of raw material and components consumed	**10,360.19**	**13,271.57**

NOTE 30: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	March 31, 2020	March 31, 2019
Construction material purchased	8,143.86	10,366.99
Subcontracting charges*	917.29	875.26
Total	**9,061.15**	**11,242.25**

*These charges pertains to services rendered in relation to construction contracts

NOTE 31: (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	March 31, 2020	March 31, 2019
Opening inventories:		
Traded goods	7.46	38.59
Work-in-progress	391.96	287.63
Finished goods	391.98	201.03
	791.40	**527.25**
Closing inventories:		
Traded goods	34.90	7.46
Work-in-progress	264.51	391.96
Finished goods	2,006.93	391.98
	2,306.34	**791.40**
Increase in inventories	**(1,514.94)**	**(264.15)**

NOTE 32: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	2,120.99	1,444.60
Contribution to provident fund	175.25	37.06
Employees stock appreciation rights (Refer note 47)	(21.94)	50.60
Gratuity expenses (Refer note 40)	24.12	18.70
Staff welfare expenses	147.26	103.89
Total	**2,445.68**	**1,654.85**

Employee benefit expense above is net of the amounts capitalised to property, plant and equipment. Refer note 41 for details.

Notes to Consolidated Financial Statements

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NOTE 33: OTHER EXPENSES

(₹ in million)

	March 31, 2020	March 31, 2019
Consumption of stores and spares	84.63	93.58
Power, fuel and water	259.74	274.89
Repairs and maintenance		
- Building	0.57	1.66
- Machinery	80.17	86.19
- Others	0.05	-
Service expenses and labour charges	262.01	347.50
Advertisement and business promotion expenses	8.27	28.20
Management Fees	4.36	-
Transmission infrastructure maintenance charges	103.70	64.23
Carriage inwards	-	454.37
Consumption of packing materials	426.63	389.73
Sales commission (other than sole selling agent)	411.33	251.67
Sales promotion	22.38	19.70
Carriage outwards	416.79	-
Loss on sale of stake in subsidiary (loss of control) (refer note 6A)	38.51	-
Rent	142.44	170.73
Insurance	242.82	124.65
Insurance claim written off	4.31	65.44
Rates and taxes	114.69	181.54
Travelling and conveyance	316.74	365.04
Loss on sale of property, plant and equipment (net)	-	43.77
Provision for doubtful debts and advances	94.72	41.71
Legal and professional fees	987.47	684.11
Provision for diminution in value of investment in units of India Grid Trust (Refer note 6A)	-	624.27
Provision for onerous contracts (Refer note 21)	406.65	278.83
Directors sitting fee and commission	13.18	23.72
Foreign exchange loss	0.68	67.51
Bad Debts/Advances written off	23.80	-
Recruitment expense	31.51	-
Indemnifcation expenses incurred under share purchase agreeement	118.70	-
Network maintenance charges	0.68	
Miscellaneous expenses	660.87	626.07
	5,278.40	**5,309.11**

Other expenses above are net of the amounts capitalised to property, plant and equipment. Refer note 41 for details.

*During the year, the Group has spend ₹10.94 million on Corporate Social Responsibility ('CSR activities') as per Section 135 of the Companies Act, 2013.

Notes to Consolidated Financial Statements

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NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	March 31, 2020	March 31, 2019
Depreciation of tangible assets*	978.51	1,331.06
Depreciation of ROU assets	103.25	-
Amortisation of intangible assets	68.30	20.62
Amortisation of goodwill (Refer note 51)	601.85	600.22
Total	**1,751.91**	**1,951.90**

*includes depreciation amounting to Nil (March 31, 2019: ₹466.75 million) pertaining to disposal group classified as held for sale. (refer note 11)

NOTE 35: IMPAIRMENT EXPENSE

(₹ in million)

	March 31, 2020	March 31, 2019
Impairment of property, plant and equipment classified as asset held for sale (Refer note 11)	-	388.43
Impairment of property, plant and equipment (including capital work in progress) (Refer note 46)	669.40	1,485.22
Total	**669.40**	**1,873.65**

NOTE 36: FINANCE COST

(₹ in million)

	March 31, 2020	March 31, 2019
Interest on financial liabilities measured at amortised cost	6,457.11	5,454.40
Bill discounting / factoring charges	134.64	181.11
Interest others	129.27	106.89
Finance charges payable under leases	19.50	0.21
Bank charges	905.86	266.48
Exchange difference to the extent considered as an adjustment to borrowing costs	2.33	2.38
Total	**7,648.71**	**6,011.47**

Finance cost above is net of the amounts capitalised to property, plant and equipment. Refer note 41 for details.

NOTE 37: EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the 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 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

(₹ in million)

	March 31, 2020	March 31, 2019
Loss before exceptional item attributable to equity shareholders for computation of basic and diluted EPS	10,342.48	(5,237.06)
Loss after exceptional item attributable to equity shareholders for computation of basic and diluted EPS	9,416.61	(5,237.06)
Weighted average number of equity shares in calculating basic EPS (Nos. million)	61.18	61.18
Earnings per share		
Basis and diluted before exceptional item (on nominal value of ₹2 per share)	**169.04**	**(85.60)**
Basis and diluted after exceptional item (on nominal value of ₹2 per share)	**153.91**	**(85.60)**

Notes to Consolidated Financial Statements

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NOTE 38: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. For leases pertaining to vehicles, Group has used implicit rate in agreement and for leases pertaining to office buildings, Group has used incremental borrowing rate (IBR) in absence of implicit rate mentioned in the agreement.

Applicability of Appendix C to Ind AS 115 - Revenue from Contracts with Customers to transmission projects in India

The Group through its subsidiaries in India is a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. It has also entered into a Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") in India through a tariff based bidding process and is required to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 25/35 years. The management of the Group is of the view that the grantor as defined under Appendix C of Ind AS 115 ("Appendix C") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix C is not applicable to the Group in respect of the transmission projects undertaken in India under BOOM model.

Estimates used in the application of Appendix C of Ind AS 115 'Service Concession Arrangement' to transmission projects in Brazil

The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider.

The Group records "Concession contract assets", as per Ind AS 115– Revenue from Contracts with Customers for Brazilian subsidiaries in the consolidated financial statements. The contract asset refers to the Group's right to the consideration as a result of the investments made in the construction of transmission line infrastructure. The measurement of contract assets involves significant estimates, such as: (i) the discount rate used, which represents the financing component embedded in the future receivable, (ii) Determination of fair value of consideration for each identified performance obligation and (iii) expected profit margins in each identified performance obligation.

Revenue from contract with customers - EPC contracts

Revenue and costs in respect of construction contracts are recognised by reference to stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group estimates the total cost of the project at each period end. These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Assets and liabilities held for sale

As at March 31, 2020 the investments in units of India Grid Trust is proposed to be transferred to Sterlite Interlinks limited ('SIL') [SIL will further transfer these units to Esoteric II Pte. Ltd.] to designate the Investor as a "Sponsor" of IndiGrid subject to approval from SEBI in terms of SEBI InvIT Regulations and approval from the unitholders of IndiGrid in exchange of which the Company is supposed to receive

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cash consideration. The management has classified these assets/ liabilities as held for sale since the carrying amounts of such assets/ liabilities will be recovered/paid principally through sale transaction rather than through continuing use. As on March 31, 2020 and March 31, 2019, the management concluded that these assets/ liabilities are available for immediate sale and the sale is highly probable.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

As at March 31, 2019, the investment of the Group in net assets of Sterlite Grid 2 Limited, NRSS XXIX Transmission Limited, Sterlite Grid 3 Limited, Odisha Generation Phase-II Transmission Limited (together referred as 'disposal group') are proposed to be transferred to India Grid Trust (a trust set up as an infrastructure investment trust under the SEBI (Infrastructure Investment Trusts) Regulations, 2014) in exchange of which the Group will receive amount in cash. Further, the investment in units of India Grid Trust is proposed to be transferred to Esoteric II Pte. Ltd. ("Investor") subject to approval from SEBI in terms of SEBI InvIT Regulations and approval from the unitholders of IndiGrid in exchange of which the Group will receive cash consideration.

The management has classified these assets and associated liabilities as held for sale since the carrying amounts of such assets and liabilities will be recovered principally through sale transaction rather than through continuing use. Management has concluded that these assets and liabilities were available for immediate sale and the sale was highly probable.

During the current year, the Group has sold its investment in its subsidiary, East-North Interconnection Company Limited ('ENICL'), to India Grid Trust ('IGT'). As per the Share Purchase Agreement, the Group has transferred 49% of its holding to IGT on March 24, 2020 and balance holding of 51% will be transferred upon fulfilling the conditions precedent to the second closing for the transfer. The Group has transferred the right to IGT the right to nominate directors on the Board of directors of the ENICL, right to direct the selling shareholders to vote according to its instructions in the Annual General Meeting / Extra-ordinary General Meeting or any other meeting of shareholders of ENICL and a non disposal undertaking for the remaining 51% stake in ENICL.

Considering the requirements under Ind AS 110, the Group has assessed that it does not control ENICL and it has not consolidated ENICL in the consolidated financial statements.

Pursuant to "Share Subscription and Purchase Agreement" executed between Electron IM PTE. LTD ('EIMPT') and SPTL on April 30, 2019, the Group shall sell 74% of its stake in its subsidiary Sterlite Investment Managers Limited (SIML) in two tranches starting from June 30, 2019 till June 30, 2021.

During the year, the Group has sold 40% of the its stake in SIML for a consideration of ₹60.05 million and recognition of increase in fair valuation by ₹20.08 million (net of deferred tax ₹4.68 million). Accordingly, SIML is considered as an associate from such date of sell of stake. Further, the remaining investment in SIML to the extent of 14% i.e. ₹21.01 million has been disclosed as "Non-current asset classified as held for Sale" as at March 31, 2020.

Refer Note 11 for further details.

- Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets including investment in associate and goodwill

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment), investment in associate and goodwill. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on the fair values less costs of disposal/value in use of the projects. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash flows.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 40.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 54 and 55 for further disclosures.

Provision for expected credit losses of trade receivables and contract assets
The Group performs an impairment analysis at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical observed data for defaults. At every reporting date, the historical observed default rates are updated. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Further, for companies engaged in the power infrastructure business, major receivables are from few customers and is based on point of connection mechanism (Refer Note 25), hence the concentration of risk with respect to trade receivables is low.

NOTE 39: LIST OF SUBSIDIARIES AND ASSOCIATES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE COMPANY'S EFFECTIVE EQUITY SHAREHOLDINGS THEREIN ARE AS UNDER:

Name of the Entity	**Effective equity shareholding as on March 31, 2020**	Effective equity shareholding as on March 31, 2019	Country of incorporation
List of subsidiaries			
Sterlite Power Grid Ventures Limited	100.00%	100.00%	India
Sterlite Convergence Limited	100.00%	100.00%	India
Sterlite Grid 2 Limited (SG2L)^	-	100.00%	India
Sterlite Grid 3 Limited (SG3L)^	-	100.00%	India
Sterlite Grid 4 Limited (SG4L)	100.00%	100.00%	India
Sterlite Grid 5 Limited (SG5L)	100.00%	100.00%	India
Sterlite Grid 6 Limited (SG6L)	100.00%	100.00%	India
Sterlite Grid 7 Limited (SG7L)	100.00%	100.00%	India
Sterlite Grid 8 Limited (SG8L)	100.00%	100.00%	India
Sterlite Grid 9 Limited (SG9L)	100.00%	100.00%	India
Sterlite Grid 10 Limited (SG10L)	100.00%	100.00%	India
Sterlite Grid 11 Limited (SG11L)	100.00%	100.00%	India
Sterlite Grid 12 Limited (SG12L)	100.00%	100.00%	India
Sterlite Grid 13 Limited (SG13L)	100.00%	100.00%	India
Sterlite Grid 14 Limited (SG14L)	100.00%	100.00%	India
Sterlite Grid 15 Limited (SG15L)	100.00%	100.00%	India
Sterlite Grid 16 Limited (SG16L)	100.00%	100.00%	India
Sterlite Grid 17 Limited (SG17L)	100.00%	100.00%	India
Sterlite Grid 18 Limited (SG18L)	100.00%	100.00%	India
Sterlite Grid 19 Limited (SG19L)	100.00%	100.00%	India
Sterlite Grid 20 Limited (SG20L)	100.00%	100.00%	India

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Name of the Entity	**Effective equity shareholding as on March 31, 2020**	Effective equity shareholding as on March 31, 2019	Country of incorporation
Sterlite Grid 21 Limited (SG21L)	100.00%	100.00%	India
Sterlite Grid 22 Limited (SG22L)	100.00%	100.00%	India
Sterlite Grid 23 Limited (SG23L)	100.00%	100.00%	India
Sterlite Grid 24 Limited (SG24L)	100.00%	100.00%	India
Sterlite Grid 25 Limited (SG25L)	100.00%	100.00%	India
Sterlite Grid 26 Limited (SG26L)	100.00%	100.00%	India
Sterlite Grid 27 Limited (SG27L)	100.00%	100.00%	India
Sterlite Grid 28 Limited (SG28L)**	100.00%	-	India
Sterlite Grid 29 Limited (SG29L)	100.00%	100.00%	India
Sterlite EdIndia Foundation**	99.93%	-	India
East-North Interconnection Company Limited (ENICL)^	48.67%	100.00%	India
NRSS XXIX Transmission Limited (NRSS)^	-	100.00%	India
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	100.00%	100.00%	India
Odisha Generation Phase-II Transmission Limited (OGPTL)^	-	100.00%	India
Gurgaon-Palwal Transmission Limited (GPTL)	100.00%	100.00%	India
Khargone Transmission Limited (KTL)	100.00%	100.00%	India
NER-II Transmission Limited (NER-II)	100.00%	100.00%	India
Goa-Tamnar Transmission Project Limited	100.00%	100.00%	India
Udupi Kasargode Transmission Limited**	100.00%	-	India
Lakadia Vadodara Transmission Limited**	100.00%	-	India
Sterlite Brazil Participacoes S.A	100.00%	100.00%	Brazil
Se Vineyards Power Transmission S.A.	100.00%	100.00%	Brazil
Arcoverde Transmissão De Energia S.A.^	-	100.00%	Brazil
Sterlite Novo Estado Energia S.A, Brazil^	-	100.00%	Brazil
Dunas Transmissão de Energia S.A	100.00%	100.00%	Brazil
Borborema Transmissão de Energia S.A.	100.00%	100.00%	Brazil
São Francisco Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Goyas Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Marituba Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Solaris Transmissão de Energia S.A.	-	100.00%	Brazil
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)^	100.00%	100.00%	Brazil
Castelo Transmissao de Energia S.A.	100.00%	100.00%	Brazil
List of associate			
Sterlite Investment Managers Limited*	40.00%	100.00%	India
Sterlite Interlinks Limited	49.00%	100.00%	India
India Grid Trust (refer note 6B) (Associate upto May 07, 2020)	15.00%	21.18%	India

* Includes 14% of the stake classified as Non Current Asset Held for Sale (Refer Note 11)

** Subsidiary incorporated / acquired during the year.

^ Subsidiary sold during the year

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NOTE 40: EMPLOYEE BENEFIT OBLIGATION

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Changes in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of the year	80.37	57.73
Interest Cost	5.76	4.48
Current service cost	17.93	14.22
Liability Transferred In/Acquistions	0.43	-
Liability Transferred Out/Divestments	(1.24)	-
Benefit paid directly by the employer	(19.63)	(4.74)
Actuarial (gain)/loss due to change in financial assumptions	0.62	10.19
Actuarial (gain)/loss on obligation due to experience	7.16	2.40
Actuarial (gain)/loss on obligation due to demographic assumptions	(6.69)	(3.91)
Present value of defined benefit obligation at the end of the year	**84.72**	**80.37**

Details of defined benefit obligation

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	84.72	80.37
Fair value of plan assets	-	-
Defined benefit liability	**84.72**	**80.37**
Current	**9.76**	**8.88**
Non Current	**74.96**	**71.49**

Net employee benefit expense recognised in the statement of profit and loss:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Current service cost	17.93	14.22
Liability Transferred In/Acquisitions	0.43	-
Interest cost on benefit obligation	5.76	4.48
Net benefit expense	**24.12**	**18.70**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Actuarial (Gains)/Losses on Obligation for the year	1.09	8.68
Net (Income)/Expense for the year recognized in OCI	1.09	8.68

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Amounts for the current and previous periods are as follows:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	84.72	80.37
Plan assets	-	-
Deficit	84.72	80.37
Experience adjustments on plan liabilities	7.16	2.40

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate	5.55% to 5.76%	7.10% to 7.22%
Expected rate of return on plan asset	NA	NA
Employee turnover	20% to 24%	14% to 16%
Expected rate of salary increase	8.00%	9.50%
Actual rate of return on plan assets	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity Analysis

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Projected Benefit obligation on Current Assumptions	84.72	80.37
Delta Effect of +1% Change in Rate of Discounting	(3.44)	(4.49)
Delta Effect of -1% Change in Rate of Discounting	3.75	5.01
Delta Effect of +1% Change in Rate of Salary Increase	3.34	4.27
Delta Effect of -1% Change in Rate of Salary Increase	(3.16)	(4.01)
Delta Effect of +1% Change in Rate of Employee Turnover	(3.98)	(3.36)
Delta Effect of -1% Change in Rate of Employee Turnover	6.36	5.18

Maturity Analysis of Projected Benefit Obligation: From the Employer

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Projected Benefits Payable in Future Years from the date of Reporting		
1st year	11.11	8.88
2-5 years	44.68	38.98
6-10 years	35.62	38.22
More than 10 years	33.71	48.36

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NOTE 41: CAPITALISATION OF EXPENDITURE

During the year, the Group has capitalised the following expenses to the cost of fixed assets/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
A. Opening balance of expenditure included in CWIP	9,503.88	7,385.52
B. Additions to CWIP during the year		
Employee benefits expense (including gratuity)	478.54	791.37
Finance costs	3,477.40	2,915.18
Travelling and conveyance	70.97	149.70
Professional and consultancy fee	457.51	376.45
Other expenses	306.73	358.10
Total	**4,791.15**	**4,590.80**
C. Transferred to property, plant and equipment during the year	**6,805.73**	**2,472.44**
D. Closing balance of expenditure in CWIP (A+B-C)	**7,489.30**	**9,503.88**

NOTE 42: CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹20,580.55 million (March 31, 2019: ₹46,341.43 million).

b) Entities in power transmission grid business have entered into transmission service agreements (TSAs) with long term transmission customers pursuant to which these entities have committed to transmit power of contracted capacity and have also committed minimum availability of transmission line over the period of respective TSAs. The TSAs contain provision for disincentives and penalties in case of certain defaults.

c) The Group has entered into agreements with the lenders of following subsidiaries wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital of below mentioned subsidiaries and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

1. Gurgaon-Palwal Transmission Limited (GPTL)
2. Khargone Transmission Limited (KTL)
3. NER-II Transmission Limited (NER-II)
4. Goa Tamnar Transmission Project limited (GTTPL)
5. Lakadia Vadodara Transmission Limited (LVTPL)

d) Commitment related to capital expenditure is Nil (net of capital advances) (March 31, 2019 ₹7.19 million).

e) The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency if any to the lenders of the project in subsidiaries to the extent as specified in the agreements executed with the respective lenders.

f) The Group has entered into service concession agreement in Brazil for construction & maintenance of service concession assets.

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NOTE 43: CONTINGENT LIABILITIES

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Disputed liabilities in appeal		
a) Excise duty	76.40	127.18
b) VAT demand	80.77	82.90
c) Service tax	-	3.24
d) Sales Tax	138.57	40.94
e) Corporate guarantees given to Sterlite Grid 1 Limited (subsidiary of India Grid Trust) against indemnification as per share purchase agreement	-	280.00
f) Bank guarantees given on behalf of India Grid Trust	25.00	25.00
g) Corporate guarantees given on behalf of its subsidiaries for loans and hedging facilities taken from bank/ financial institution (to the extent of loans and hedging facilities outstanding as at balance sheet date)	688.60	-
h) Corporate guarantee to India Grid Trust for claim under arbitration with respect to sale of ENICL (refer note (iv) below)	500.00	-
i) Corporate guarantee to India Grid Trust with respect to sale of ENICL	350.00	-

(i) Further, pursuant to share purchase agreement with India Grid Trust, the Group is to indemnify India Grid Trust for entry tax demand of ₹234.49 million (March 31, 2019 ₹410.20 million, sales tax demands of ₹11.30 million (March 31, 2019: ₹104.34 million), custom duty demands of ₹12.78 million (March 31, 2019: Nil) and Income Tax Act ₹27.16 million (March 31, 2019: Nil) in relation to the Companies sold to the trust.

(ii) The Group has not provided for disputed service tax, excise duty and customs duty arising from disallowances made in assessments which are pending with appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group financial position and results of operations.

(iii) The above Value Added Tax, Central Sales Tax and Entry Tax demand (along with the applicable interest, wherever levied) pertains to the following matters.

(a) Central Sales Tax demand of ₹16.80 million raised under the Delhi VAT Act, 2004 on account of non-submission of the declaration forms C pending to be received from the customers for the Assessment Year 2014-15.

(b) Value Added Tax, Central Sales Tax and Entry Tax demand of ₹19.10 million raised under the Madhya Pradesh VAT Act, 2002 on account of non-submission of the declaration forms EI/EII and Form 3 pending to be received / submitted for the Assessment Year 2015-16. The Group has deposited an amount of ₹4.70 million while preferring the appeal in this matter.

(c) Central Sales Tax demand of ₹4.85 million raised under the West Bengal VAT Act, 2003 on account of non-submission of the declaration forms C pending to be received / submitted for the Assessment Year 2014-15. The Group has deposited an amount of ₹0.47 million while preferring the appeal in this matter.

(d) Central Sales Tax demand of ₹0.19 million pertains to the demand raised under the Rajasthan VAT Act, 2003 on account of non-submission of the declaration forms EII pending to be received from the suppliers for the Assessment Year 2015-16”

The Group is contesting the demand by way of preferring appeals to the higher tax authorities and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of the operations.

(e) VAT demand of ₹6.88 million pertains to Telangana VAT Act, 2003 on account on non discharge of vat liability by sub- contractor for the period December 2015 to June 2017.

(f) Central Sales Tax demand of ₹95.24 million pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EII forms pending to be received from the suppliers for the Assessment Year 2015-16

(iv) During the year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited (‘ENICL’) in relation

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to turnkey construction contract executed by in earlier years which is pending before Arbitral Tribunal. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

NOTE 44: HEDGING ACTIVITIES AND DERIVATIVES

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD and EUR. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

Commodity futures entered in London Metal Exchange (LME) measured at fair value through OCI are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for purchases of Aluminium and copper. The futures contract balances vary with the level of expected quantity of purchases of aluminium and copper. The terms of the future contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges during the year ended March 31, 2020 were assessed to be highly effective except for as disclosed in note 28, and a net unrealised loss of ₹3,497.46 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended March 31, 2019 were assessed to be highly effective and an unrealised loss of ₹475.83 million was included in OCI in respect of these contracts. The amounts retained in OCI at March 31, 2020 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2021.

NOTE 45: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the group, for hedge purpose, as on March 31, 2020:

Purpose	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
March 31, 2020				
Hedge of payables, buyers credit and highly probable foreign currency purchases	USD 85.47	6,443.71	Buy	105
Hedge of trade receivables, margin money deposits and highly probable sale	USD 88.62	6,680.33	Sell	84
Hedge of payables and highly probable purchases	EUR 0.25	20.76	Buy	1
Hedge of trade receivables and highly probable sale	EUR 3.70	307.28	Sell	15
March 31, 2019				
Hedge of payables, buyers credit and highly probable foreign currency purchases	USD 278.93	19,317.32	Buy	288
Hedge of trade receivables and highly probable foreign currency sale	USD 67.05	4,637.80	Sell	67
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 2.43	188.43	Buy	1
Hedge of trade receivables and highly probable foreign currency sale	EUR 5.48	426.09	Sell	15
Hedge of trade receivables and highly probable foreign currency sale	BRL 52.31	924.73	Sell	11

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(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

(In million)

Category	Currency type	March 31, 2020		March 31, 2019	
		Foreign currency	Amount	Foreign currency	Amount
Import of goods and services	USD	0.90	67.55	0.46	32.52
	EUR	0.02	1.27	-	-

(c) Commodity future contracts to hedge against fluctuation in commodity prices:

The following are the outstanding future contracts entered into by the group as on March 31, 2020:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
March 31, 2020	Aluminium	157	119,760	Buy
March 31, 2020	Aluminium	120	102,595	Sell
March 31, 2020	Copper	5	137	Buy
March 31, 2020	Copper	4	104	Sell
March 31, 2020	Midwest premium on aluminium	16	5,650	Buy
March 31, 2019	Aluminium	256	106,294	Buy
March 31, 2019	Aluminium	37	12,561	Sell
March 31, 2019	Copper	10	795	Buy
March 31, 2019	Copper	2	354	Sell
March 31, 2019	Midwest premium on aluminium	28	11,825	Buy

NOTE 46: KEY ASSUMPTIONS IN IMPAIRMENT TESTING

The Group had entered into framework agreement with India Grid Trust ('IGT') and Sterlite Investment Management Limited (SIML) on April 29, 2019 to sale entire stake in the "KTL" & "GPTL" at predetermined value subject to commercial operation of the transmission line.

Subsequent to year end, the group has completed sale of stake in GPTL to India Grid Trust at Enterprise value of 10,850 million. Accordingly for the year ended March 31, 2020 group has reversed impairment amounting to ₹318.44 million in statement of profit & loss account.

For KTL, the recoverable amount of the transmission assets as determined under the framework agreement was lower than carrying value as on March 31, 2020, by ₹987.84 million and accordingly the Group has recorded an impairment charge for that amount during the year ended March 31, 2020.

As at March 31, 2019, the Group had determined the recoverable amounts of the transmission assets on the basis of the value in use by estimating the future cash flows over the period of the Transmission Services Agreement ('TSA').

For such estimation, management had used certain key assumptions which are as follows:

i. Cost of equity:
As at March 31, 2019- KTL: 13.70% and GPTL: 12.50%

ii. Cost of debt:
As at March 31, 2019- KTL & GPTL: 9.00%

iii. Availability of transmission lines at 99.75% throughout the TSA period;

iv. Escalable tariff inflation rate:
As at March 31, 2019- KTL & GPTL: 5.73%

v. Normal tax rate:
As at March 31, 2019 KTL and GPTL: 29.12%

vi. MAT rate:
As at March 31, 2019 KTL and GPTL: 21.55%

vii. Total cost of KTL project ₹13,938.00 million and GPTL project: ₹10,027.00 million

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2019. The entities have obtained valuation reports from external valuers in order to arrive at the recoverable amounts as at March 31,

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2019. The recoverable amount for the transmission assets in KTL was lower than the carrying value as at March 31, 2019 by ₹1,226.74 million and accordingly impairment charge of ₹1,226.74 million was recorded in the books. The recoverable amount of GPTL was lower than the carrying value as at March 31, 2019 by ₹391.05 million and accordingly impairment charge of ₹391.05 million was recorded in the books. These assumptions are reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the transmission assets. Any change in key assumptions can have a material effect on the recoverable amounts of the respective transmission asset.

NOTE 47: EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR)

ESAR scheme 2015

During the year ended March 31, 2016, the Group granted 12.78 million Employee Stock Appreciation Rights (ESARs) to eligible employees under the Employee Stock Appreciation Rights 2015 ("ESAR 2015") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated May 16, 2015. Following is the reconciliation of provision for ESAR outstanding -

Particulars	March 31, 2020		March 31, 2019	
	Numbers	Amount (₹ in million)	Numbers	Amount (₹ in million)
Opening balance as at the beginning of the year	-	-	49,48,000	101.48
ESAR granted during the period	-	-	-	-
ESAR Cancelled	-	-	-	-
Payment towards ESARs vested	-	-	(49,48,000)	(101.48)
Balance	-	-	-	-
Provision for increase in FMV of equity share	-	-	-	-
Closing balance as at the end of the year	-	-	-	-

Vesting of ESARs is subject to continued employment with the Group. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Group as on the date of vesting over the Stock Appreciation Rights ("SAR") price (i.e. the base price defined on the grant date of SAR) specified in the Scheme. During the year, under ESAR scheme 2015, Nil (previous year: ₹101.48 million) SARs have been vested and paid. The FMV is determined by the Committee based on the discounted cash flow valuation and other relevant factors.

ESAR scheme 2017

During the year ended March 31, 2020, Group has granted 2,20,397 (March 31, 2019 : 3,34,025 Employee Stock Appreciation Rights (ESARs) to eligible employees and cancelled 1,88,700 (March 31, 2019: 2,46,500) ESARs due to separation or otherwise, under the Employee Stock Appreciation Rights 2017 ("ESAR 2017") Plan ("Plan") as approved by the Committee formed under the Plan vide Board Resolution dated October 08, 2017.

Particulars	March 31, 2020		March 31, 2019	
	Numbers	Amount (₹ in million)	Numbers	Amount (₹ in million)
Opening balance as at the beginning of the year	6,65,425	85.45	5,77,900	19.25
ESAR granted during the period	2,20,397	15.65	3,34,025	25.10
ESAR Cancelled	(1,88,700)	(18.70)	(2,46,500)	(8.16)
Payment towards ESARs vested	-	-	-	-
Balance	**6,97,122**	**82.40**	**6,65,425**	**36.19**
Provision for increase in FMV of equity share	-	31.62	-	39.19
Accrual for the year at previous years FMV	-	(59.66)	-	10.07
Closing balance as at the end of the year	**6,97,122**	**54.36**	**6,65,425**	**85.45**

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Vesting of ESARs is subject to continued employment with the Group. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the Stock Appreciation Rights ("SAR") price (i.e the base price defined on the grant date of SAR) specified in the Scheme. The FMV is determined by the Committee based on the valuation and other relevant factors. As at March 31, 2020, excess of FMV over SAR price specified in the ESAR Scheme 2017 is ₹66.08 (March 31, 2019: 127.19) per share. Accordingly, the Company has recognised a reversal of expense of ₹21.94 million in the statement of profit and loss during the year ended March 31, 2020. Comparatively, the Company had accrued an expense of ₹50.60 million in the statement of profit and loss during the year ended March 31, 2019.

NOTE 48: ADOPTION OF IND AS 116 "LEASES"

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/(decrease)) is, as follows:

Particulars	Amount (In Million)
Assets	
Right-of-use assets	246.84
Property, plant and equipment	-
Lease receivable	7.52
Total assets	**254.37**
Liabilities	
Interest-bearing loans and borrowings	-
Lease liabilities	245.39
Deferred tax liabilities	-
Trade and other payables	-
Total liabilities	**245.39**
Total adjustment on equity:	
Retained earnings	(8.98)
Non-controlling interests	-

The Group has lease contracts for office building and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.3 (l) Leases for the accounting policy beginning April 01, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

A) Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019.

B) Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate ("IBR") at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
- Based on the above, as at April 01, 2019: Right-of -use assets of ₹246.84 million were recognised and presented separately in the balance sheet.
- Additional lease liabilities of ₹245.39 million were recognised.
- The net effect of these adjustments had been adjusted to retained earnings is ₹8.98 million. (Refer Note 16)

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The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount (In Million)
Operating lease commitments as at March 31, 2019	217.42
Add: Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	73.32
Less: Commitments relating to leases of low-value assets	7.25
Net Long Term Lease Liability disclosed in the Financials as on April 01, 2019	**283.49**

Weighted average incremental borrowing rate as at April 01, 2019	For India: 9.95%-12.5% For Brazil: 0.82%
Discounted operating lease commitments as at April 01, 2019	249.81
Less:	
Commitments relating to short-term leases	-
Commitments relating to leases of low-value assets	-
Add:	
Difference in Lease liabilities and PV of cash flows as on April 01, 2019 on account of discounting net of adjustment in Retained Earnings	4.55
Impact due to retrospective application of Ind AS 116	(8.98)
Lease liabilities as at April 01, 2019	**245.39**

NOTE 49 (A) : STATUTORY GROUP INFORMATION (SHARE IN NET ASSETS)

Name of entity	Net assets, i.e., total assets minus total liabilities (March 31, 2020)		Net assets, i.e., total assets minus total liabilities (March 31, 2019)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Parent				
Sterlite Power Transmission Limited	-2,487.42%	(15,113.31)	47.41%	(3,202.52)
Subsidiaries				
- Indian				
Sterlite Investment Managers Limited	-	-	-2.51%	169.31
Sterlite Convergence Limited	30.86%	187.49	-2.89%	194.91
Sterlite Power Grid Ventures Limited (refer note 56(iii))	-	-	247.44%	(16,715.85)
Sterlite Grid 1 Limited	-	-	-	-
Sterlite EdIndia Foundation	0.46%	2.78	-	-
Sterlite Grid 2 Limited^	-	-	42.72%	(2,885.83)
Sterlite Grid 3 Limited^	-	-	-0.55%	37.34
Sterlite Grid 4 Limited	-0.04%	(0.25)	-0.01%	0.93
Sterlite Grid 5 Limited	12.88%	78.23	-0.09%	5.92
Sterlite Grid 6 Limited	-0.06%	(0.39)	0.00%	(0.14)
Sterlite Grid 7 Limited	-0.02%	(0.11)	0.00%	0.12
Sterlite Grid 8 Limited	(0.00)	(0.13)	-	-
Sterlite Grid 9 Limited	(0.00)	(0.15)	-	-
Sterlite Grid 10 Limited	0.05%	0.31	0.00%	0.30
Sterlite Grid 11 Limited	-0.02%	(0.12)	0.00%	(0.14)
Sterlite Grid 12 Limited	-0.01%	(0.07)	0.00%	0.10
Sterlite Grid 13 Limited	-0.02%	(0.14)	0.00%	(0.16)
Sterlite Grid 14 Limited	-0.02%	(0.15)	0.00%	(0.14)
Sterlite Grid 15 Limited	-0.02%	(0.13)	0.00%	(0.15)

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(All amounts in ₹ million unless otherwise stated)

Name of entity	Net assets, i.e., total assets minus total liabilities (March 31, 2020)		Net assets, i.e., total assets minus total liabilities (March 31, 2019)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Sterlite Grid 16 Limited	0.10%	0.58	-	-
Sterlite Grid 17 Limited	0.00	0.58	-	-
Sterlite Grid 18 Limited	(0.00)	(0.08)	-	-
Sterlite Grid 19 Limited	0.00	0.58	-	-
Sterlite Grid 20 Limited	0.10%	0.59	-0.01%	0.50
Sterlite Grid 21 Limited	0.16%	0.99	-0.01%	0.41
Sterlite Grid 22 Limited	0.16%	0.99	-0.01%	1.00
Sterlite Grid 23 Limited	0.16%	0.99	-0.01%	1.00
Sterlite Grid 24 Limited	0.16%	0.99	-0.01%	1.00
Sterlite Grid 25 Limited	0.16%	0.99	-0.01%	1.00
Sterlite Grid 26 Limited	0.16%	0.99	-0.01%	1.00
Sterlite Grid 27 Limited	0.16%	0.99	-0.01%	1.00
Sterlite Grid 28 Limited	0.16%	0.99	-	-
Sterlite Grid 29 Limited**	0.16%	1.00	-0.01%	1.00
Lakadia Vadodara Transmission Limited**	-175.59%	(1,066.87)	-	-
East North Interconnection Company Limited^	-	-	-28.01%	1,891.92
NRSS XXIX Transmission Limited^	-	-	85.97%	(5,807.86)
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0.02%	0.14	0.00%	0.24
Odisha Generation Phase-II Transmission Limited (OGPTL)^	-	-	-38.01%	2,567.81
Gurgaon-Palwal Transmission Limited	573.92%	3,487.09	-25.82%	1,744.51
Khargone Transmission Limited	624.45%	3,794.08	-29.94%	2,022.61
NER-II Transmission Limited	368.66%	2,239.92	-48.22%	3,257.63
Goa-Tamnar Transmission Project Limited	-96.52%	(586.42)	15.12%	(1,021.41)
Udupi Kasargode Transmission Limited**	14.43%	87.70	-	-
- **Foreign**				
Sterlite Brazil Participacoes S.A	816.44%	4,960.60	-9.94%	671.58
Se Vineyards Power Transmission S.A.	240.12%	1,458.96	-19.01%	1,284.05
Arcoverde Transmissão De Energia S.A.^	-	-	-21.29%	1,437.95
Sterlite Novo Estado Energia S.A, Brazil^	-	-	-26.37%	1,781.73
Dunas Transmissão de Energia S.A	41.38%	251.44	-1.45%	98.15
Borborema Transmissão de Energia S.A.	19.74%	119.93	-0.30%	20.49
São Francisco Transmissão de Energia S.A.	46.92%	285.07	1.73%	(117.12)
Goyas Transmissão de Energia S.A.	14.16%	86.02	-0.51%	34.13
Marituba Transmissão de Energia S.A.	25.15%	152.78	-0.87%	58.46
Solaris Transmissão de Energia S.A.	20.46%	124.33	-0.53%	35.59
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)^	-	-	-0.06%	3.78
Castelo Transmissao de Energia S.A.	-	-	-	-
Associates				
- **Indian**				
Sterlite Investment Managers Limited	6%	36.92	-	-
Sterlite Interlinks Limited	2%	10.89	-	-
India Grid Trust (refer note 6) (Associate upto May 07, 2020)	-	-	-83.91%	5,668.42
Total	**100.00%**	**607.59**	**100.00%**	**(6,755.44)**

** Company incorporated during the year

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NOTE 49 (B): STATUTORY GROUP INFORMATION (SHARE IN PROFIT OR LOSS)

Name of entity	Share in profit or loss (Year ended March 31, 2020)		Share in profit or loss (Year ended March 31, 2019)	
	As % of profit/ loss for the year	(₹ in million)	As % of profit/ loss for the year	(₹ in million)
Parent				
Sterlite Power Transmission Limited	75%	7,069.61	29.94%	(1,567.88)
Subsidiaries				
- **Indian**				
Sterlite Convergence Limited	1%	77.29	0.08%	(3.95)
Sterlite Power Grid Ventures Limited (refer note 56(iii))	-	-	51.29%	(2,685.93)
Sterlite EdIndia Foundation	0%	(6.58)		
Sterlite Grid 2 Limited^	-1%	(63.90)	6.70%	(350.71)
Sterlite Grid 3 Limited^	0%	(2.84)	-0.68%	35.42
Sterlite Grid 4 Limited	0%	(0.49)	0.01%	(0.43)
Sterlite Grid 5 Limited	0%	(5.78)	0.02%	(0.98)
Sterlite Grid 6 Limited	0%	(0.85)	0.03%	(1.36)
Sterlite Grid 7 Limited	0%	(0.24)	0.01%	(0.65)
Sterlite Grid 8 Limited	0%	(0.15)	0.01%	(0.67)
Sterlite Grid 9 Limited	0%	(0.15)	0.01%	(0.67)
Sterlite Grid 10 Limited	0%	(0.15)	0.01%	(0.67)
Sterlite Grid 11 Limited	0%	(0.85)	0.03%	(1.48)
Sterlite Grid 12 Limited	0%	(0.73)	0.00%	(0.26)
Sterlite Grid 13 Limited	0%	(0.15)	0.00	(0.73)
Sterlite Grid 14 Limited	0%	(0.20)	0.00	(0.72)
Sterlite Grid 15 Limited	0%	(0.74)	0.00	(0.71)
Sterlite Grid 16 Limited	0%	(0.01)	0.00	(0.59)
Sterlite Grid 17 Limited	0%	(0.01)	0.00	(0.59)
Sterlite Grid 18 Limited	0%	(0.15)	0.00	(0.59)
Sterlite Grid 19 Limited	0%	(0.01)	0.00	(0.59)
Sterlite Grid 20 Limited	0%	(0.60)	-	-
Sterlite Grid 21 Limited	0%	(0.01)	0.00	(0.59)
Sterlite Grid 22 Limited	0%	(0.60)	-	-
Sterlite Grid 23 Limited	0%	(0.01)	-	-
Sterlite Grid 24 Limited	0%	(0.01)	-	-
Sterlite Grid 25 Limited	0%	(0.01)	-	-
Sterlite Grid 26 Limited	0%	(0.01)	-	-
Sterlite Grid 27 Limited	0%	(0.01)	-	-
Sterlite Grid 28 Limited**	0%	(0.02)		
Sterlite Grid 29 Limited	0%	(0.01)	-	-
Lakadia Vadodara Transmission Limited**	0%	(3.58)		
East North Interconnection Company Limited^	-5%	(440.20)	-0.92%	48.35
NRSS XXIX transmission Limited^	0%	7.76	-4.88%	255.43
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0%	(0.11)	0.00	(0.14)
Odisha Generation Phase-II Transmission Limited (OGPTL)^	0%	(44.46)	6.59%	(345.30)
Gurgaon-Palwal Transmission Limited	4%	366.53	5.35%	(280.02)
Khargone Transmission Limited	-8%	(786.67)	17.06%	(893.46)

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Name of entity	Share in profit or loss (Year ended March 31, 2020)		Share in profit or loss (Year ended March 31, 2019)	
	As % of profit/ loss for the year	(₹ in million)	As % of profit/ loss for the year	(₹ in million)
NER-II Transmission Limited	0%	10.16	0.67%	(34.99)
Goa-Tamnar Transmission Project Limited	0%	0.26	0.00	(0.17)
Udupi Kasargode Transmission Limited**	0%	(0.06)		
- **Foreign**				
Sterlite Brazil Participacoes S.A	22%	2,034.51	3.79%	(198.46)
Se Vineyards Power Transmission S.A.	5%	487.27	-3.25%	170.15
Arcoverde Transmissão De Energia S.A.^	2%	198.50	-6.09%	319.17
Sterlite Novo Estado Energia S.A, Brazil^	4%	353.53	-3.47%	181.68
Dunas Transmissão de Energia S.A	0%	(24.46)	0.08%	(4.08)
Borborema Transmissão de Energia S.A.	0%	4.46	0.27%	(14.37)
São Francisco Transmissão de Energia S.A.	2%	164.50	3.49%	(182.88)
Goyas Transmissão de Energia S.A.	0%	(0.65)	0.01%	(0.38)
Marituba Transmissão de Energia S.A.	0%	19.70	-0.10%	5.13
Solaris Transmissão de Energia S.A.	0%	2.04	-0.06%	3.01
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)^	0%	(1.71)	0.01%	(0.27)
Castelo Transmissao de Energia S.A.	0%	(1.05)		-
Associates				
- **Indian**				
Sterlite Investment Managers Limited	0%	(2.12)	0.12%	(6.12)
Sterlite Interlinks Limited	0%	10.85		
India Grid Trust (refer note 6) (Associate upto May 07, 2020)	-	-	-6.22%	325.99
Total	**100.00%**	**9,416.61**	**100.00%**	**(5,237.06)**

** Company incorporated during the year

^ Company sold during the year

NOTE 49(C): STATUTORY GROUP INFORMATION (SHARE IN OTHER COMPREHENSIVE INCOME)

Name of entity	Share in other comprehensive income (Year ended March 31, 2020)		Share in other comprehensive income (Year ended March 31, 2019)	
	As % of OCI for the year	(₹ in million)	As % of OCI for the year	(₹ in million)
Parent				
Sterlite Power Transmission Limited	69.06%	(3,392.58)	87.48%	(835.78)
Subsidiaries				
- **Indian**				
Sterlite Power Grid Ventures Limited (refer note 56(iii))	-	-	-23.11%	220.79
- **Foreign**				
Sterlite Brazil Participacoes S.A	30.94%	(1,519.82)	35.63%	(340.42)
Total	**100.00%**	**(4,912.40)**	**100.00%**	**(955.41)**

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NOTE 50: OTHER NOTES AND IMPACT OF COVID-19 ON USE OF GOING CONCERN ASSUMPTION

(a) The Group had entered into a Framework agreement with India Grid Trust for selling its entire stake in Khargone Transmission Limited ("KTL"), Gurgaon- Palwal Transmission Limited ("GPTL") and NER-II Transmission Limited ("NER II") after these projects are commissioned, at values as agreed in the Framework agreement subject to certain adjustments and the requisite approvals. Subsequent to year end, the Group has completed sale of stake in GPTL to India Grid Trust.

(b) The COVID pandemic is rapidly spreading throughout the world. The Group's plants and offices were under lockdown since March 25, 2020. As a result of the lockdown, the operations of the Group have been impacted from the last week of March 2020 to mid of April 2020. However, as electricity has been declared as an essential commodity by the government, the operations of the Group relating to manufacturing and supply of components for generation and supply of electricity and other transmissions construction sites have resumed in a phased manner since then. In assessing the liquidity position for the next one year and recoverability of Group's assets such as investments, loans, Property, plant and equipment, trade receivables, inventory etc. the Group has considered internal and external information upto the date of approval of these financial statements. The Group has performed sensitivity analysis on the assumptions used for cash flow projections basis the internal and external information / indicators of future economic conditions and expect to recover the carrying amount of these assets. Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Group.

Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Management believes that it has taken all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. Basis above, the management has estimated its future cash flows for the Group which indicates no major change in the financial performance as estimated prior to COVID-19 impact. However, the estimate of the impact of COVID-19 may differ from the same ascertained up to the date of approval of these financial statements by the Board of Directors, based on how the COVID-19 situation evolves over a period of time.

(c) During the current year the Group has a profit of ₹9,416.61 million (March 31, 2019 : ₹5,237.07 million). However, the standalone company Sterlite Power Transmission Limited ("SPTL") has incurred loss of ₹5,329.09 million (March 31, 2019: ₹2,149.26 million). Further, SPTL and Sterlite Power Grid Ventures Limited (SPGVL) (the transferor company refer note 56(iii)) has outstanding obligations of ₹14,884.45 million to lenders whose loans may fall due on account of non-compliance with financial covenants and hence are classified as current liabilities in the standalone financial statements, resulting into a net current liability position as at March 31, 2020.

Subsequent to the year end, the Group has completed refinancing arrangement of ₹11,000 million with L&T Finance and funds have been received on 26th November 2020. These funds have been utilised to repay the outstanding obligations to non-convertible debentures (NCD) holders and the net current liability position has improved at standalone and Group level. Further, SPTL has received approval from National Company Law Tribunal ("NCLT") vide its order dated May 22, 2020 sanctioning scheme of merger with the transferor company. SPTL has received certified copy of the Scheme on October 21, 2020 and filed certified copy of the Scheme with ROC on November 15, 2020 ('effective date'). Consequently, the Group has accounted for synergies on account of merger on the income tax expenses of ₹1,389.13 million and the intercompany loans of ₹18,980 million shall be cancelled.

The management is recalibrating its business strategy and focusing on streamlining the operations including an efficient product cost structure which could generate profit by operating at better capacity utilization. Based on the above subsequent events, the accompanying consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2020 have been prepared on a going concern basis and consequently no adjustments have been made to the carrying values or classification of balance sheet accounts.

NOTE 51 : GOODWILL ON CONSOLIDATION

The Board of directors of the Sterlite Technologies Limited on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e.

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Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of April 01, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated April 22, 2016 and it became effective from May 23, 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. April 01, 2015. This goodwill is being amortised over a period of five years as required under the Scheme. The amortisation charge for the current year is ₹601.85 million (March 31, 2019: ₹600.22 million). Under Ind AS, the differential amount would have been adjusted to reserves and no goodwill would have been recognised since the business combination was a common control transaction.

NOTE 52: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations. The group also holds FVTOCI investments and enters into derivative transactions.

Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate primarily relates to the Group's long term debt obligations with floating interest rates.

The Group is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At March 31, 2020, 19.93% of the Group's borrowings are at a fixed rate of interest (March 31, 2019: 26.75%).

Further, the Group does not record borrowings at fair value through profit and loss.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of loans and borrowings affected. With all the other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

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(₹ in million)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity *
March 31, 2020		
Base Rate	+50	(219.45)
Base Rate	-50	219.45
March 31, 2019		
Base Rate	+50	(42.28)
Base Rate	-50	42.28

*Part of the interest costs pertaining to under construction projects get capitalised. The figures for sensitivity in the above table are before considering the capitalisation of interest costs.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in a foreign currency), foreign currency borrowings and payable for property, plant and equipment in foreign currency.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Group has hedged the exposure of 99.95% as at March 31, 2020 and 99.87% as at March 31, 2019.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows:

(₹ in million)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
March 31, 2020*	+5%	(3.38)/(2.20)	5%	(0.06)/(0.05)
	-5%	3.38/2.20	-5%	0.06/0.05
March 31, 2019*	+5%	(0.04)/(0.03)	5%	0.00#/0.00#
	-5%	0.04/0.03	-5%	0.00#/0.00#

*Does not include sensitivity with respect to interest on borrowings associated with assets classified as held for sale. Refer Note 11.

Amount below ₹0.01 million

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of aluminium and copper for manufacture of conductor and OPGW, power cables and therefore require a continuous supply of aluminium and copper. Due to the volatility of the price of aluminium and copper, the group enters into various purchase contracts for aluminium and copper on London Metal Exchange.

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The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1 month forecast of the required copper, and aluminium supply, the group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

Equity price risk

The Group's investment in equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.
The Group manages the equity price risk by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group reviews and approves all equity investment decisions.

At the reporting date, the exposure to non-listed equity shares at fair value was ₹112.45 million (March 31, 2019: ₹112.45 million).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers.
In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The Group is also engaged in transmission infrastructure development business under BOOM (Build, Own, Operate and Maintain) and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). The Group being transmission licensee receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations').
In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables of transmission business. During the various periods presented, there has been no change in the credit risk of trade receivables of transmission business. However, this assessment may need a review if there is any change in the Pooling Regulations.

Factoring

The group has entered into an arrangement with HDFC Bank for non recourse factoring pursuant to which the group has derecognised trade receivables of Nil (March 31, 2019: 750.43 million)

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Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the bank deposits which are made with AAA rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 45 and the liquidity table below.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in million)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2020						
Borrowings	11,199.24	2,570.18	15,435.35	3,698.07	35,811.42	68,714.26
Other financial liabilities	-	1,323.39	532.01	-	-	1,855.39
Trade payables	-	-	7,797.83	-	-	7,797.83
Payables for Property, plant and equipment	-	308.16	5,852.89	89.62	-	6,250.67
Derivatives	-	982.49	-	-	-	982.49
Lease Obligation	-	-	112.10	51.29	-	163.39
	11,199.24	**5,184.21**	**29,730.17**	**3,838.98**	**35,811.42**	**85,764.03**
As at March 31, 2019						
Borrowings	443.58	5,753.90	9,437.36	23,118.47	23,977.08	62,730.39
Other financial liabilities	-	137.88	181.57	45.90	-	365.34
Trade payables	-	8,341.70	-	-	-	8,341.70
Payables for Property, plant and equipment	-	194.77	10,176.81	-	-	10,371.58
Derivatives	-	112.53	756.65	-	-	869.18
	443.58	**14,540.77**	**20,552.38**	**23,164.37**	**23,977.08**	**82,678.18**

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NOTE 53: CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group's policy is to keep the gearing ratio optimum. The group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

(₹ In million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Interest bearing loans and borrowings	69,779.02	58,199.14
Trade payables	7,797.83	8,341.70
Other financial liabilities	8,187.18	16,052.08
Less: cash and short-term deposits and current Investments	(11,268.63)	(5,620.96)
Net debt (A) *	**74,495.39**	**76,971.96**
Equity share capital	122.36	122.36
Other equity	485.23	(6,877.81)
Total capital (B)	**607.58**	**(6,755.45)**
Capital and net debt [C = (A+B)]	**75,102.97**	**70,216.51**
Gearing ratio	0.99	1.10

* Does not include amounts associated with disposal groups classified as held for sale (Refer note 11).

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period except specified in Note 17.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

NOTE 54: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group’s financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

Particulars	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Financial assets				
Investments	420.23	914.70	420.23	914.70
Derivative instruments	278.38	241.24	278.38	241.24
Total	**698.61**	**1,155.94**	**698.61**	**1,155.94**
Financial liabilities				
Derivative instruments	982.49	869.18	982.49	869.18
Total	**982.49**	**869.18**	**982.49**	**869.18**

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Fair values of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities and borrowings are considered to approximate their carrying amounts.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The fair values of commodity futures contracts are based on price quotations on LME at the reporting date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

Description of significant unobservable inputs to valuation:

A. FVTOCI assets - Unquoted equity instruments of Sharper Shape Group Inc.
Valuation technique: Discounted Cash Flow (DCF) method

Sr No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value of equity shares	
				March 31, 2020	March 31, 2019
(i)	Long-term growth rate for cash flows for subsequent years	March 31, 2020: 3% March 31, 2019: 3%	2% increase	6.92	3.51
			2% decrease	(5.69)	(3.51)
(ii)	Long-term operating margin	March 31, 2020: 30.00% March 31, 2019: 10.48%	1% increase	2.13	4.01
			1% decrease	(2.13)	(4.01)
(iii)	WACC (pre-tax)	March 31, 2020: 23.40% March 31, 2019: 22.92%	1% increase	(7.83)	(8.25)
			1% decrease	8.68	8.25
(iv)	Discount for lack of marketability	March 31, 2020 : 10% March 31, 2019: 10%	5% increase	(6.27)	(6.25)
			5% decrease	6.27	6.25

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NOTE 55: FAIR VALUES HIERACHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020 and March 31, 2019

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at March 31, 2020	299.40	299.40	-	-
As at March 31, 2019	802.25	802.25	-	-
Units of infrastructure trust				
As at March 31, 2020	8.38	8.38	-	-
As at March 31, 2019	-	-	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at March 31, 2020	112.45	-	-	112.45
As at March 31, 2019	112.45	-	-	112.45
Derivative assets				
As at March 31, 2020	278.38	-	278.38	-
As at March 31, 2019	241.24	-	241.24	-
Derivative liabilities				
As at March 31, 2020	(982.49)	-	(982.49)	-
As at March 31, 2019	(869.18)	-	(869.18)	-

There have been no transfers among Level 1, Level 2 and Level 3.

NOTE 56: EVENTS AFTER REPORTING PERIOD

i. On August 28, 2020, the Group, Axis Trustee Services Limited ('the trustee'), Sterlite Investment Manager Limited ('SIML'), India Grid Trust ('IGT') and Gurgaon Palwal Transmission Limited ('GPTL') has entered into Share purchase agreement. Pursuant to this agreement, the Group has sold its entire stake in GPTL to IGT for a total consideration of ₹10,850 million.

ii. Subsequent to the year end the Inter-se sponsor agreement ('the Agreement') entered into between the Group, Esoteric II Pte. Ltd. ('the Investor') and Sterlite Interlinks Limited ('SIL') has expired and the Group has sold 85.51 million units of India Grid Trust in an open market transaction through National Stock Exchange ('NSE') at an average price of ₹98 per unit. Consequently, the Unit transfer Agreement entered into between the Group and SIL was terminated.

iii. The Board of directors in its meeting held on May 30, 2018 approved a Scheme of amalgamation ('the Scheme') of Sterlite Power Grid Ventures Limited ('the Transferor') with the Company under the Companies Act, 2013 with the appointed date of April 1, 2017. National Company Law Tribunal ("NCLT") vide its order dated May 22, 2020 sanctioned the Scheme. The Company has received certified copy of the Scheme on October 21, 2020 and has filed the same with ROC on November 15, 2020 ('effective date'). Consequently, the Group has accounted for synergies on account of merger on the income tax and deferred tax expenses of ₹1,389.13 million in the consolidated Ind AS financial statements.

iv. Government of India's Code for Social Security 2020 (the 'Code') received assent from the President of India in September 2020. However, the date from when the Code will become applicable and the rules have not yet been notified. The Group will assess the impact of the code and account for the same once the effective date and the rules are notified.

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NOTE 57: RELATED PARTY DISCLOSURES

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

(a) Related parties where control exists

(i) **Holding company**
Twin Star Overseas Limited, Mauritius (Immediate holding company)

(ii) **Ultimate holding company**
Volcan Investments Limited, Bahamas (Ultimate holding company)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) **Associates**
India Grid Trust (till May 07, 2019)

Sterlite Interlinks Limited (from May 29, 2019)

Sterlite Investment Managers Limited (from July 31, 2019)

(ii) **Subsidiaries of associate (till May 07, 2019)**
Sterlite Grid 1 Limited

Sterlite Grid 2 Limited

Sterlite Grid 3 Limited

Jabalpur Transmission Company Limited

Bhopal Dhule Transmission Company Limited

Purulia & Kharagpur Transmission Company Limited

RAPP Transmission Company Limited

Maheshwaram Transmission Limited

Patran Transmission Company Limited

(iii) **Key Management Personnel (KMP)**
Mr. Pratik Agarwal (Managing Director)

Mr. Pravin Agarwal (Chairman)

Mr. Anuraag Srivastava (Chief Financial Officer)

(iv) **Fellow subsidiaries**
Vedanta Limited

Fujairah Gold FZE

Bharat Aluminium Company Limited

Hindustan Zinc Limited

Twinstar Technologies Limited

Sterlite Technologies Limited

Sterlite Power Technologies Private Limited

Maharashtra Transmission Communication Infrastructure Limited

Electrosteel Steels Limited

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) **Key Management Personnel (KMP)**
Mr. Ashok Ganesan (Company Secretary)

Mr. Arun Todarwal (Director)

Ms. Avaantika Kakkar (Director)

Mr. Lalit Tandon (Director) (till May 15, 2019)

Ms. Zhao Haixia (Director) (from August 08, 2020)

Mr. A.R Narayanswamy (Director)

(ii) Entities in which directors are interested

PTC Cables Private Limited

Talwandi Sabo Power Limited

Cyril Amarchand Mangaldas

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

(₹ in million)

S. No.	Particulars	Associate/Subsidiaries of Associate		KMP		Entities in which directors are interested		Fellow subsidiaries	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
	Transactions								
1	Purchase of goods	-	-	-	-	-	-	10,149.31	11,127.25
2	Sale of services	6.35	-	-	-	-	-	-	-
3	Sale of goods (net of excise duty)	114.89	6.58	-	-	-	-	12.99	30.15
4	Sale of project consultancy services	-	-	-	-	-	-	-	-
5	Interest paid	468.18	-	-	-	103.08	-	258.64	-
6	Interest income	-	-	-	-	-	-	21.98	11.05
7	Loans and advances given	-	-	-	-	-	-	-	75.00
8	Loans and advances received	6,200.00	-	-	-	1,500.00	-	-	-
9	Project management fees received	-	33.50	-	-		-	-	-
10	Management fees paid	0.50	-	-	-	-	-	-	30.00
11	Investment management fees received (excluding GST)	-	110.62	-	-	-	-		
12	Reimbursement of expenses paid to related parties	-	28.76	-	-	-	-	1.49	6.92
13	Reimbursement of expenses recovered from related parties	-		-	-	-	-	0.19	
14	Purchase of power	-	-	-	-	-	-	34.14	16.83
15	Rent Expenses	-	-	-	-	-	-	1.94	
16	Remuneration	-	-	69.25	71.21	-	-	-	-
17	Sitting fees	-	-	8.85	3.70	-	-	-	-
18	Capital advance paid	-	-	-	-	-	-	-	2.00
19	Corporate guarantee given	-	280.00	-	-	-	-	188.60	
20	Purchase consideration received	-	156.72	-	-	-	-	-	-
21	Indemnification as per Share Purchase Agreement	-	53.47	-	-	-	-	-	-
22	Dividend income from investment in associate	176.41	709.20	-	-	-	-	-	-
23	Redemption of NCDs / loans in the SPVs sold	115.41	-	-	-	-	-	-	-
24	Investment in equity shares of related parties	0.05	-	-	-	-	-	-	-
25	Conversion of CCD'S and CCPS into Equity Shares	-	-	-	-	-	-	-	-
26	Availing of services	-	-	-	-	4.61	-	-	-
27	Initial license fees (net of tax)	-	-	-	-	-	-	-	-
28	Purchase of fixed assets	8.00	-	-	-	-	-	-	-
29	Sale of fixed assets	-	-	-	-	-	-	3.51	-
30	Security deposits	50.00	-	-	-	-	-	-	-

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(₹ in million)

	Outstanding balances	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Loans/advance receivables	-	-	-	-	-	-	282.84	260.65
2	Capital advance recoverable	-	-	-	-	-	-	-	2.00
3	Loan payable (including interest payable)	-	-	-	-	1,592.77	-	-	-
4	Management fee receivable	-	-	-	-	-	-	-	-
5	Trade receivables	46.98	66.40	-	-	-	-	5.25	55.22
6	Trade payables (including operational supplier's credit)	-	-	-	-	-	-	3,090.19	569.81
7	Others receivables	35.43	156.72	-	-	-	-	23.16	43.13
8	Investment in Associates	-	5,044.24	-	-	-	-	-	-
9	Other payables	-	-	4.08	-	-	-	-	-
10	Short term borrowings	6,200.00	-	-	-	-	-	-	-
11	Security deposits	50.00	-	-	-	-	-	-	-
12	Contract liabilities	5.30	-	-	-	-	-	-	-
13	Corporate and bank guarantees given and outstanding	500.00	280.00	-	-	-	-	188.60	-

(C) Disclosure in respect of material related party transactions during the year:

	Particulars	Relationship	March 31, 2020	March 31, 2019
1	**Purchase of goods**			
	Vedanta Limited	Fellow subsidiary	8,122.29	10,297.27
	Bharat Aluminium Company Limited	Fellow subsidiary	1,631.15	588.06
	Hindustan Zinc Limited	Fellow subsidiary	15.03	13.68
	Sterlite Technologies Limited	Fellow subsidiary	96.92	228.23
	Electrosteel	Fellow subsidiary	189.25	-
	Fujairah Gold FZC	Fellow subsidiary	94.68	-
2	**Sale of services**			
	Sterlite Interlinks Limited	Associate	5.16	-
	Jabalpur Transmission Company Limited	Subsidiary of associate	1.19	-
3A	**Sale of goods (net of excise duty)**			
	Hindustan Zinc Limited	Fellow subsidiary	-	13.77
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	6.58
	Sterlite Interlinks Limited	Associate	114.89	-
	Jabalpur Transmission Company Limited	Fellow subsidiary	4.31	-
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	1.95	-
	Sterlite Technologies Limited	Fellow subsidiary	2.31	16.38
	Vedanta Limited	Fellow subsidiary	4.41	-
4	**Interest income**			
	Sterlite Power Technologies Private Limited	Fellow subsidiary	9.26	11.05
	Sterlite Technologies Limited	Fellow subsidiary	12.71	-
5	**Loans and advances given**			
	Sterlite Technologies Limited	Fellow subsidiary	-	75.00

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

	Particulars	Relationship	March 31, 2020	March 31, 2019
6	**Project management fees received**			
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	16.74
	Jabalpur Transmission Company Limited	Subsidiary of associate	-	8.01
	Maheshwaram Transmission Limited	Subsidiary of associate	-	3.02
	RAPP Transmission Company Limited	Subsidiary of associate	-	1.85
	Purulia & Kharagpur Transmission Company Limited	Subsidiary of associate	-	2.74
	Patran Transmission Company Limited	Subsidiary of associate	-	1.14
7	**Management fees paid**			
	Sterlite Technologies Limited	Fellow Subsidiary	-	30.00
	Sterlite Investment Managers Limited	Associate	0.50	-
8	**Investment management fees received (excluding GST)**			
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	41.95
	Jabalpur Transmission Company Limited	Subsidiary of associate	-	36.05
	Purulia & Kharagpur Transmission Company Limited	Subsidiary of associate	-	12.52
	Maheshwaram Transmission Limited	Subsidiary of associate	-	9.42
	RAPP Transmission Company Limited	Subsidiary of associate	-	8.18
	Patran Transmission Company Limited	Subsidiary of associate	-	2.50
	Sterlite Investment Managers Limited	Associate	-	-
9	**Reimbursement of expenses paid to related parties**			
	Sterlite Technologies Limited	Fellow subsidiary	1.49	6.92
	India Grid Trust	Associate	-	28.76
10	**Reimbursement of expenses recovered from related parties**			
	Sterlite Power Technologies Private Limited	Fellow Subsidiary	0.19	-
11	**Purchase of power**			
	Vedanta Limited	Fellow subsidiary	34.14	16.83
12	**Rent Expenses**			
	Vedanta Limited	Fellow subsidiary	1.94	-
13	**Remuneration**			
	Mr. Anuraag Srivastava	KMP	21.16	15.97
	Mr. Pratik Agarwal	KMP	41.20	48.69
	Mr. Ashok Ganesan	KMP	6.89	6.55
14	**Sitting fees**			
	Mr. Arun Todarwal	KMP	3.48	1.53
	Ms. Avaantika Kakkar	KMP	-	0.60
	Mr. Lalit Tondon	KMP	0.35	1.58
	Mr. A. R. Narayanswamy	KMP	3.45	-
	Haixia Zhao	KMP	1.58	-
15	**Capital advance paid**			
	Sterlite Grid 1 Limited	Subsidiary of associate	-	2.00
16	**Corporate guarantee given**			
	Sterlite Grid 1 limited	Subsidiary of associate	-	280.00
	Sterlite Technologies Limited (NRSS)	Fellow Subsidiary	-	-
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	188.60	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

	Particulars	Relationship	March 31, 2020	March 31, 2019
17	**Purchase consideration received**			
	India Grid Trust	Associate	-	156.72
18	**Indemnification as per Share Purchase Agreement**			
	India Grid Trust	Associate	-	53.47
19	**Dividend income from investment in associate**			
	India Grid Trust	Associate	176.41	709.20
20	**Sale of investment in equity shares of Sterlite Grid 1 Limited ^**			
	India Grid Trust	Associate	-	573.86
21	**Redemption of NCDs / loans in the SPVs sold**			
	Sterlite Grid 2 Limited	Subsidiary of associate	115.41	-
	RAPP Transmission Company Limited	Associate	-	144.75
	Purulia and Kharagpur Transmission Company Limited	Associate	-	587.34
	Maheshwaram Transmission Limited'	Associate	-	849.02
22	**Investment Manager Fees Received**			
	India Grid Trust	Associate		87.54
23	**Investment in equity shares of related parties**			
	Sterlite Interlinks Limited $	Associate	0.05	-
24	**Loans and advances received**			
	PTC Cables Private Limited	Entity in which director is interested	1,500.00	-
	Sterlite Interlinks Limited	Associate	6,200.00	-
25	**Interest paid**			
	PTC Cables Private Limited	Entity in which director is interested	103.08	-
	Vedanta Limited	Fellow subsidiary	204.24	-
	Bharat Aluminium Company Limited	Fellow subsidiary	54.40	-
	Sterlite Interlinks Limited	Associate	468.18	-
26	**Purchase of fixed assets**			
	Sterlite Grid 1 Limited	Subsidiary of associate	8.00	-
27	**Sale of fixed assets**			
	Sterlite Technologies Limited	Fellow subsidiary	3.51	-
28	**Availing of services**			
	Cyril Amarchand Mangaldas	Entity in which director is interested	3.90	-
	Talwandi Sabo Power Limited	Entity in which director is interested	0.71	-
29	**Security deposits given**			
	Sterlite Interlinks Limited	Associate	50.00	-

(D) Compensation of Key management personnel of the Group:

Particulars	Relationship	March 31, 2020	March 31, 2019
Short term employee benefits #		69.25	71.21

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Group as a whole, such amounts pertaining to the key management personnel are not included above.

$ Share of Sterlite Interlinks Limited are bought from Mr. Pratik Agarwal (Managing Director) at fair value of ₹10 per share.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

NOTE 58: SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

- Power product and solutions
- Power transmission grid business
- Others

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating segments are mutually agreed between the segments taking into account the market prices and other relevant factors.

Particulars	March 31, 2020					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Segment revenue (Gross)						
External customer	18,722.25	11,238.32	82.62	-	-	30,043.19
Inter-segment	1,307.22	-	-	-	(1,307.22)	-
Total Revenue	**19,994.01**	**11,238.32**	**82.62**	**-**	**(1,307.22)**	**30,043.19**
Segment results (PBIT)	**(2,936.42)**	**23,573.14**	**8.01**	**-**	**73.11**	**20,717.84**
Less: Finance cost (net)	2,472.36	4,975.00	2.36	-	101.35	7,348.37
Profit/(loss) before tax	**(5,408.78)**	**18,598.14**	**5.65**	**-**	**174.46**	**13,369.47**
Less: Tax expense	(1,394.24)	5,303.76	0.58		42.77	3,952.86
Profit/(loss) for the year	**(4,014.54)**	**13,294.38**	**5.07**	**-**	**131.70**	**9,416.61**
Segment assets	42,813.73	73,549.50	388.97	-	(26,762.92)	89,989.28
Common assets	-	-	-	1,475.77	-	1,475.77
Total assets	**42,813.73**	**73,549.50**	**388.97**	**1,475.77**	**(26,762.92)**	**91,465.05**
Segment liabilities	39,679.89	75,410.54	388.06	-	(26,752.92)	88,725.57
Common liabilities	-	-	-	2,131.90	-	2,131.90
Total liabilities	**39,679.89**	**75,410.54**	**388.06**	**2,131.90**	**(26,752.92)**	**90,857.47**
Additions to non-current assets*	242.78	12,822.60	85.30	-	-	13,150.68
Depreciation and amortization	813.10	853.72	4.71	-	80.39	1,751.92
Impairment of property, plant and equipment (including capital work in progress)	-	669.40	-	-	-	669.40

*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, concession contract assets and intangible assets.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Particulars	March 31, 2019					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Segment revenue						
External customer	23,128.92	12,234.56	186.58	-		35,550.06
Inter-segment	1,340.64	-	-	-	(1,340.64)	-
Total Revenue	**24,469.57**	**12,234.56**	**186.58**	**-**	**(1,340.64)**	**35,550.06**
Segment results (PBIT)	**492.03**	**550.11**	**18.66**	**-**	**(59.33)**	**1,001.47**
Less: Finance cost (net)	2,983.38	2,867.97	-	3.22	(28.11)	5,826.47
Profit / (Loss) before tax	**(2,491.35)**	**(2,317.86)**	**18.66**	**(3.22)**	**(31.22)**	**(4,825.00)**
Less: Tax expense	(324.36)	678.79	-	(2.14)	59.71	412.00
Profit / (Loss) for the year	**(2,166.99)**	**(2,996.65)**	**18.66**	**(1.08)**	**(90.93)**	**(5,237.00)**
Segment assets	28,563.90	120,532.99	464.90	-	(30,618.98)	118,942.80
Common assets	-	-	-	3,551.80	-	3,551.80
Total assets	**28,563.90**	**120,532.99**	**464.90**	**3,551.80**	**(30,618.98)**	**122,494.60**
Segment liabilities	39,035.71	119,398.14	438.36	-	(29,944.87)	128,927.33
Common liabilities	-	-	-	322.71	-	322.71
Total liabilities	**39,035.71**	**119,398.14**	**438.36**	**322.71**	**(29,944.87)**	**129,250.04**
Additions to non-current assets*	187.55	5,324.71	-	-	-	5,512.26
Depreciation and Amortization	780.09	1,050.17	-	-	121.65	1,951.90
Impairment of property, plant and equipment (including capital work in progress)	-	1,485.22	-	-	-	1,485.22
Impairment of property, plant and equipment held for sale	-	388.43	-	-	-	388.43

*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

Geographical Information

The amount of its revenue from external customers broken down by location of the customers is shown in the table below :

(₹ in million)

Particulars	**March 31, 2020**	March 31, 2019
(1) Segment revenue - external turnover		
- Within India	19,079.55	23,095.13
- Outside India	10,963.64	12,454.93
Total	**30,043.19**	**35,550.06**
The revenue information above is based on the locations of the customers		
(2) Non-current assets*		
- Within India	39,676.36	35,911.94
- Outside India	5,918.17	7,886.65
Total	**45,594.53**	**43,798.59**

*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, concession contract assets and intangible assets.

Notes to Consolidated Financial Statements

For the year ended March 31, 2020
(All amounts in ₹ million unless otherwise stated)

Information about major customers

For Power transmission grid segment, under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of revenue of ₹3,300.58 million (March 31, 2019: ₹4,606.53 million) from power transmission projects in India is receivable from PGCIL.

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 089802
Place: Pune
Date: November 30, 2020

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

Pravin Agarwal
Chairman
DIN: 00022096
Place: Pune
November 30, 2020

Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
November 30, 2020

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date: November 30, 2020

Ashok Ganesan
Company Secretary
Place: New Delhi
Date: November 30, 2020

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Sterlite Power

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