

# Independent Auditor's Report

To  
The Members of  
**Sterlite Power Transmission Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of Sterlite Power Transmission Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2022, 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 financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the

Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OTHER INFORMATION

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

Our opinion on the consolidated 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures 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 and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **OTHER MATTER**

- (a) We did not audit the financial statements and other financial information, in respect of 25 subsidiaries whose financial statements include total assets of

₹ 65,522.85 million as at March 31, 2022, and total revenues of ₹ 13,136.77 million and net cash inflows of ₹ 8,422.91 million for the year ended on that date. These 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 financial statements also include the Group's share of net profit of ₹ 0.26 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, 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 an associate is based solely on the report(s) of such other auditors.

- (b) The unaudited financial statements and other unaudited financial information in respect of one associate which reflects Group's share of net loss after tax of ₹ 11.76 million for the year ended March 31, 2022. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of the associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.
- 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:

- We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- 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;
- 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 financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report
- In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 41 and Refer Note 23 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 19 and Note 8 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit/loss in respect of its associates and/ or joint ventures;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2022.
  - iv.
    - a) The respective managements of the Holding Company, its subsidiaries, its associates and its joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and an associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 44A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and an associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 44B to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

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

Sd/-  
**per Paul Alvares**  
 Partner  
 Membership Number: 105754  
 UDIN: 22105754AJSYJO5325  
 Place of Signature: Mumbai  
 Date: May 27,2022

# Annexure 1 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"), its subsidiaries, its associates and joint ventures incorporated in India

Clause (xxi) of the Companies (Auditors Report) Order, 2020:

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

The report of the following components included in the consolidated financial statements has not been issued by its auditor till the date of our auditor’s report.

(₹ in million)

S.No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture
1	Lakadia Vadodara Transmission Project Limited	U40105DL2019GOI347349	Subsidiary of a Joint venture
2	Mumbai Urja Marg Limited (Formerly known as Vapi-II North Lakhimpur Transmission Limited)	U40100DL2018PLC335750	Subsidiary of a Joint venture
3	Goa Tamnar Transmission Project Limited	U40106DL2017GOI310611	Subsidiary of a Joint venture
4	Khargone Transmission Limited	U40300DL2015GOI287933	Subsidiary

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

**per Paul Alvares**

Partner

Membership Number: 105754

UDIN:22105754AJSYJO5325

Place of Signature: Mumbai

Date: May 27,2022

# Annexure 2 to the Independent Auditor's Report of even date on the Consolidated 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 financial statements of Sterlite Power Transmission Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

## AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **OTHER MATTERS**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 15 subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and an associate incorporated in India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

**per Paul Alvares**

Partner

Membership Number: 105754

UDIN:22105754AJSYJO5325

Place of Signature: Mumbai

Date: May 27,2022

# Consolidated Balance Sheet

As at March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	Note	March 31, 2022	March 31, 2021
(₹ in million)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	3,946.20	10,882.85
Capital work-in-progress	3B	230.77	14,932.90
Other intangible assets	4	362.40	443.79
Intangible assets under development	4	0.07	-
Investment in associates and joint ventures	5A	251.79	59.73
<b>Financial assets</b>			
i. Investments	5B	5,955.98	1,406.48
ii. Other financial assets	8	926.40	1,675.86
Income tax asset (net)		887.52	940.67
Deferred tax assets (net)	22	175.77	1,313.74
Other non-current assets	9	18,431.30	2,173.78
<b>Total non current assets</b>		<b>31,168.20</b>	<b>33,829.80</b>
<b>Current assets</b>			
Inventories	11	2,207.18	3,087.83
<b>Financial assets</b>			
i. Investments	5B	-	9.07
ii. Trade receivables	7	13,604.29	6,230.12
iii. Cash and cash equivalents	12	11,475.58	6,711.19
iv. Other bank balances	13	2,024.95	3,041.43
v. Loans	6	35.52	302.53
vi. Other financial assets	8	1,999.97	1,824.04
Other current assets	9	5,537.53	5,376.41
Assets classified as held for sale	10	23,437.85	7,134.52
<b>Total current assets</b>		<b>36,885.02</b>	<b>26,582.62</b>
<b>Total</b>		<b>60,322.87</b>	<b>33,717.14</b>
<b>TOTAL ASSETS</b>			
<b>91,491.07</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	122.36	122.36
<b>Other equity</b>			
i. Securities premium	15	4,536.80	4,536.80
ii. Retained earnings	15	8,638.98	4,372.21
iii. Other reserves	15	3,607.92	1,934.67
Non-controlling interest		81.53	-
<b>Total equity</b>		<b>16,987.59</b>	<b>10,966.04</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	16	15,900.28	19,256.28
ii. Lease liabilities	47	454.74	20.46
iii. Other financial liabilities	19	176.14	-
Employee benefit obligations	20	76.10	76.67
Deferred tax liabilities (net)	22	543.99	540.51
Other non-current liabilities	23	4,973.18	3,194.86
<b>Total non current liability</b>		<b>22,124.43</b>	<b>23,088.78</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	17	5,586.41	8,504.66
ii. Lease liabilities	47	124.62	32.59
iii. Trade payables		-	-
- total outstanding dues of micro enterprises and small enterprises	18	492.92	487.02
- total outstanding dues of creditors other than micro enterprises and small enterprises	18	16,195.32	5,747.38
iv. Other financial liabilities	19	3,049.03	10,398.46
Employee benefit obligations	21	106.66	98.18
Other current liabilities	23	5,798.02	3,127.84
Current tax liabilities (net)		351.86	484.48
<b>Total current liabilities</b>		<b>31,704.84</b>	<b>28,880.61</b>
Liabilities directly associated with assets classified as held for sale	10	20,674.21	4,611.51
<b>Total</b>		<b>52,379.05</b>	<b>33,492.12</b>
<b>Total liabilities</b>		<b>74,503.48</b>	<b>56,580.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>91,491.07</b>	<b>67,546.94</b>
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

Sd/-

**per Paul Alvares**

Partner

Membership Number: 105754

Place: Mumbai

Date: May 27, 2022

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

Sd/-

**Pravin Agarwal**

Chairman

DIN: 00022096

Place: Pune

Date: May 27, 2022

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: Mumbai

Date: May 27, 2022

Sd/-

**Pratik Agarwal**

Managing Director

DIN: 03040062

Place: Mumbai

Date: May 27, 2022

Sd/-

**Ashok Ganesan**

Company Secretary

Place: Mumbai

Date: May 27, 2022

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	Note	March 31, 2022	March 31, 2021
(₹ in million)			
<b>INCOME</b>			
Revenue from operations	24	51,974.83	20,923.91
Other income	26	7,970.70	17,245.68
<b>Total income (I)</b>		<b>59,945.53</b>	<b>38,169.59</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	27	12,003.35	8,075.52
Construction material and contract expense	28	27,388.71	4,437.61
Purchase of traded goods		579.31	591.19
Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	29	176.84	1,280.05
Employee benefits expense	30	2,470.37	2,301.34
Other expenses	31	3,788.66	4,506.71
Reversal of impairment of investment	10	-	(954.98)
<b>Total expenses (II)</b>		<b>46,407.24</b>	<b>20,237.44</b>
<b>Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>13,538.29</b>	<b>17,932.15</b>
Depreciation and amortisation expense	32	803.56	988.15
Finance costs	33	4,256.76	5,736.46
Finance income	25	(884.60)	(379.78)
<b>Profit before share of profit / (loss) of associates and joint ventures and tax expense</b>		<b>9,362.57</b>	<b>11,587.32</b>
<b>Share of profit/(loss) of associates and joint ventures</b>	5A	<b>(2,675.60)</b>	<b>5.75</b>
<b>Exceptional item</b>	34	<b>117.00</b>	<b>-</b>
<b>Profit before tax</b>		<b>6,569.97</b>	<b>11,593.07</b>
<b>Tax expense:</b>	22		
Current tax		1,570.18	2,789.22
Deferred tax charge/(credit)		743.27	30.40
Income tax for earlier years		(144.90)	75.71
<b>Income tax expense</b>		<b>2,168.55</b>	<b>2,895.33</b>
<b>Profit for the year</b>		<b>4,401.42</b>	<b>8,697.74</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Exchange differences on translating the financial statements of foreign operations		1,040.09	(654.05)
Income tax effect		-	-
		<b>1,040.09</b>	<b>(654.05)</b>
Net movement on effective portion of cash flow hedges		4,493.22	2,416.44
Income tax effect		(307.38)	(237.63)
		4,185.84	2,178.82
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>5,225.93</b>	<b>1,524.77</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gain on defined benefit plans		(10.39)	(4.55)
Income tax effect		2.61	1.15
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(7.78)</b>	<b>(3.40)</b>
<b>Other comprehensive income for the year</b>		<b>5,218.15</b>	<b>1,521.37</b>
<b>Total comprehensive income for the year</b>		<b>9,619.57</b>	<b>10,219.11</b>
<b>Earnings per equity share</b>	35		
<b>Basic and diluted</b>			
Computed on the basis of profit for the year attributable to the equityholders of the parent (net of tax) (₹)		71.94	142.16
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

Sd/-  
**per Paul Alvares**  
Partner  
Membership Number: 105754  
Place: Mumbai  
Date: May 27, 2022

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

Sd/-  
**Pravin Agarwal**  
Chairman  
DIN: 00022096  
Place: Pune  
Date: May 27, 2022

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Pratik Agarwal**  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Ashok Ganesan**  
Company Secretary  
Place: Mumbai  
Date: May 27, 2022

# Consolidated Cash Flow Statement

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	(₹ in million)	
	March 31, 2022	March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit as per consolidated statement of profit and loss	4,401.42	8,697.74
Adjustment for taxation	2,168.55	2,895.33
<b>Profit before tax</b>	<b>6,569.97</b>	<b>11,593.07</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	803.56	988.15
Impairment allowance for trade receivables and advances	103.59	97.64
Loss/(Profit) on sale of property, plant and equipment (net)	4.48	(1.86)
Gain on conversion of subsidiaries in power transmission infrastructure business into joint ventures	(94.44)	-
Unrealized exchange difference (net)	-	112.05
Indemnification expenses incurred under share purchase agreement	77.13	72.88
Net profit on sale of investments in shares of Indigrid Investment Managers Limited and in units of India Grid Trust	(297.50)	(213.92)
Reversal of impairment of investment	-	(954.98)
Write down / (reversal) related to assets held for sale	(422.23)	670.24
Income on investment in India Grid Trust	(11.47)	(537.73)
Share in loss /(profit) of associates and joint ventures	2,675.60	(5.75)
Finance costs	4,256.76	5,736.46
Finance income	(884.60)	(379.78)
Net gain on sale of investment in subsidiaries and associates in power transmission and infrastructure business	(7,031.95)	(15,397.27)
Consideration received from India Grid Trust on sale of investments in earlier years	(513.65)	(1,047.29)
	<b>(1,334.72)</b>	<b>(10,861.16)</b>
<b>Operating profit before working capital changes</b>	<b>5,235.25</b>	<b>731.91</b>
Movements in working capital:		
Increase/(decrease) in trade payables	6,599.79	(1,527.07)
Increase/(decrease) in employee benefit obligation	5.46	18.71
Increase/(decrease) in other liabilities	1,675.43	8,707.89
Increase/(decrease) in other financial liabilities	746.02	2,232.50
(Increase)/decrease in trade receivables	(4,539.86)	(1,906.08)
(Increase)/decrease in inventories	880.66	834.95
(Increase)/decrease in other financial assets	1,227.29	(1,729.04)
(Increase)/decrease in other assets	(13,327.14)	1,468.62
Change in working capital	(6,732.36)	8,100.48
<b>Cash generated from/(used in) operations</b>	<b>(1,497.11)</b>	<b>8,832.39</b>
Direct taxes paid (net of refunds)	(1,381.35)	(3,299.31)
<b>Net cash flow from/(used in) operating activities</b>	<b>(2,878.46)</b>	<b>5,533.08</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(6,582.65)	(17,104.17)
Proceeds from sale of property, plant and equipment	67.74	4.84
Cash flow from/of sale/purchase of investments, net	9.07	290.33
Cash flow purchase of investments, net	(200.00)	-
Proceeds from sale of investment in subsidiaries and associates in power transmission and infrastructure business	6,097.72	25,071.08
Proceeds from sale of units of India Grid Trust	283.72	8,299.09
Proceeds from sale of investment in Indigrid Investment Managers Limited	359.95	-
Investment in bank deposits, net	1,747.60	3,906.29
Income on investment in India Grid Trust	11.47	537.73
Payment for indemnification expenses as per share purchase agreement	(225.16)	(42.95)
Loan given to related parties	(35.00)	-
Loan repaid by related parties	302.02	-
Investment in shares of joint ventures	(1,007.91)	(1,010.48)
Investment in non-convertible debentures of joint ventures	(2,453.00)	-
Investment in compulsorily convertible debentures of joint ventures	(99.13)	-
Proceed from sale of non-convertible debentures of joint ventures	1,914.23	-
Interest received	301.24	383.36
<b>Net cash flow from investing activities</b>	<b>491.91</b>	<b>20,335.12</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of interim dividend	(317.97)	-
Repayment of borrowings from Sterlite Interlink Limited	-	(6,200.00)
Proceeds of long term borrowings	16,788.29	31,120.37
Repayment of long term borrowings	(977.61)	(37,446.15)
Proceeds/(repayment) of short term borrowings (net)	(2,015.56)	148.63
Repayment of lease obligation	(86.31)	(107.42)
Finance costs paid	(4,603.51)	(8,556.96)

# Consolidated Cash Flow Statement

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	March 31, 2022	March 31, 2021
<b>Net cash flow from/(used in) financing activities</b>	<b>8,787.33</b>	<b>(21,041.53)</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,400.78</b>	<b>4,826.67</b>
Cash and cash equivalents as at beginning of year	6,711.19	2,946.34
Cash and cash equivalents on disposal/loss of control of subsidiaries in power transmission and infrastructure business	(657.76)	(1,061.82)
Cash and cash equivalents on acquisition of subsidiary (refer note 49)	65.71	-
Cash and cash equivalents classified under assets held for sale (refer note 10)	(1,044.40)	-
<b>Cash and cash equivalents as at year end</b>	<b>11,475.52</b>	<b>6,711.19</b>

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

(₹ in million)

	Long-term borrowings	Short-term borrowings
<b>April 01, 2020</b>	<b>39,560.78</b>	<b>13,769.43</b>
Cash flow		
- Interest	(6,694.15)	(1,862.81)
- Proceeds/(repayments)	(6,433.20)	(6,051.37)
Non-cash changes		
- Classified as current maturities	15,710.13	-
- Classified as short term borrowings current maturities	-	706.09
- Lease Liabilities shown separately	(20.46)	-
- Notional interest	(130.16)	-
- Others	1.04	5.35
- Transferred on sale of subsidiaries	(29,410.64)	-
Accrual for the year (gross of interest capitalised)	6,672.95	1,937.97
<b>March 31, 2021</b>	<b>19,256.28</b>	<b>8,504.66</b>
Cash flow		
- Interest	(2,627.32)	(1,976.19)
- Proceeds/(repayments)	15,810.68	(2,015.56)
Non-cash changes		
- Classified as current maturities	330.91	(330.91)
- Classified as liabilities held for sale	(11,385.09)	(545.68)
- Addition on acquisition of subsidiary	88.05	-
- Others	-	(117.22)
- Transferred on sale/loss of control of subsidiaries	(8,200.55)	-
Accrual for the year (gross of interest capitalised)	2,627.31	2,067.31
<b>March 31, 2022</b>	<b>15,900.28</b>	<b>5,586.41</b>

(₹ in million)

	March 31, 2022	March 31, 2021
<b>Balances with banks:</b>		
On current accounts	10,112.86	3,570.10
Deposit with original maturity of less than 3 months	1,362.69	3,141.06
Cash in hand	0.03	0.03
<b>Total cash and cash equivalents (refer note 12)</b>	<b>11,475.58</b>	<b>6,711.19</b>

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

Sd/-

**per Paul Alvares**

Partner

Membership Number: 105754

Place: Mumbai

Date: May 27, 2022

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

Sd/-

**Pravin Agarwal**

Chairman

DIN: 00022096

Place: Pune

Date: May 27, 2022

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: Mumbai

Date: May 27, 2022

Sd/-

**Pratik Agarwal**

Managing Director

DIN: 03040062

Place: Mumbai

Date: May 27, 2022

Sd/-

**Ashok Ganesan**

Company Secretary

Place: Mumbai

Date: May 27, 2022

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2022  
(All amounts in ₹ million unless otherwise stated)

<b>A. EQUITY SHARE CAPITAL</b>											
Equity shares of ₹ 2 each issued, subscribed and fully paid	Nos. in million	₹ in million									
<b>At April 01, 2020</b>	<b>61.18</b>	<b>122.36</b>									
Movement during the year	-	-									
Changes in Equity Share Capital due to prior period errors	-	-									
<b>At March 31, 2021</b>	<b>61.18</b>	<b>122.36</b>									
Movement during the year	-	-									
Changes in Equity Share Capital due to prior period errors	-	-									
<b>At March 31, 2022</b>	<b>61.18</b>	<b>122.36</b>									
<b>B. OTHER EQUITY</b>											
Particulars	Reserves and surplus			Total equity (₹ in million)							
	" Securities premium "	Retained earnings	Debt redemption reserve	Legal reserve	Special unearned income reserve	Capital redemption reserve	Capital reserve	Cash flow hedge reserve	Foreign currency translation reserve	Items of other comprehensive income	Total equity
<b>Balance as at April 01, 2020</b>	<b>4,536.80</b>	<b>(5,629.79)</b>	-	<b>172.13</b>	<b>3,270.44</b>	<b>1,543.67</b>	<b>0.35</b>	<b>(1,548.18)</b>	<b>(1,860.20)</b>	<b>485.22</b>	<b>485.22</b>
Profit for the year	-	8,697.74	-	-	-	-	-	-	-	8,697.74	8,697.74
Other comprehensive income	-	(3.40)	-	-	-	-	-	2,178.81	(654.05)	1,521.35	1,521.35
<b>Total comprehensive income</b>	<b>-</b>	<b>8,694.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,178.81</b>	<b>(654.05)</b>	<b>10,219.10</b>	<b>10,219.10</b>
Amount transferred from/ (to) debenture redemption reserve (refer note 15.7)	-	(200.00)	200.00	-	-	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	-	139.35	-	139.35	139.35
Amount transfer to capital redemption reserve (refer note 15.6)	-	(36.00)	-	-	-	36.00	-	-	-	-	-
Amount transferred from capital redemption reserve	-	1,543.65	-	-	-	(1,543.65)	-	-	-	-	(0.00)
<b>Balance as at March 31, 2021</b>	<b>4,536.80</b>	<b>4,372.21</b>	<b>200.00</b>	<b>172.13</b>	<b>3,270.44</b>	<b>36.02</b>	<b>0.35</b>	<b>769.98</b>	<b>(2,514.25)</b>	<b>10,843.68</b>	<b>10,843.68</b>
Profit for the year	-	4,401.42	-	-	-	-	-	-	-	4,401.42	4,401.42
Other comprehensive income	-	(10.39)	-	-	-	-	-	2,509.50	1,040.09	3,539.20	3,539.20
<b>Total comprehensive income</b>	<b>-</b>	<b>4,391.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,509.50</b>	<b>1,040.09</b>	<b>7,940.62</b>	<b>7,940.62</b>

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Particulars	Reserves and surplus					Items of other comprehensive income			Total equity	
	" Securities premium "	Retained earnings	Debt redemption reserve	Legal reserve	Special unearned income reserve	Capital redemption reserve	Capital reserve	Cash flow hedge reserve		Foreign currency translation reserve
Appropriation for dividend paid	-	(324.26)	-	-	-	-	-	-	-	(324.26)
Less: Reclassified to statement of profit and loss	-	-	-	-	-	-	-	(1,676.34)	-	(1,676.34)
Transferred to retained earnings	-	200.00	(200.00)	-	-	(200.00)	-	-	-	(200.00)
<b>Balance as at March 31, 2022</b>	<b>4,536.80</b>	<b>8,638.98</b>	<b>-</b>	<b>172.13</b>	<b>3,270.44</b>	<b>36.02</b>	<b>0.35</b>	<b>1,603.15</b>	<b>(1,474.16)</b>	<b>16,783.70</b>

## 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 Sterilite Power Transmission Limited**

Sd/-  
**per Paul Alvares**  
Partner  
Membership Number: 105754  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Pravin Agarwal**  
Chairman  
DIN: 00022096  
Place: Pune  
Date: May 27, 2022

Sd/-  
**Pratik Agarwal**  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Ashok Ganesan**  
Company Secretary  
Place: Mumbai  
Date: May 27, 2022

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(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 and its subsidiaries (together referred to as 'the Group') are engaged in the business of Power products and solutions. Power products and solutions mainly include manufacturing of power transmission conductors, optical ground wire cables and power cables. It also includes execution of Engineering, Procurement and Construction Contracts for replacement of power transmission conductors, optical ground wire cables and power cables as a part of master system integration business. The Group is also in the business of developing power transmission systems for concessional periods ranging from 25 to 35 years under Build Own Operate & Maintain ("BOOM") and Build, Operate and Transfer ('BOT') models.

The consolidated financial Statements were approved for issue in accordance with resolution passed by the Board of Directors on May 27, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group ('CFS') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments;
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

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

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries

as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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 March 31. 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.

#### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS-12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated changes of statement of equity and balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting

policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained (unless the subsidiary is considered as an asset rather than a business and the investment retained is classified as investment in associate or joint venture in which case the investment retained is carried at cost)
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.3 Summary of significant accounting policies

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

### a) Business Combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as an adjustment to the asset acquired. If those amounts are less than the fair value of the net identifiable assets, the difference is recognised recorded as an

adjustment to the asset acquired. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is carried at cost at the acquisition date.

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

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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 year 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 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 consolidated financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved, and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

## b) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate or joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognised at cost to the Group. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture 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.

Unrealised gains resulting from the transactions between the Group and its associate or joint venture, to the extent of Group's interests in the associate or joint venture, are eliminated in the statement of profit and loss from the line item "Share of profit/(loss) of associates and joint ventures" and in the balance sheet against the carrying amounts of the associate or joint venture. Where such unrealised gains, to the extent of Group's interests in the associate or joint venture, exceed the carrying amounts of the associate or joint venture, such excess is presented as deferred income. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture impairment. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence/joint control 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

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- 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 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).

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 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 required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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 53)
- Disclosures for valuation methods, significant estimates and assumptions (Note 52, 53 and 36)
- Financial instruments (including those carried at amortised cost) (Note 5B, 6, 7, 8, 12, 13, 16, 17, 18, 19, 47)

## f) Revenue recognition

### Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. Amounts disclosed in revenue are net of goods and service tax (GST).

The Disclosure for significant accounting judgements, estimates and assumptions relating to revenue from operations are provided in Note 36.

### 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 365 days upon delivery.

### Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods of 25/35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective Central Electricity Regulatory Commission ('CERC') tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

### Revenue from Engineering, procurement and construction ('EPC') contracts

In case of revenue from fixed price EPC contracts for power transmission lines and installation of power transmission products, the performance obligation is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that 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

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

and operates and maintains that infrastructure for a specified period of time. The infrastructure constructed by the group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider. These arrangements are accounted for under Appendix D to Ind AS 115 Service Concession Arrangements. Such arrangements give rise to contract assets till the transmission services are rendered. The contract asset refers to the Group's right to the consideration as a result of the investments made in the construction of transmission line infrastructure.

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered. For the estimate related to the revenue from construction assets, the Group used a model that calculates the cost of financing the customer (in this case, the Concession Grantor). The discount rates represent a market rate that considers the risks and premiums specific to the service concession transmission asset. The discount rates are fixed over the concession period and reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

#### Remuneration of concession assets

Remuneration from service concession arrangement comprise of interest income recognised using the discount rate that reflects the economic volatility on

the future cash flows from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

#### Rendering of other services

Revenues from services are recognised over the period of the contract as and when services are rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

#### Contract modifications:

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. The Group does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

#### Variable considerations:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### Contract balances:

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## *Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement".

## *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## *Project management and Investment management services*

Income from project and investment management services is recognised as per the terms of the agreement on the basis of services rendered.

## *Dividend*

Dividend income is recognised in the consolidated statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

## *Interest Income*

The Group recognises the interest income based on the rate of interest as mentioned in the loan agreement. The Group annually assess the recoverability of the loan based by reviewing the financial position of the lender and considers the provision on the recoverability based on the such assessment. Interest accrual is considered in the books only if it is considered to be recoverable.

## *License Fees*

Initial license fees is recognised over the period of time for use of infrastructure assets.

## **g) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the

periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## **h) Taxation**

### *Current income tax*

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

Current income tax relating to items recognised outside statement of profit or loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Goods and Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Service tax paid, except:

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

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

## i) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes

to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Refer note 10 for additional disclosures.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

## j) **Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or 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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	(Life in number of years)
		Useful life (Schedule II)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery	2 - 20 Years *	Continuous process plant- 25 Years Others- 15 Years
Substations	25-35 Years*	40 Years
Furniture and fixtures	3 - 10 Years *	10 Years
Power Transmission Lines	25-35 Years*	40 Years
Data processing equipment	3 - 6 Years *	Service and networks- 6 Years and desktops and laptop etc - 3 Years
Office equipment	2 - 5 Years *	5 Years
Electric fittings	4 - 20 Years *	10 Years
Vehicles	3 - 5 Years *	8 Years
Leasehold improvements	Lease period\$	Lease period

\*Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

\$ Leasehold improvements are depreciated over the useful life of the asset or the 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 equipment and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are

not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The Group does not have any intangible assets with indefinite useful life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Software are amortised on a straight-line basis over a period of five to six years..

Right of way ("ROW") is amortised on straight line basis over the period of 21 years as per of contract with the authority (Refer note 4).

Right of way ("ROW") related to OPGW data transmission line availed from MSTECL is amortised on straight line basis over the period of 20 years as per of contract with the MSETCL (Refer note 4).

## l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred,

and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land- 99 years
- Office building – 1 to 5 years
- Vehicles – 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

## ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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.

### 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.

### n) *Inventories*

Traded goods are valued at lower of cost and net realisable value. Cost is determined on weighted average basis and includes all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis except for aluminium wherein the cost is determined on specific identification method based on the costing details of each project.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis except for aluminium conductors wherein the cost is determined on specific identification method based on the costing details of each project.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### o) *Impairment of non-financial assets*

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

## q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group has a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method at Group level.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately

taken to the consolidated statement of profit and loss and are not deferred.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability. The cost of accumulated leave under the short-term employee benefit plan is determined using the projected unit credit method at Group level.

## r) Employee Stock Appreciation Rights Scheme

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for Employee Stock Appreciation Rights (ESARs) (cash-settled transactions). The cost of ESARs is measured as the difference between the fair market value of equity shares of the Group on the reporting date and the SAR price on the Grant date as specified in the ESAR Scheme, and is recognized as employee compensation cost over the vesting period.

## s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to loans, trade and other receivables (refer note 6 and 7)

### *Debt instrument at FVTOCI*

A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI

debt instrument is reported as interest income using the EIR method. The Group does not have significant financial assets which are subsequently measured at FVTOCI.

### *Debt instrument at FVTPL*

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Majority of the financial assets of the Group which are not reflected at fair value pertain to Loans to related parties and Trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its Loans and trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the Group does not have any past history of impairment of Trade receivables.

For the financial assets which are reflected at fair value no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

## Financial liabilities

### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instrument.

### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses 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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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

This category generally applies to borrowings.

### *Derecognition*

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

### *Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. 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 through 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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Original classification	Revised Classification	Accounting Treatment
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## u) Cash dividend distribution to equity holders of the Group

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

## v) Derivative financial instruments and hedge accounting

**Initial recognition and subsequent measurement**  
The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and commodity future contracts to hedge metal price risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking the hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has not classified any hedge as Fair Value hedge or hedge of net investment in foreign operation.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast purchase occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity

until the forecast transaction occurs or the foreign currency firm commitment is met.

## w) 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.

## 2.3 New and Amended standards

Several amendments apply for the first time in March 2022, but do not have an impact on the standalone financial statements of the Company.

- Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116
- Ind AS 116: COVID-19 related rent concessions
- Ind AS 103: Business combination
- Amendment to Ind AS 105, Ind AS 16 and Ind AS 28



# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ in million																
	Freehold land <sup>5</sup> improvements	Leasehold buildings	Transmission lines machinery	Plant and equipment	Data processing equipment	Furniture and fittings	Office equipment	Vehicles	Electrical installations	Sub-station	Subtotal (Other than ROU assets)	Right of use asset (office building)	Right of use asset (vehicles)	Subtotal	Total		
<b>As at April 01, 2020</b>	1,402.15	60.59	1,029.56	8,444.90	3,153.40	132.58	49.40	47.78	27.30	252.47	7,954.23	22,554.37	3.17	249.09	7.85	260.13	22,814.50
Additions	37.12	-	-	16,786.01	18.86	4.99	1.49	6.01	-	0.41	9,715.54	26,570.43	-	-	2.29	2.29	26,572.72
Adjustments <sup>6</sup>	-	-	(10.00)	-	-	(0.18)	-	-	-	-	-	(10.18)	-	(4.27)	-	(4.27)	(14.46)
Disposals	-	-	-	(70.83)	(0.01)	(3.22)	(3.12)	(0.69)	(1.58)	(1.58)	-	(79.45)	-	(4.87)	(1.72)	(6.59)	(86.05)
Disposals on sale of subsidiaries (refer note 36)	(620.63)	-	-	(20,273.35)	(1.32)	-	(0.16)	(2.87)	-	-	(14,090.52)	(34,988.85)	-	-	-	-	(34,988.85)
<b>As at March 31, 2021</b>	818.64	60.59	1,019.56	4,957.57	3,100.11	137.38	47.51	47.80	26.60	251.29	3,579.25	14,046.32	3.17	239.95	8.41	251.55	14,297.87
Additions	72.66	-	2.68	5,826.36	138.18	28.47	0.32	7.99	-	12.86	1,082.80	7,172.31	-	630.10	-	630.10	7,802.41
Adjustments <sup>6</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	1.68	-	1.68	1.68
Additions on account of acquisitions (refer note 49)	-	-	-	-	-	-	-	-	-	-	-	1,436.96	6.68	-	-	6.68	1,443.64
Disposals (178.25)	-	-	(36.52)	(36.35)	-	(76.37)	(10.78)	(6.92)	(6.73)	-	-	(184.28)	-	(3.91)	(3.91)	(188.18)	(178.25)
Transfer to held for sale (refer note 10)	-	-	-	(10,783.91)	-	(0.92)	(0.31)	(2.24)	-	-	(4,662.05)	(15,603.93)	-	-	-	-	(15,603.93)
<b>As at March 31, 2022</b>	558.55	24.07	985.90	0.01	4,598.88	154.15	36.91	46.64	19.87	264.15	(0.00)	6,689.13	9.85	871.72	4.50	886.09	7,575.23
<b>Depreciation / Impairment</b>																	
<b>As at April 01, 2020</b>	-	51.30	347.83	93.85	2,013.83	87.64	37.61	33.49	10.64	123.87	84.36	2,884.44	0.25	102.61	(1.18)	101.67	2,986.11
Depreciation charge for the year	-	5.11	47.82	246.03	201.07	17.54	4.30	7.30	5.55	15.03	279.75	829.50	0.03	73.78	2.32	76.13	905.63
Adjustment	-	-	(1.88)	-	-	(0.04)	-	-	-	-	-	(1.92)	-	-	-	-	(1.92)
Disposal	-	-	-	(69.78)	(0.00)	(2.23)	(2.66)	(0.68)	(1.29)	(1.29)	-	(76.64)	-	-	(0.29)	(0.29)	(76.93)
Disposals on sale of subsidiaries (refer note 36)	-	-	-	(173.84)	(0.32)	-	(0.03)	(0.34)	-	-	(223.33)	(397.86)	-	-	-	-	(397.86)
<b>As at March 31, 2021</b>	-	56.41	393.77	166.04	2,144.80	105.14	39.65	37.79	15.51	137.61	140.78	3,237.52	0.28	176.39	0.84	177.51	3,415.03
Depreciation charge for the year	-	3.52	33.94	212.38	160.29	20.55	2.77	5.63	4.66	15.20	165.10	624.03	0.03	91.57	2.49	94.08	718.11
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions on account of acquisitions (refer note 49)	-	-	-	-	-	-	-	-	-	-	-	305.37	-	-	-	1.00	306.37

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Particulars	₹ in million										Total						
	Freehold land <sup>1</sup> improvements	Leasehold buildings	Transmission lines	Plant and machinery	Data processing equipment	Furniture and fittings	Office equipment	Vehicles	Electrical installations	Sub-station		Subtotal (Other than ROU assets)	Right of use asset (office building)	Right of use asset (vehicles)			
Disposal	(35.86)	(34.59)	-	(21.54)	(10.02)	(9.96)	(6.10)	(4.68)	-	(122.75)	(2.17)	(2.17)	(124.92)				
Transferred to assets held for sale (refer note 10)	-	-	(378.42)	-	(0.05)	(0.10)	(1.12)	-	(305.88)	(685.57)	-	-	(685.57)				
As at March 31, 2022	24.07	393.12	-	2,588.92	115.62	32.36	36.19	15.49	152.81	3,358.61	0.31	267.96	3,629.02				
Net book value	818.64	4.18	625.79	4,791.53	955.31	32.24	7.87	10.01	113.68	3,438.47	10,808.80	2.89	63.56	7.57	74.05	10,882.85	
As at March 31, 2021	558.55	-	592.78	-	2,009.97	38.53	4.55	10.44	4.38	111.33	-	3,330.53	9.53	603.76	2.35	615.68	3,946.20
As at March 31, 2022																	

^ Adjustment to the cost of property, plant and equipment pertain to those arising on account of final settlement with EPC Contractors/vendors.

\$ Title deeds in respect of all the immovable properties are in the name of the Company

## NOTE 3B: CAPITAL WORK IN PROGRESS

Particulars	₹ in million	
As at March 31, 2021	14,932.90	
As at March 31, 2022	230.77	

\*Capital work in progress mainly includes expenditure incurred on construction of transmission infrastructure. Refer note 17 for pledge of property, plant and equipment for borrowings.

### (i) Following is the ageing of capital work in progress

Particulars	Amount in capital work in progress for								
	As at March 31, 2022			As at March 31, 2021					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	229.87	0.22	0.68	-	230.77	7,858.78	1,230.55	2,803.62	3,039.95
Total	229.87	0.22	0.68	-	230.77	7,858.78	1,230.55	2,803.62	3,039.95

### (ii) Following is the completion schedule for capital work in progress as at reporting dates whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	To be completed in				
	As at March 31, 2022		As at March 31, 2021		
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Khargone Transmission Limited	-	-	-	5,795.85	5,795.85
Lakadia Vadodara Transmission Project Limited*	-	-	-	5,800.82	5,800.82
Total	-	-	-	5,795.85	5,800.82

\* The date of completion doesn't include extension provided by the Government on account of COVID-19.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 4: INTANGIBLE ASSETS

(₹ in million)

Description	Software/ Licenses	Right of way	Total
<b>Cost</b>			
<b>As at April 01, 2020</b>	348.39	244.83	593.22
Additions	1.95	46.25	48.20
Disposals	-	-	-
Adjustments on account of foreign currency translation	(3.55)	-	(3.55)
<b>As at March 31, 2021</b>	<b>346.79</b>	<b>291.08</b>	<b>637.87</b>
Additions	12.85	-	12.85
Additions on account acquisitions (refer note 49) and (refer note ii below)	-	51.00	51.00
Adjustment <sup>^</sup>	-	(35.63)	(35.63)
<b>As at March 31, 2022</b>	<b>359.64</b>	<b>306.45</b>	<b>666.09</b>
<b>Amortisation/Impairment</b>			
<b>As at April 01, 2020</b>	108.02	4.62	112.64
Amortisation charge for the year	71.74	10.79	82.53
Disposals	(0.24)	-	(0.24)
Adjustments on account of foreign currency translation	(0.85)	-	(0.85)
<b>As at March 31, 2021</b>	<b>178.67</b>	<b>15.41</b>	<b>194.08</b>
<b>As at April 01, 2021</b>	-	-	-
Amortisation charge for the year	73.28	12.16	85.44
Additions on account acquisitions (refer note 49) and (refer note ii below)	-	23.60	23.60
Disposals	-	-	-
Adjustments on account of foreign currency translation	-	0.57	0.57
<b>As at March 31, 2022</b>	<b>251.96</b>	<b>51.74</b>	<b>303.70</b>
<b>Net Book Value</b>			
<b>As at March 31, 2021</b>	168.12	275.67	443.79
<b>As at March 31, 2022</b>	<b>107.68</b>	<b>254.71</b>	<b>362.40</b>

- (i) 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.
- (ii) The Right of Way (RoW) pertains to the right granted by MSETCL to the Group for a period of 22 years (31 March 2021: 22 years) to establish communication network in the state of Maharashtra.

<sup>^</sup> Adjustment to the cost of intangible assets pertain to those arising on account of final settlement with EPC Contractors/vendors.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## (iii) Intangible assets under development

Particulars	(₹ in million)
<b>As at April 01, 2020</b>	65.53
Addition during the year	-
Transferred to intangible asset during the year	(46.25)
Adjustment during the year	(19.28)
<b>As at March 31, 2021</b>	-
<b>As at April 01, 2021</b>	-
Additions during the year	0.07
Transferred to intangible asset during the year	-
<b>As at March 31, 2022</b>	<b>0.07</b>

## (iv) Following is the ageing of intangible asset under development

Particulars	Amount in intangible assets under development					
	As at March 31, 2022			As at March 31, 2021		
	Less than 1 year	1-2 years	Total	Less than 1 year	1-2 years	Total
Projects in progress	0.07	-	0.07	-	-	-
<b>Total</b>	<b>0.07</b>	<b>-</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 5A: INVESTMENT IN ASSOCIATES AND JOINT VENTURES

(₹ in million)

	31 March 2022	31 March 2021
<b>NON-CURRENT</b>		
<b>Investment in equity shares- unquoted (accounted using equity method) (associates)</b>		
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (refer note i below and 10(a))		
Nil (March 31, 2021: 16,24,515) equity shares of ₹ 2 each fully paid up	-	47.14
Sterlite Interlinks Limited		
4,900 (March 31, 2021: 4,900) equity shares of ₹ 10 each fully paid up (refer note ii below)	12.85	12.59
<b>Investment in equity shares- unquoted (accounted using equity method) (joint ventures)</b>		
Sterlite Grid 13 Limited (refer note iii below)		
3,10,000 (March 31, 2021: 3,10,000) equity shares of ₹ 10 each fully paid up	-	-
Sterlite Grid 14 Limited (refer note iv below)		
60,000 (31 March 2021: 50,000) equity shares of ₹ 10 each fully paid up	-	-
Sterlite Grid 18 Limited (refer note v below)		
6,18,61,000 (31 March 2021: 50,000) equity shares of ₹ 10 each fully paid up	-	-
Sterlite Grid 29 Limited (refer note vi below)		
3,90,69,483 (31 March 2021: 1,00,000) equity shares of ₹ 10 each fully paid up	238.94	-
<b>Total</b>	<b>251.79</b>	<b>59.73</b>

### Note i

Indigrd Investment Managers Limited ('IIML') is the investment manager of India Grid Trust. The Group holds Nil (March 31, 2021: 26%) interest in IIML (also refer Note 10a). The Group's interest in IIML was accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in IIML.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2022	31 March 2021
<b>Net assets</b>		
Current assets	-	219.43
Non-current assets	-	113.32
Current liabilities	-	(116.20)
Non-current liabilities	-	(35.26)
	-	<b>181.29</b>
<b>Equity investments (unquoted):</b>		
Proportion of the Group's ownership		26.00%
Carrying amount of the investment	-	47.14
<b>Investment in associate</b>	-	<b>47.14</b>
<b>Statement of profit and loss</b>		
Revenue from contract with customers	-	280.28
Other income	-	2.07
Employee benefit expense	-	(189.25)
Depreciation expense	-	(9.68)
Finance cost	-	(3.17)
Finance income	-	17.67
Other expense	-	(50.40)
<b>Profit before tax</b>	-	<b>47.52</b>
Income tax	-	(8.19)
<b>Profit for the year</b>	-	<b>39.33</b>
<b>Total comprehensive income for the year</b>	-	<b>39.33</b>
<b>Group's share of profit for the year</b>	-	<b>10.22</b>

## Note ii

The Group has 49% (March 31, 2021: 49%) interest in Sterlite Interlinks Limited ('SIL'), which undertakes activities of construction, maintenance of the infrastructure of Dark Fibre through OPGW / Cabling, ROW, Duct Space and towers on lease/ rent out basis. The Group's interest in SIL is accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in SIL.

(₹ in million)

	31 March 2022	31 March 2021
<b>Net assets</b>		
Current assets	136.06	224.16
Non-current assets	117.97	125.38
Current liabilities	(103.55)	(191.91)
Non-current liabilities	(124.25)	(131.94)
	<b>26.23</b>	<b>25.69</b>
<b>Equity investments (unquoted):</b>		
Proportion of the Group's ownership	49.00%	49.00%
Carrying amount of the investment	12.85	12.59
<b>Investment in associate</b>	<b>12.85</b>	<b>12.59</b>
<b>Statement of profit and loss</b>		
Revenue from contract with customers	27.37	125.04
Other income	1.52	-
Contract expense	(0.54)	
Consumption		(58.59)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	(₹ in million)	
	31 March 2022	31 March 2021
Purchase of traded goods	-	(35.23)
Finance cost	-	(5.64)
Other expense	(27.82)	(20.61)
<b>Profit/(loss) before tax</b>	<b>0.53</b>	<b>4.97</b>
Income tax	-	(1.51)
<b>Profit for the year</b>	<b>0.53</b>	<b>3.46</b>
<b>Total comprehensive income for the year</b>	<b>0.53</b>	<b>3.46</b>
<b>Group's share of profit for the year</b>	<b>0.26</b>	<b>1.69</b>

## Note iii

Investment in Sterlite Grid 13 Limited has been classified as investment in joint venture which is engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Refer note 46. The Group's interest in the Sterlite Grid 13 Limited is accounted using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in Sterlite Grid 13 Limited.

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Net assets</b>		
Current assets	2645.53	1,751.79
Non-current assets	11,793.30	4,875.68
Current liabilities	(3,501.68)	(2,044.43)
Non-current liabilities	(11,230.01)	(4,586.99)
	<b>(292.86)</b>	<b>(3.95)</b>
<b>Equity investments (unquoted):</b>		
Proportion of the Group's ownership	50.00%	50.00%
Carrying amount of the investment	(146.43)	(1.97)
Consolidation adjustment	(1,280.40)	-
<b>Investment in joint venture*</b>	<b>(1,426.83)</b>	<b>(1.97)</b>
<b>Statement of profit and loss</b>		
Revenue from operations	-	-
Finance cost	(271.11)	-
Finance income	0.65	-
Other expense	(10.53)	-
<b>Loss before tax</b>	<b>(280.99)</b>	<b>-</b>
Income tax	(8.07)	-
<b>Loss for the year</b>	<b>(289.06)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(289.06)</b>	<b>-</b>
<b>Group's share of loss for the year</b>	<b>(144.53)</b>	<b>-</b>
Consolidation adjustments	(1,280.40)	-
<b>Net share of loss for the year</b>	<b>(1,424.93)</b>	<b>-</b>

## Note iv

Investment in Sterlite Grid 14 Limited has been classified as investment in joint venture which is engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Refer note 46. The Group's interest in the Sterlite Grid 14 Limited is accounted using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in Sterlite Grid 14 Limited.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2022	31 March 2021
<b>Net assets</b>		
Current assets	121.77	-
Non-current assets	3,576.81	-
Current liabilities	(750.70)	-
Non-current liabilities	(3,060.59)	-
	<b>(112.71)</b>	-
<b>Equity investments (unquoted):</b>		
Proportion of the Group's ownership	50.00%	-
Carrying amount of the investment	(56.35)	-
Consolidation adjustments	(19.59)	-
<b>Investment in joint venture*</b>	<b>(75.94)</b>	-
<b>Statement of profit and loss</b>		
Revenue from operations	-	-
Finance cost	(91.46)	-
Finance income	0.32	-
Other expense	(5.31)	-
<b>Loss before tax</b>	<b>(96.45)</b>	-
Income tax	(1.68)	-
<b>Loss for the year</b>	<b>(98.13)</b>	-
<b>Total comprehensive income for the year</b>	<b>(98.13)</b>	-
<b>Group's share of loss for the year</b>	<b>(49.06)</b>	-
<b>Consolidation adjustments</b>	<b>(47.49)</b>	-
<b>Net share of loss for the year</b>	<b>(96.55)</b>	-

## Note v

Investment in Sterlite Grid 18 Limited has been classified as investment in joint venture which is engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Refer note 46. The Group's interest in the Sterlite Grid 18 Limited is accounted using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in Sterlite Grid 18 Limited.

(₹ in million)

	31 March 2022	31 March 2021
<b>Net assets</b>		
Current assets	854.79	-
Non-current assets	17,952.58	-
Current liabilities	(2,024.25)	-
Non-current liabilities	(16,984.74)	-
	<b>(201.62)</b>	-
<b>Equity investments (unquoted):</b>		
Proportion of the Group's ownership	50.00%	-
Carrying amount of the investment	(100.81)	-
Consolidation adjustments	(203.69)	-
<b>Investment in joint venture*</b>	<b>(304.50)</b>	-
<b>Statement of profit and loss</b>		
Revenue from operations	-	-
Finance cost	(483.87)	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	(₹ in million)	
	31 March 2022	31 March 2021
Finance income	1.58	-
Other expense	(21.15)	-
<b>Loss before tax</b>	<b>(503.44)</b>	-
Income tax	(4.21)	-
<b>Loss for the year</b>	<b>(507.65)</b>	-
<b>Total comprehensive income for the year</b>	<b>(507.65)</b>	-
Group's share of loss for the year	(253.83)	-
Consolidation adjustments	(594.05)	-
<b>Net share of loss for the year</b>	<b>(847.88)</b>	-

## Note vi

Investment in Sterlite Grid 29 Limited has been classified as investment in joint venture which is engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Refer note 46. The Group's interest in the Sterlite Grid 29 Limited is accounted using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in Sterlite Grid 29 Limited.

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Net assets</b>		
Current assets	360.58	-
Non-current assets	7,002.56	-
Current liabilities	(635.39)	-
Non-current liabilities	(6,233.59)	-
	<b>494.16</b>	-
<b>Equity investments (unquoted):</b>		
Proportion of the Group's ownership	50.00%	-
Carrying amount of the investment	247.08	-
Consolidation adjustments	(8.14)	-
<b>Investment in joint venture</b>	<b>238.94</b>	-
<b>Statement of profit and loss</b>		
Revenue from operations	-	-
Finance cost	(279.76)	-
Finance income	0.42	-
Other expense	(15.37)	-
<b>Loss before tax</b>	<b>(294.71)</b>	-
Income tax	(2.03)	-
<b>Loss for the year</b>	<b>(296.74)</b>	-
<b>Total comprehensive income for the year</b>	<b>(296.74)</b>	-
Group's share of loss for the year	(148.37)	-
Consolidation adjustments	(158.13)	-
<b>Net share of loss for the year</b>	<b>(306.50)</b>	-

\* As the share in net assets of the joint ventures is negative, the investment is shown at Nil value.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

As explained in note-56(b), during the year ended March 31, 2022, some of the subsidiaries of the Group viz. Sterlite Grid 14 Limited (immediate holding company of Udupi Kasargode Transmission Limited), Sterlite Grid 18 Limited (immediate holding company of Lakadia-Vadodara Transmission Project Limited) and Sterlite Grid 29 Limited (immediate holding company of Goa Tamnar Transmission Project Limited) which are engaged in constructing and developing power transmission projects on Build, Own, Operate and Maintain ('BOOM') basis became joint ventures. In the earlier years, the assets, liabilities, income and expenses of these subsidiaries were consolidated on a line by line basis and the intercompany transactions with these subsidiaries (including sale of goods/services, etc) and the intercompany balances (including trade receivables and trade payables) were eliminated in the consolidated financial statements. Since these subsidiaries became joint ventures, these are accounted for using the equity method of accounting. Accordingly, transactions with these joint ventures and the related balances are not eliminated from the consolidated financial statements of the Group. Only the unrealised gains/losses to the extent of Group's share in these joint ventures are eliminated (refer note 2.3 for the accounting policy adopted by the Group in this regard). As a result, the amounts for the year ended March 31, 2022 may not be comparable with the earlier years.

As on March 31, 2022, the joint ventures have outstanding capital commitment for construction of Transmission lines, net of advances as mentioned below:

**Lakadia Vadodara Transmission Project Limited:** ₹ 2,166.13 Million (31 March 2021: ₹ 9,270.56 million)

**Mumbai Urja Marg Limited:** ₹ 15,010.25 million (31 March 2021: ₹ 17,765.98 million)

**Udupi Kasargode Transmission Limited:** ₹ 3,583.32 million (31 March 2021: ₹ 5,006.63 million)

**Goa-Tamnar Transmission Project Limited:** ₹ 5,715.85 million (31 March 2021: ₹ 6,392.84million)"

## NOTE 5B: INVESTMENTS

(₹ in million)

	31 March 2022	31 March 2021
<b>NON CURRENT</b>		
<b>Investments in units- quoted (valued at fair value through profit and loss account)</b>		
India Grid Trust (refer note 10a)		
Nil units (March 31, 2021: 20,40,457 units)	-	286.15
<b>Investments in equity shares- unquoted (valued at fair value through other comprehensive income)</b>		
<b>Others</b>		
Sharper Shape Group Inc.		
26,505 (March 31, 2021: 26,505) equity shares of USD 0.01 each fully paid up	112.45	112.45
<b>Investment in non-convertible debentures (unquoted) (valued at amortised cost)##</b>		
Sterlite Grid 13 Limited		
15,15,74,650 (31 March 2021-10,07,88,150) 12.30% Non- convertible debentures of face value of ₹ 10 each	1,506.77	1,007.88
Sterlite Grid 14 Limited		
5,14,25,101 (March 31, 2021: Nil) 12.30% Non- convertible debentures of face value of ₹ 10 each	531.52	-
Sterlite Grid 18 Limited		
20,10,48,052 (March 31, 2021: Nil) 12.30% Non- convertible debentures of face value of ₹ 10 each	2,252.29	-
Sterlite Grid 29 Limited		
13,13,95,681 (March 31, 2021: Nil) 12.30% Non- convertible debentures of face value of ₹ 10 each	1,453.82	-
<b>Investment in compulsorily-convertible debentures (unquoted) (valued at fair value through profit or loss)</b>		
Sterlite Grid 18 Limited		
50,50,250 (31 March 2021: Nil) 0.01% Compulsorily convertible debentures of face value of ₹ 10 each	50.50	-
Sterlite Grid 29 Limited		
48,52,613 (31 March 2021: Nil) 0.01% Compulsorily convertible debentures of face value of ₹ 10 each	48.63	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	(₹ in million)	
	31 March 2022	31 March 2021
<b>CURRENT</b>		
<b>Investment in mutual funds - quoted (valued at fair value through profit or loss)</b>		
Nil units (March 31, 2021: 8,119.47 units) of Axis Liquid Fund direct plan - daily dividend #	-	9.07
<b>Total</b>	<b>5,955.98</b>	<b>1,415.55</b>
<b>Current (equity)</b>	<b>-</b>	<b>9.07</b>
<b>Non-current (units)</b>	<b>-</b>	<b>286.15</b>
<b>Non-current (equity)</b>	<b>112.45</b>	<b>112.45</b>
<b>Non-current (non-convertible debentures)</b>	<b>5,744.40</b>	<b>1,007.88</b>
<b>Non-current (Compulsory -convertible debentures)</b>	<b>99.13</b>	
<b>Aggregate value of quoted investments (equity)</b>	<b>-</b>	<b>9.07</b>
<b>Aggregate value of quoted investments (units)</b>	<b>-</b>	<b>286.15</b>
<b>Aggregate value of unquoted investments (equity)</b>	<b>112.45</b>	<b>112.45</b>
<b>Aggregate value of unquoted investments (non-convertible debentures)</b>	<b>5,744.40</b>	<b>1,007.88</b>
<b>Aggregate value of unquoted investments (compulsorily-convertible debentures)</b>	<b>99.13</b>	<b>-</b>

# Units invested were marked as lien as on March 31, 2021

## The Group has subscribed to the non convertible debentures issued by the joint ventures which are redeemable @ a premium of 12.30% per annum. Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 52 and Note 53 for determination of their fair values.

## NOTE 6: LOANS (UNSECURED, CONSIDERED GOOD)

	(₹ in million)	
	31 March 2022	31 March 2021
<b>CURRENT</b>		
Loans to related parties (refer note 55)*	35.52	302.53
<b>Total</b>	<b>35.52</b>	<b>302.53</b>

\*The Group had unsecured loan receivable amounting to ₹ Nil (March 31, 2021: ₹ 207.35 million) (including accumulated interest accrued) from Sterlite Power Technologies Private Limited ('SPTPL') repayable on demand and carrying annual interest rate equivalent to interest rates on 1 year domestic bulk deposits. The same has been recovered by the Group subsequent to year ended March 31, 2021. Further, during the year the group has given unsecured loan to SPTPL amounting to ₹ 35.52 (March 31, 2021: Nil) (including accumulated interest accrued) carrying interest at the rate of 11% p.a. and is repayable within 1 year.

Unsecured loan to Sterlite Technologies Limited (STL) amounting to ₹ Nil (March 31, 2021: ₹ 95.18 million) (including accumulated interest accrued) carried interest @ 10% p.a. and was repayable on demand. The same has been recovered by the Group during year ended March 31, 2022.

### Break up of loans and advances in the nature of loans as at year end:

	March 31, 2022		March 31, 2021	
	Amount of loan and advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan and advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	35.52	100%	302.53	100%

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 7: TRADE RECEIVABLES

(₹ in million)

	31 March 2022	31 March 2021
<b>(i) Non-current</b>		
Trade receivables	701.85	592.08
<b>Total</b>	<b>701.85</b>	<b>592.08</b>
<b>Break-up for security details:</b>		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	701.85	592.08
	<b>701.85</b>	<b>592.08</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	701.85	592.08
<b>Total non-current trade receivables</b>	<b>-</b>	<b>-</b>
<b>(ii) Current</b>		
Other trade receivables	6,935.99	6,213.01
Receivables from other related parties (refer note 55)	6,668.30	17.11
<b>Total</b>	<b>13,604.29</b>	<b>6,230.12</b>
<b>Break-up for security details:</b>		
- Unsecured, considered good	13,604.29	6,230.12
- Unsecured, credit impaired receivables	-	-
	<b>13,604.29</b>	<b>6,230.12</b>
<b>Total current trade receivables</b>	<b>13,604.29</b>	<b>6,230.12</b>

### Ageing of current trade receivables

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>							
Undisputed Trade receivables – considered good*	6,494.37	6,186.08	369.94	234.87	84.43	234.60	13,604.29
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	64.93	9.04	239.05	5.27	383.57	701.85
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Impairment allowance - on credit impaired trade receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>6,494.37</b>	<b>6,251.01</b>	<b>378.97</b>	<b>473.92</b>	<b>89.70</b>	<b>618.17</b>	<b>14,306.14</b>
<b>As at March 31, 2021</b>							
Undisputed Trade receivables – considered good	5,285.20	325.13	71.08	139.85	392.65	16.21	6,230.12
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	17.46	22.54	28.30	26.10	497.68	592.08

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	Disputed Trade receivables – considered good	-	-	-	-	-	
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	
Impairment allowance - on credit impaired trade receivables	-	-	-	-	-	-	
<b>Total</b>	<b>5,285.20</b>	<b>342.59</b>	<b>93.62</b>	<b>168.15</b>	<b>418.75</b>	<b>513.89</b>	<b>6,822.20</b>

\* No due date of payment is specified for trade receivables pertaining to joint ventures hence the ageing has been considered from the date of the transaction.

There are no outstanding trade or other receivable which are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable includes retention money deducted by customers to ensure performance of the Group's obligations and hence are receivable on the completion of contracts and accordingly no discounting has been done for the same.

Trade receivables are non-interest bearing and credit period varies as per the contractual terms with the customers.

Refer note 50 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

## NOTE 8: OTHER FINANCIAL ASSETS

	₹ in million	
	31 March 2022	31 March 2021
<b>Non-current</b>		
Security deposits (unsecured, considered good) (refer note 55)	66.56	114.42
Other bank balance (refer note 13)	859.84	1,561.44
<b>Total other non-current financial assets</b>	<b>926.40</b>	<b>1,675.86</b>
<b>Current</b>		
Security deposits (unsecured, considered good)	41.49	39.44
Advances recoverable in cash (unsecured, considered good) (refer note 55)	28.40	71.56
Unbilled revenue **	4.83	88.63
Interest accrued on fixed deposits	29.06	8.66
Receivable from related parties (unsecured, considered good) (refer note 55)	95.20	37.83
Receivable from India Grid Trust for sale of investments (unsecured, considered good)	1,237.67	379.66
Earnest money deposit with customer (unsecured, considered good)	40.63	24.40
	1,477.28	650.18
Derivative instruments at fair value through OCI		
- Commodity future contracts	522.69	1,173.86
	522.69	1,173.86
<b>Total other current financial assets</b>	<b>1,999.97</b>	<b>1,824.04</b>

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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Earnest money deposit from customers are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity futures, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for foreign currency sales and purchases and foreign currency receivables and payables in US Dollars (USD) and Euros (EUR).

Receivables from related parties are non-derivative financial assets and are refundable in cash.

## Unbilled revenue pertain to unbilled revenue for the month of March 31, 2022 amounting to ₹ Nil (March 31, 2021: ₹ 88.63 million) billed to transmission utilities.

## NOTE 9: OTHER ASSETS

(₹ in million)

	31 March 2022	31 March 2021
<b>Non- current</b>		
Capital advances (unsecured, considered good)	3,029.49	400.11
Concession contract assets*	14,936.96	1,006.15
Balances with government authorities	335.09	642.74
Prepaid expenses	41.01	55.12
Deposits paid with government authorities under tax litigation (refer note 41)	78.14	69.66
Others	10.61	-
<b>Total other non-current assets</b>	<b>18,431.30</b>	<b>2,173.78</b>
<b>Current</b>		
Advances to vendors/contractors (unsecured, considered good)	950.77	2,045.66
Balances with government authorities	1,862.67	1,721.35
Prepaid expenses	312.60	167.86
Contract assets related to EPC contracts (refer note 24)	977.84	1,438.35
Concession contract assets*	1,431.38	-
Others	2.27	3.19
<b>Total other current assets</b>	<b>5,537.53</b>	<b>5,376.41</b>

\*Movement of concession contract assets can be summarized as follows:

(₹ in million)

	31 March 2022	31 March 2021
<b>Opening balance</b>	<b>1,006.15</b>	<b>5,879.85</b>
Revenue from construction of concession assets	12,182.06	1,263.92
Remuneration of the concession assets	1,461.93	710.99
Assets sold during the year	(7.34)	-
Write - off contractual assets (RAP)	422.23	(389.60)
Asset held for sale (refer note 10)	(1,179.90)	(5,698.97)
Reversal of asset previously held for sale (refer note 13)	293.69	-
Impact of foreign currency conversion	2,189.51	(760.04)
<b>Closing balance</b>	<b>16,368.34</b>	<b>1,006.15</b>
<b>Current</b>	<b>1,431.38</b>	<b>-</b>
<b>Non-current</b>	<b>14,936.96</b>	<b>1,006.15</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 10: ASSETS AND LIABILITIES HELD FOR SALE

Ind AS - 105 Non Current Assets Held for Sale and Discontinued Operations requires a disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition and the sale must be highly probable. Based on the assessment performed by the management, it has been determined that the disposal groups as above should be disclosed as held for sale under Ind AS. Consequently the assets and liabilities of the disposal groups held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet.

Following assets and liabilities are classified as held for sale as at March 31, 2022 and as at March 31, 2021:

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Indigrd Investment Managers Limited (refer note 10(a))</b>		
Investment in equity shares		
Nil shares (March 31, 2021: 8,74,729 shares)	-	21.01
<b>Total</b>	<b>-</b>	<b>21.01</b>

	(₹ in million)	
	31 March 2022	31 March 2021
<b>NER-II Transmission Limited (refer note 37)</b>		
Investment in equity shares		
Nil shares (March 31, 2021: 6,03,829 shares)	-	834.36
<b>Total</b>	<b>-</b>	<b>834.36</b>
<b>Assets classified as held for sale - non-current</b>		
<b>Assets classified as held for sale - current</b>	<b>-</b>	<b>855.37</b>

### For the financial year ended March 31, 2022:

"The Group has entered into an framework agreement dated April 30, 2019 and amendment dated August 28, 2020, with India Grid Trust pursuant to which the investment of the Group in net assets of its subsidiary Khargone Transmission Limited (referred to as 'Disposal Group I') at values agreed in the Framework agreement subject to certain adjustments and the requisite approvals. Since project has been commissioned during the year, it is highly probable that company will realise it's value through sale rather than continue to use. Therefore net assets held in the Khargone transmission limited has been classified as held for sale.

The Group has entered into a Share Purchase agreement with Vinci Energiea Fundo De Investment EM Participacoes Infraestrutura and Cymi Construcoes Participacoes S.A. for selling its stake in Vineyards Participacoes S.A. (referred to as 'Disposal Group II') at values as agreed in the Share Purchase agreement subject the requisite approvals.

	(₹ in million)		
	Disposal Group I	Disposal Group II	Total
<b>Assets</b>			
- Non-current assets	-	-	-
- Current assets	15,822.81	7,615.04	23,437.85
<b>Liabilities</b>			
- Non-current liabilities	-	-	-
- Current liabilities	12,025.50	8,648.71	20,674.21

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Break up of assets and liabilities of Disposal Group I and Disposal Group II as at March 31, 2022:

(₹ in million)

	Disposal Group I	Disposal Group II	Total
<b>Assets</b>			
Property, plant and equipment	14,899.94	-	14,899.94
Capital work-in-progress	15.95	-	15.95
Trade receivable	289.78	84.42	374.20
Cash and cash equivalents	203.09	841.31	1,044.40
Bank balances other than cash and cash equivalents	240.55	-	240.55
Concession infrastructure - contract asset	-	6,639.51	6,639.51
Taxes receivable	-	39.84	39.84
Prepaid expenses	-	8.39	8.39
Other financial assets	159.93	-	159.93
Other assets	12.30	-	12.30
Deferred tax assets	-	1.57	1.57
Income tax assets	1.27	-	1.27
<b>Total assets held for sale</b>	<b>15,822.81</b>	<b>7,615.04</b>	<b>23,437.85</b>
<b>Liabilities</b>			
Accounts payable	27.62	146.51	174.13
Borrowings	11,930.77	7,634.18	19,564.95
Other financial liabilities	31.77	1.35	33.12
Others liabilities	12.98	11.42	24.40
Deferred Pis and Cofins taxes	-	611.56	611.56
Deferred tax liabilities	22.36	243.68	266.05
<b>Total liabilities held for sale</b>	<b>12,025.50</b>	<b>8,648.71</b>	<b>20,674.21</b>

## For the financial year ended March 31, 2021:

"The Group has entered into a Share Purchase agreement with Vinci Energieia Fundo De Investimento EM Participacoes Infraestrutura and Cymi Construcoes Participacoes S.A. for selling its stake in Vineyards Participacoes S.A. (referred to as Disposal Group I) and Dunas Transmissao De Energieia S.A. (referred to as Disposal Group II) respectively, at values as agreed in the Share Purchase agreement subject the requisite approvals.

During the previous financial year ended March 31, 2021, the Group intended to sell São Francisco Transmissão de Energia S.A. (referred to as Disposal Group III) and Marituba Transmissão de Energia S.A (referred to as Disposal Group IV) for which the board of directors of the holding Company had passed the necessary resolutions and the sale of entities was considered as highly probable by the management. Hence, the assets and liabilities pertaining to these entities were classified as held for sale.

(₹ in million)

	Disposal Group I	Disposal Group II	Disposal Group III	Disposal Group IV	Total
<b>Assets</b>					
- Non-current assets	-	-	-	-	-
- Current assets	5,761.47	164.49	57.84	295.36	6,279.16
<b>Liabilities</b>					
- Non-current liabilities	-	-	-	-	-
- Current liabilities	4,466.67	48.79	57.84	38.21	4,611.52

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Break up of assets and liabilities of Disposal Group I and Disposal Group II as at March 31, 2021:

(₹ in million)

	Disposal Group I	Disposal Group II	Disposal Group III	Disposal Group IV	Total
<b>Assets</b>					
Accounts receivable	38.80	-	-	-	38.80
Cash and cash equivalents	1,012.64	0.73	0.90	0.40	1,014.66
Advances to suppliers	19.13	11.98	13.94	11.30	56.35
Concession infrastructure - contract asset	4,660.22	349.06	318.59	371.10	5,698.97
Taxes receivable	21.12	1.98	6.70	2.37	32.17
Prepaid expenses	5.68	3.48	2.21	1.60	12.97
Other assets	3.88	7.83	4.97	2.80	19.48
Deferred tax assets	-	1.07	12.32	-	13.39
Difference between carrying amount and fair value less costs to sell	-	(211.64)	(301.79)	(94.21)	(607.64)
<b>Total assets held for sale</b>	<b>5,761.47</b>	<b>164.47</b>	<b>57.84</b>	<b>295.36</b>	<b>6,279.16</b>
<b>Liabilities</b>					
Accounts payable	127.67	16.43	20.79	1.62	166.51
Borrowings	3,657.82	-	-	-	3,657.82
Other financial liabilities	0.01	-	-	-	0.01
Employee benefit & social obligation	11.71	-	7.01	0.02	18.74
Regulatory charges	2.39	-	-	-	2.39
Others liabilities	1.59	0.07	0.57	0.01	2.25
Deferred Pis and Cofins taxes	470.88	32.29	29.47	34.33	566.97
Deferred tax liabilities	194.60	-	-	2.23	196.83
<b>Total liabilities held for sale</b>	<b>4,466.66</b>	<b>48.79</b>	<b>57.84</b>	<b>38.21</b>	<b>4,611.52</b>

### (a) Sale of shares held in Indigrd Investment Managers Limited (IIML)[formerly known as Sterlite Investment Managers Limited]

Pursuant to "Share Subscription and Purchase Agreement" executed between Electron IM PTE. LTD ('EIMPT') and the Company on April 30, 2019, the Group had to sell 74% of its stake in its subsidiary IIML in two tranches starting from June 30, 2019 till June 30, 2021. In the previous year, the Group had sold 60% of its stake in IIML for a consideration of ₹ 60.05 million. The remaining 14% stake in IIML i.e. ₹ 21.01 million, disclosed as asset held for sale in the previous financial year ended March 31, 2021, is sold during the current year ended March 31, 2022 by the Group for a consideration of ₹ 109.96 million and recognised gain on sale of investment of ₹ 88.95 million in statement of profit and loss account. During the current year, the Group has executed and amendment agreement to "Share Subscription and Purchase Agreement" dated January 13, 2022. Pursuant to this agreement, the Company has sold its balance stake of 26% for an consideration of ₹ 250 million and recognised gain of ₹ 211 million in statement of profit and loss account.

### (b) Sale of units in India Grid Trust

Erstwhile Sterlite Power Grid Ventures Limited ('SPGVL') now merged with Sterlite Power Transmission Limited ('SPTL'), being the sponsor of India Grid Trust ('IGT'), entered into "Inter-se sponsor agreement" dated April 30, 2019 ('the Inter-se Agreement') with Esoteric II Pte. Ltd. ('the Investor') to designate the investor as a 'Sponsor' of IGT subject to approval under the SEBI (Infrastructure Investment Trusts) Regulations, 2016. Pursuant to the Inter-se Agreement, SPGVL agreed to sell 60.03 million units ('the Units') of IGT to the Investor at ₹ 83.89 per unit. On September 24, 2019, SPGVL and Sterlite Interlinks Limited ('SIL') entered into a Unit transfer agreement ('Unit Transfer Agreement') for sale of the Units by SPGVL to SIL and consequently SPGVL, the Investor and SIL entered into an amendment agreement dated September 25, 2019 amending the Inter-se Agreement to include clauses for Unit Transfer Agreement and sale of 87.45 million units by SIL to the Investor. Pursuant to the Unit Transfer Agreement, SIL had given an interest bearing advance to erstwhile SPGVL of ₹ 6,200.00 million for the purchase of the Units. The Units were owned by erstwhile SPGVL as at March 31, 2020 and were pledged as security, basis which SIL raised funds from its lenders. Accordingly, the advance was presented under short term borrowings as at March 31, 2020 (refer note 17) and investment in the Units was classified as asset held for

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

sale. On August 3, 2020, the parties terminated the Inter-se Agreement. Further, on August 14, 2020, SPTL sold 85.51 million units of IGT in open market through March 31, 2020 Stock Exchange ('NSE') at an average price of ₹ 98 per unit. Accordingly, the Group has classified the balance units of IGT as non-current investments and has also reversed impairment loss of ₹ 954.98 million recognised in earlier year. Further, other income for the year ended March 31, 2021 includes net gain of ₹ 213.92 million on sale of IGT units.

## NOTE 11: INVENTORIES

(₹ in million)

	31 March 2022	31 March 2021
(Valued at lower of cost and net realisable value)		
Raw materials and components (includes stock in transit ₹ 51.49 million (March 31, 2021: ₹ 692.36 million))	809.56	1,873.92
Work-in-progress	340.83	205.64
Finished goods (includes stock in transit ₹ 175.38 million (March 31, 2021: ₹ 451.22 million))	497.42	762.44
Construction material (includes stock in transit ₹ 302.77 million (31 March 2021: ₹ 412.72 million))	309.98	7.22
Traded goods	11.20	58.21
Stores, spares, packing materials and others	238.19	180.40
<b>Total</b>	<b>2,207.18</b>	<b>3,087.83</b>

## NOTE 12: CASH AND CASH EQUIVALENTS

(₹ in million)

	31 March 2022	31 March 2021
Balances with banks:		
On current accounts	10,112.86	3,570.10
Deposit with original maturity of less than 3 months	1,362.69	3,141.06
Cash in hand	0.03	0.03
<b>Total</b>	<b>11,475.58</b>	<b>6,711.19</b>

## NOTE 13: OTHER BANK BALANCES

(₹ in million)

	31 March 2022	31 March 2021
Deposits with original maturity for more than 12 months*	859.84	1,561.44
Deposits with original maturity for more than 3 months but less than 12 months*	1,437.26	3,041.43
Escrow account	587.69	-
	<b>2,884.79</b>	<b>4,602.87</b>
Amount disclosed under other non-current financial assets	(859.84)	(1,561.44)
<b>Total</b>	<b>2,024.95</b>	<b>3,041.43</b>

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 banks and lien with Government authorities.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 14: EQUITY SHARE CAPITAL

Authorised shares (nos. million)*	Nos. in million	₹ in million
<b>Authorised share capital as on 01 April 2020</b>	6,380.00	12,760.00
Increase / (Decrease) in authorised share capital	-	-
<b>Authorised share capital as on 31 March 2021</b>	<b>6,380.00</b>	<b>12,760.00</b>
Increase / (Decrease) in authorised share capital on merger (refer note 56)	0.25	0.50
<b>Authorised share capital as on 31 March 2022</b>	<b>6,380.25</b>	<b>12,760.50</b>
<b>Issued, subscribed and fully paid-up shares (nos. million)</b>		
61.18 ((March 31, 2021: 61.18) equity shares of ₹ 2 each fully paid - up.	122.36	122.36
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>122.36</b>	<b>122.36</b>

\* Authorised share capital has been disclosed after considering the impact of merger order. (refer note 56(c))

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

	Nos. in million	₹ in million
<b>At April 01, 2020</b>	<b>61.18</b>	<b>122.36</b>
Add: Movement during the year	-	-
<b>At March 31, 2021</b>	<b>61.18</b>	<b>122.36</b>
Add: Movement during the year	-	-
<b>At March 31, 2022</b>	<b>61.18</b>	<b>122.36</b>

### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company has interim declared dividend of ₹ 5.75 per share (March 31, 2021: ₹ Nil per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by 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:

	31 March 2022		31 March 2021	
	Nos. in million	% holding	Nos. in million	% holding
<b>Immediate holding company</b>				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
<b>Subsidiary of Volcan Investments Limited, Bahamas</b>				
<b>[Ultimate holding company]</b>				
Vedanta Limited	0.95	1.56%	0.95	1.56%

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## d. Detail of shareholders holding more than 5 % of shares in the Company

	31 March 2022		31 March 2021	
	Nos. in million	% holding	Nos. in million	% holding
<b>Immediate holding company</b>				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%

## e. Detail of shareholding of Promoters

Name of the promoters	31 March 2022				
	No. of shares in million at the beginning	Change	No. of shares in million at the end	% of Total shares	% Change during the year
Twin Star Overseas Limited, Mauritius					
Equity shares at ₹ 2 each fully paid up	43.67	-	43.67	71.38%	-
<b>Total</b>	<b>43.67</b>	<b>-</b>	<b>43.67</b>	<b>71.38%</b>	<b>-</b>

Name of the promoters	March 31, 2021				
	No. of shares in million at the beginning	Change	No. of shares in million at the end	% of Total shares	% Change during the year
Twin Star Overseas Limited, Mauritius					
Equity shares at ₹ 2 each fully paid up	43.67	-	43.67	71.38%	-
<b>Total</b>	<b>43.67</b>	<b>-</b>	<b>43.67</b>	<b>71.38%</b>	<b>-</b>

## NOTE 15: OTHER EQUITY

(₹ in million)

	31 March 2022	31 March 2021
<b>Securities premium</b>		
Balance at the beginning of the year	4,536.80	4,536.80
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>4,536.80</b>	<b>4,536.80</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	4,372.21	(5,629.78)
Add: Net profit for the year	4,401.42	8,697.74
Less: Remeasurement of post employment benefit obligation, net of tax	(10.39)	(3.40)
Less: Amount transferred to debenture redemption reserve	-	(200.00)
Add: Amount transferred from debenture redemption reserve	200.00	-
Less: Appropriation for interim dividend paid	(324.26)	-
Add: Balance transferred from capital redemption reserve	-	1,543.65
Less: Transfer to capital redemption reserve	-	(36.00)
<b>Net surplus in the statement of profit and loss</b>	<b>8,638.98</b>	<b>4,372.21</b>
<b>Other reserves</b>		
<b>Debenture redemption reserve</b>		
Balance at the beginning of the year	200.00	-
Add: Amount transferred from retained earnings	(200.00)	200.00

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Closing balance</b>	-	200.00
<b>Cash flow hedge reserve</b>		
Balance at the beginning of the year	769.98	(1,548.18)
Add: Cash flow hedge reserve created on hedging contracts	2,509.50	2,178.81
Less: Amount reclassified to retained earnings	1,676.34	(139.35)
<b>Closing balance</b>	<b>1,603.14</b>	<b>769.98</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(2,514.25)	(1,860.20)
Less: Movement during the year	1,040.09	(654.05)
<b>Closing balance</b>	<b>(1,474.16)</b>	<b>(2,514.25)</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	36.02	1,543.67
Add: Movement during the year	-	(1,507.65)
<b>Closing balance</b>	<b>36.02</b>	<b>36.02</b>
<b>Legal reserve</b>		
Balance at the beginning of the year	172.13	172.13
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>172.13</b>	<b>172.13</b>
<b>Special unearned income reserve</b>		
Balance at the beginning of the year	3,270.44	3,270.44
Add: Transferred from retained earnings	-	-
<b>Closing balance</b>	<b>3,270.44</b>	<b>3,270.44</b>
<b>Capital reserve</b>		
Balance at the beginning of the year	0.35	0.35
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>0.35</b>	<b>0.35</b>
<b>Total other reserves</b>	<b>3,607.92</b>	<b>1,934.67</b>
<b>Total other equity</b>	<b>16,783.70</b>	<b>10,843.68</b>

## Nature and purpose of reserves:

### 15.1 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.

### 15.2 Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with receivable and payable and commodity risk associated with purchase of aluminium and copper. For hedging commodity and foreign currency, the Group uses commodity future and foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects statement of profit or loss.

### 15.3 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 15.4 Legal reserve

Brazilian subsidiaries of the Group recognise 5% of net profit for the year subject to 20% of capital, before any allocation, as legal reserve. The same is not available for distribution.

## 15.5 Special unearned income reserve

The special unearned income reserve includes unrealised profit on construction of concession assets. The same is not available for distribution.

## 15.6 Capital redemption reserve

During the year ended March 31, 2020, erstwhile wholly owned subsidiary of the Sterlite Power Transmission Limited ('SPTL'), Sterlite Power Grid Ventures Limited ('SPGVL') redeemed 154.36 million redeemable preference shares of face value of ₹ 10 each which were issued to SPTL and created capital redemption reserve of ₹ 1,543.65 million as per the requirement of section 69 of the Companies Act, 2013.

Subsequently, National Company Law Tribunal ('NCLT') approved the scheme of amalgamation ('the Scheme') of SPGVL with SPTL from an appointed date of 1 April 2017 ("Appointed date") which was filed with the Registrar of Companies on 15 November 2020 ("Effective date"). Since the merger of SPGVL with SPTL takes effect from the Appointed date, the capital redemption reserve of ₹ 1,543.65 million which was created on redemption of redeemable preference shares after Appointed date but before the Effective date of the Scheme has been transferred to retained earnings based on a legal opinion obtained by the management and the shareholders approval obtained in the AGM for financial year ended March 31, 2020.

During the financial year ended March 31, 2021, the Group had redeemed 18 million redeemable preference shares of face value of ₹ 2 each issued to Clix Finance India Private Limited. Accordingly, the Group created capital redemption reserve of ₹ 36 million in compliance of Section 69 of the Companies Act, 2013.

## 15.7 Debenture Redemption Reserve (DRR)

The Group had issued non convertible debentures carrying a coupon rate of 10.25% issued to Catalyst Trusteeship Limited. Accordingly, the Group created debenture redemption reserve of ₹ 200.00 million in compliance with section 71(4) of the Companies Act 2013.

## NOTE 15A: DISTRIBUTION MADE AND PROPOSED

(₹ in million)

	31 March 2022	31 March 2021
<b>Dividends on Equity shares declared and paid:</b>		
Interim dividend for the year ended on 31 March 2022: ₹ 5.75 per share (31 March 2021: ₹ Nil per share.)	324.26	-
	<b>324.26</b>	-

Dividend amounting to ₹ 6.29 million (31 March 2021: ₹ Nil) is unclaimed and outstanding as on 31 March 2022. (refer note 19)

## NOTE 16: LONG TERM BORROWINGS

(₹ in million)

	31 March 2022	31 March 2021
<b>NON-CURRENT</b>		
<b>Non-convertible debentures (secured) (Refer note I)</b>		
7,95,500 (March 31, 2021: Nil) Non-convertible debentures of BRL 1,000 each.	12,923.38	-
<b>Non-cumulative redeemable preference shares (secured) (refer note V)</b>		
8.81 million (March 31, 2021: Nil) 15% Non-cumulative redeemable preference shares	88.05	-
<b>Term loans (refer note II)</b>		
Indian rupee loans from banks (secured)	-	8,396.14
Indian rupee loans from financial institutions (secured)	987.59	8,390.14

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	(₹ in million)	
	31 March 2022	31 March 2021
Loan from banks (secured)	1,901.26	-
Local bills discounting and acceptances (secured)	-	2,470.00
<b>Total non-current borrowings</b>	<b>15,900.28</b>	<b>19,256.28</b>
<b>The above amount includes</b>		
Secured borrowings	15,900.28	19,256.28
Unsecured borrowings	-	-
<b>Current maturities</b>		
<b>Term loans (secured) (refer note I)</b>		
Indian rupee loans from banks	-	40.00
Indian rupee loans from financial institution	375.00	665.91
Interest accrued on term loans	1.05	0.18
<b>Total current maturities</b>	<b>376.05</b>	<b>706.09</b>
<b>The above amount includes</b>		
Secured borrowings	376.05	706.09
Unsecured borrowings	-	-
	<b>376.05</b>	<b>706.09</b>
Amount disclosed under the head "Short-term borrowings" (note 17)	376.05	706.09
<b>Net amount</b>	<b>-</b>	<b>-</b>

## Notes:

### I. Non-convertible debentures

#### A) Solaris Transmissão de Energia S.A.

The Company carried out the first issue of 1,50,000 non convertible debentures issued at the face value of BRL 1,000 each in December 2021, composed of principal and interest secured by way of real guarantee and additional personal guarantee issued to the lender. These non convertible debentures are repayable in 44 semi-annual instalments beginning after the end of moratorium period of 25 months beginning from the date of issue of the non convertible debentures by the Company. The first instalment is due on February 2024 and the last in February 2045. These non convertible debentures carries an interest rate of IPCA rate + 6.40% p.a.

#### B) GBS Participacoes S.A. (Formerly known as Borborema Participacoes S.A.)

The Company carried out the first issue of 5,95,500 non convertible debentures issued at the face value of BRL 1,000 each in March 2022, composed of principal and interest, and are secured by way of real guarantee and additional personal guarantee. These non convertible debentures are repayable in 43 Half yearly instalments beginning after the end of the moratorium period of 12 months beginning from the date of issue of the non convertible debentures by the Company. The first installment is due on

March 2023 and the last on September 2043.

These non convertible debentures carries an interest rate of IPCA rate + 7.2731% p.a.

#### C) Borborema Transmissão de Energia S.A.

The Company carried out the first issue of 50,000 non convertible debentures issued at the face value of BRL 1,000 each in November 2021, composed of principal and interest, and are secured by way of real guarantee and additional personal guarantee. These non convertible debentures are repayable in 43 semi-annual instalments beginning after the end of the moratorium period of 28 months, beginning from the date of issue of the non convertible debentures by the Company. The first installment is due on January 2024 and the last on January 2045. These non convertible debentures carries an interest rate of IPCA rate + 6.10% p.a.

### II. Term loans

#### A) Sterlite Power Transmission Limited (SPTL)

- i) India rupee term loan is availed under COVID-19 emergency line of credit from Union Bank of India. The term loan carries interest at the rate of 8% p.a. payable monthly. The term loan is to be repaid in 18 monthly instalments of ₹ 2.50 million after 6 months of moratorium period ending on February 2021 from date of disbursement.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

The term loan is secured by:

- a) First pari-passu charge by the way of hypothecation of stock and book debts;
- b) Second pari-passu charge on movable fixed assets of the Company (present and future)

The loan has been repaid during the year ended March 31, 2022."

- ii) The Indian rupee term loan from Clix Capital Services Private Limited carries interest at the rate of 11.75% p.a. payable monthly. Entire loan amount shall be repayable in two equal quarterly instalments starting from 3 months less than final maturity from the date of disbursement March 31, 2021 and at the end of final maturity i.e. December 31, 2020 and April 30, 2021 respectively.

The term loan is secured by:

- a) First pari-passu charge over all present and future current assets of the borrower;
- b) Second pari-passu charge over all present and future immovable and movable fixed assets of the borrower;
- c) Demand promissory note
- d) DSRA equivalent to 1 month interest ensuing interest service obligation

The loan has been repaid during the year ended March 31, 2022.

- iii) The Indian rupee loan of ₹ 562.61 million from Arka Fincap Limited carries interest at the rate of 11.25% p.a. payable monthly. The loan amount shall be repayable in four semi annual installments from date of disbursement.

The loan is secured by:

- a) First paripassu charge over all current assets of the Company, both present and future immovable and movable fixed assets of the Company
- b) Second paripassu charge over all the movable and immovable assets of the Company
- c) Interest service reserve (ISRA) of 1 months to be maintained in the form of FDs charged

in favour of lender at all times during the tenor of the facility.

The Company has satisfied the covenants attached to the borrowings.

## B) Khargone Transmission Limited (KTL)

Indian rupee term loans from banks and financial institutions of Nil (March 31, 2021: ₹ 10,971.18 million) carry interest rate of Nil% (March 31, 2021: 10.70% p.a. to 13.50% p.a.) (linked to the lead lenders benchmark rate with spread). 60% of total loan amount is repayable in 48 structured quarterly instalments post one year moratorium period in accordance with repayment schedule starting from October 31, 2021. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on July 31, 2033. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of KTL 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 KTL 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 KTL held by erstwhile Sterlite Grid 4 Limited voting rights of which do not fall below 51%.

KTL was 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 period ended March 31, 2021, the KTL was not required to comply with the said covenants.

## C) Goa Tamnar Transmission Project Limited (GTTPL)

- (i) Indian rupee term loan from financial Institutions carries interest at the rate of 10.75% p.a (Benchmark Rate +/- Spread). Total loan amount is repayable in 63 structured quarterly instalments post 6 months moratorium period in accordance with repayment

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

schedule (tenure of 20 year). The loan together with interest, liquidated damages, fees, costs, charges, expenses and all other amounts is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by at least 51% of equity share capital till final settlement date.

- (ii) Domestic bill discounting amounting to Nil (March 31, 2021: ₹ 1,820.00 million) carried interest rate of Nil% p.a. (March 31, 2021: 7.10% to 9.50% p.a.). This facility had been sanctioned as a sublimit of the rupee term loan and carried same terms, conditions and securities as described above. This bills were due for maturity within 360 days and were to be converted in Rupee term loan on maturity. Hence, this had been classified under long term borrowings.
- D) Lakadia Vadodara Transmission Project Limited (LVTPL)
- (i) Indian rupee term loan from banks and financial institution carries interest rate in the range of 10.50% to 11.50% p.a. (benchmark Rate +/- Spread). Total loan amount is repayable to banks and financial institution (other than REC Limited) in 159 structured monthly instalments and to REC Limited in 237 structured monthly instalments post 6 months moratorium period in accordance with repayment schedule. The loan together with interest, liquidated damages, additional interest, fees, costs, charges, expenses and all other monies is secured by first charge on all the immovable properties pertaining to the project, tangible movable assets, current

assets, revenue, receivables and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower under all insurance contracts and insurance proceeds pertaining to the project. Loan are also secured by pledge of 51% of the equity share capital and CCD of the Company.

- (ii) Domestic bill discounting amounting to Nil (March 31, 2021: ₹ 650.00 million) carried interest rate of Nil% p.a. (March 31, 2021: 4.90% to 7.41% p.a.). This facility had been sanctioned as a sublimit of the rupee term loan and carried same terms, conditions and securities as described above. The bills were due for maturity within 360 days and were to be converted in Rupee term loan on maturity. Hence, this had been classified under long term borrowings.

- E) Nangalbibra-Bongaigaon Transmission Limited (NBTL)
- (i) Indian rupee term loan from financial institutions of ₹ 800.00 million carries interest rate of 9.25% p.a. (linked to the lenders prime lending rate – long term with spread). 75.10% of total loan amount is repayable in 75 structured quarterly instalments post one year moratorium period in accordance with repayment schedule starting from 31 March 2025. Balance 24.90% of the total loan amount shall be repayable as a bullet repayment as a last instalment on 30 September 2043. 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

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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 26 Limited voting rights of which do not fall below 51%.

The Company is required to ensure compliance of certain financial covenants, after completion of one financial year of full operations of the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from financial institutions.

For the period ended March 31, 2022, the Company is not required to comply with the said covenants.

- F) **Borborema Transmissão de Energia S.A**  
The Company signed the Guarantee Agreement (“CPG”), having as guarantors the following banks: Itaú Unibanco, Banco Santander (Brasil) and BTG. The Company has received 118.16 million BRL up to March 31, 2022, The interest rate for borrowing amounting to 105.19 million BRL is based on SAC amortisation with interest rate of 1.4541% and balance 13 million BRL based on Price amortisation with interest rate of IPCA + 1.7772%. The loan is repayable by way of bullet payment on December 15, 2040.

The Holding Company, or its Indian subsidiaries, associates and joint ventures have not been reported as wilful defaulter during the current year.

### III. Redeemable preference shares

The preference shares carried 0.01% non-cumulative dividend. Holders of preference shares had a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation.

(₹ in million)

	31 March 2022	31 March 2021
<b>Authorised shares (nos. million)</b>		
36.40 (March 31, 2021: 36.40) redeemable preference shares of ₹ 2 each	72.80	72.80
<b>Issued, subscribed and fully paid-up shares (nos. million)</b>		
Nil (March 31, 2021: Nil) cumulative redeemable preference shares of ₹ 2 each		
- Nominal Value	-	-
- Securities Premium	-	-
<b>Terms/rights attached to preference shares</b>		

### Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

	(Nos. in million)	Face value (₹ in million)
<b>At April 01, 2020</b>	18.00	36.00
Add: Movement during the period	-	-
<b>At March 31, 2021</b>	18.00	36.00
Add: Movement during the period	-	-
<b>At March 31, 2022</b>	-	-

### IV. Optionally convertible redeemable preference shares

(₹ in million)

	31 March 2022	31 March 2021
<b>Authorised shares (nos. million)</b>		
470.00 (March 31, 2021: 470.00) optionally convertible redeemable preference shares of ₹ 10 each	4,700.00	4,700.00
<b>Issued, subscribed and fully paid-up shares (nos. million)</b>		
Nil (March 31, 2021: Nil) optionally convertible redeemable preference shares of ₹ 10 each		
- Nominal value	-	-
- Securities premium	-	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## V. Non-cumulative redeemable preference shares

(₹ in million)

	31 March 2022
<b>Authorised shares (nos. million)</b>	200.00
20.00, 15% Non-Cumulative redeemable preference Shares of ₹ 10 each	
<b>Issued, Subscribed and fully paid-up shares (nos. million)</b>	88.05
8.81, 15% Non-Cumulative redeemable preference Shares of ₹ 10 each fully paid up	
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>88.05</b>

### b. Terms/rights attached to preference shares

Maharashtra Transmission Communication Infrastructure Limited ('MTCIL') has issued 8.81 million 15% non-cumulative, redeemable preference shares of face value of ₹ 10 each to Maharashtra State Electricity Transmission Co. Ltd. (MSETCL). The preference shares are redeemable at the end of 20 years from the date of issue and redeemable at ₹ 10 per share. The dividend rights are non-cumulative. The preference shares will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital in the event of a liquidation.

### c. Details of shareholders holding more than 5% of shares in the company:

	31 March 2022	
	Nos. in million	% holding
Maharashtra State Electricity Transmission Co. Ltd. (MSETCL)	8.81	100.00%
	<b>8.81</b>	<b>100.00%</b>

As per section 55 of Companies Act 2013 Companies are required to create capital redemption reserve ('CRR') on redeemable preference shares if there are accumulated profits. The Company is not required to created CRR since there is accumulated losses as on 31 March 2022.

## NOTE 17: SHORT TERM BORROWINGS

(₹ in million)

	31 March 2022	31 March 2021
Current maturities of long-term borrowings (refer note 16)	375.00	705.91
Interest accrued and not due on long-term borrowings (refer note 16)	0.17	0.18
Cash credit from banks (secured) (refer note 17(i))	-	1,299.34
Working capital demand loans from banks (secured) (refer note 17(ii))	-	1,766.46
Bridge loan from bank (refer note 17(iii))	3,259.84	-
Suppliers credit (secured) (refer note 17(iv))	289.24	144.26
Suppliers credit (unsecured) (refer note 17(v))	161.23	418.73
Other loans from banks and financial institutions (secured) (refer note 17(vi))	-	650.00
Non-convertible debentures (secured) (refer note 17(viii))	-	2,019.76
Loan from others (unsecured) (refer note 17(vii)) (refer note 55)	1,500.93	1,500.00
<b>Total</b>	<b>5,586.41</b>	<b>8,504.66</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Notes:

- (i) Cash credit from banks is secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable as collateral charge. Some cash credit limits are also secured by way of second charge over immovable fixed assets and some are secured by hypothecation of entire current assets and receivables both present and future. The cash credit is repayable on demand and carries interest at 9.05% to 11.45% p.a. (March 31, 2021: 9.05% to 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. Some working capital demand loans are secured by hypothecation of entire current assets and receivables both present and future. Working Capital Demand Loan is generally taken for a period of less than 365 days and carries interest at 7.65% - 11.55% p.a. (March 31, 2021: 7.55% - 12.45% p.a.).
- (iii) Bridge loan taken in Brazil from Banco Modal and Banco Alfa investimentos which is secured by pledge of shares/fiduciary rights of Marituba Transmission De Energia S.A. and hypothecation of escrow account maintained by the Company in respect of Novo Estado. The loan was repayable within a period of 120 to 180 days and carried a rate of interest of CDI + (3.55%-4.50%), to a range between 8%-10%.
- (iv) Secured suppliers' credit arrangements are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Suppliers' credit is generally repaid after a period of six months where foreign currency suppliers credit carry interest @ Nil (31 March 2021: 1.20% - 3.28% p.a.) (excluding hedging premium) and domestic suppliers credit carry interest @ 8.55 to 8.60% p.a (31 March 2021: 6.40% - 10.00% p.a.).
- (v) Unsecured suppliers credit consists of financing of payable to MSME and other vendors with banks and is generally taken for a period of not more than 90 days. It carries interest @ 7.00% - 8.50% p.a. (31 March 2021: 8.25% - 9.50% p.a.).
- (vi) Other loans from banks and financial institutions:
- a) The Indian rupee loan of ₹ 500 million from Arka Fincap Limited carries interest at the rate of

12.50% p.a. payable quarterly. Entire loan amount shall be repayable as a bullet repayment on 30 September 2021.

The loan is secured by:

- a) First exclusive charge over loans and advances extended by SPTL to any one or more intermediate holding Companies (SGLs) up to an amount of ₹ 750 million;
- b) Interest service reserve (ISRA) of 3 months to be maintained in the form of FDs charged in favour of lender at all times during the tenor of the facility

The loan has been repaid during the financial year ended March 31, 2022.

- b) The Indian rupee loan of ₹ 100 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement.

The loan is secured by:

- a) First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;
- b) Exclusive pledge of 20,39,880 units of India Grid Trust ("Indigrd Invit") (including charge on dividend/distribution received), held by borrower in demat form, providing a minimum facility cover of 2x for ABFL facility at all times.
- c) Any dividend/ distribution received from the units by borrower shall be used to purchase ABSLMF's liquid/overnight debt MF units on the day/net day of such receipt, which shall be lien marked to ABFL. The MF units purchased shall be liquidated on the date of ABFL debt servicing, to service facility dues.
- d) Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL

The loan has been repaid during the financial year ended March 31, 2022.

- c) The Indian rupee loan of ₹ 50 million from Aditya Birla Finance Limited (ABFL) carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement.

The loan is secured by:

- a) First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;
- b) Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL.

The loan has been repaid during the financial year ended March 31, 2022.

- (vii) Loan from others for ₹ 1,500.00 million (31 March 2021 ₹ 1,500.00 million) include from PTC Cables Private Limited with an interest rate between 9.50% p.a. (SBI MCLR + 250 Basis points). However, the 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 for the repayment by giving 5 business days notice to the Group.

- (viii) 10.25% Non-Convertible Debentures:

The Non-Convertible Debentures (NCD's) are issued in the form of INR denominated, secured, unlisted, unrated, senior, transferable, redeemable, non-convertible debt securities. NCD's carry coupon rate of 10.25%

p.a. and shall be compounded, accrue, become due and payable in arrears, quarterly. The NCD's shall have a charge on the secured assets in accordance with provisions of debenture deed and other debentures documents.

The outstanding amounts shall be secured by:-

- 1) A first charge over the mortgaged properties in terms of mortgage documents
- 2) A first charge by way of pledge of:
  - a) 100% equity share capital of the issuer, on a fully diluted basis and
  - b) 49% share capital of the project companies on a fully diluted basis.

in terms of respective deeds of confirmations ranking pari passu inter se the Debenture Trustee and the Pari Passu Lender.

- 3) A first ranking exclusive fixed charge by way of hypothecation over the issue proceeds account and the DSRA and such other Escrow Accounts
- 4) A first fixed charge by way of hypothecation over:
  - a) All the loans and advances provided by SPGVL (now merged with SPTL) or provided by SPTL to the issuer, present and future;
  - b) All the current assets of the issuer, including all its receivables and unsecured loans and advances, provide by the issuer to Project SPV's Khargone Transmission Limited and NER II Transmission Limited.
  - c) The Escrow accounts (save and except the issue proceeds amount) opened/maintained by the issuer in terms of the applicable Escrow account agreement together with all amounts standing to the credit of each of the said Escrow accounts

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- 5) Corporate guarantee provided by the Corporate Guarantor in favour of the Debenture Trustee in terms of the Corporate Guarantee.  
Since these NCD's are minimum period holding of 10 months from deemed date of allotment i.e. 7 December 2020, therefore it has been classified as short term borrowings.

During the year ended March 31, 2022 the group has repaid these NCD's.

## NOTE 18: TRADE PAYABLES

(₹ in million)

	31 March 2022	31 March 2021
<b>Current</b>		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	492.92	487.02
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,195.32	5,747.38
<b>Total</b>	<b>16,688.24</b>	<b>6,234.40</b>
<b>Current</b>		
Trade payables (including acceptances)	13,285.65	4,073.08
Trade payables to related parties (refer note 55)	85.60	110.22
Operational suppliers credit from related parties (refer note 55)	3,316.99	2,051.10
<b>Total</b>	<b>16,688.24</b>	<b>6,234.40</b>

### Ageing of trade payables

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>							
Billed dues							
(i) MSME	43.32	-	361.45	83.49	-	4.66	492.92
(ii) Others	12,339.41	392.28	1,578.93	420.68	856.71	607.29	16,195.32
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>12,382.73</b>	<b>392.28</b>	<b>1,940.39</b>	<b>504.17</b>	<b>856.71</b>	<b>611.95</b>	<b>16,688.24</b>
<b>As at March 31, 2021</b>							
Billed dues							
(i) MSME	309.26	-	117.48	50.29	6.80	3.18	487.02
(ii) Others	3,734.19	796.91	1,014.58	57.06	-	144.64	5,747.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>4,043.45</b>	<b>796.91</b>	<b>1,132.06</b>	<b>107.36</b>	<b>6.80</b>	<b>147.82</b>	<b>6,234.40</b>

- a) Trade payables are non-interest bearing and are normally settled on 60-180 days terms
- b) Operational supplier's credit are availed in Indian Rupees at an interest rate of 7.50%-8.00% and is backed by standby letter of credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Group.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022  
(All amounts in ₹ million unless otherwise stated)

## NOTE 19: OTHER FINANCIAL LIABILITIES

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Non-Current</b>		
Purchase consideration payable (refer note 49)	130.00	
Employee benefit payable	36.70	-
Other liability	9.44	-
<b>Total non-current financial liabilities</b>	<b>176.14</b>	<b>-</b>
<b>Current</b>		
<b>Derivative instruments fair value through OCI#</b>		
Forward contracts	7.46	115.63
	<b>7.46</b>	<b>115.63</b>
<b>Other financial liabilities at amortised cost</b>		
Security deposits (refer note 55)	-	54.00
Interest free deposit from customers	2.20	3.30
Employee benefit payable	359.27	152.14
Interest accrued and not due on short term borrowings	351.83	260.71
Earnest money deposit from vendors	1.00	2.01
Payable for employee stock appreciation rights (refer note 45)	-	307.65
Payables for property plant & equipment*	474.34	7,618.73
Deferred revenue^	1,631.80	1,675.57
Purchase consideration payable (refer note 49)	100.00	-
Others <sup>§</sup>	121.13	208.72
<b>Total</b>	<b>3,049.03</b>	<b>10,398.46</b>

\* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-120 days terms. It also includes the current maturities of long term payables for purchase of property, plant and equipment which have been valued at amortised cost. Payables with period allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit

# Derivative instruments reflect the change in fair value of foreign exchange forward contracts and commodity futures, designated as cash flow hedges to hedge highly probable forecasts / firm commitments for foreign currency sales and purchases and foreign currency receivables and payables in US Dollars (USD) and Euros (EUR).

Interest free deposits from customer and earnest money deposits to vendor are non interest bearing.

Other payables are non-interest bearing and have an average term of 30 -180 days.

Interest payable is normally settled within 30 days throughout the financial year.

For explanations on the group's credit risk management processes, refer to note 51.

^ Deferred revenue represents unrealised intercompany profit on sales made to the wholly owned subsidiaries which have been converted into joint ventures and associate. Refer note 56

§ Other current financial liabilities consists of long term incentive, bonus payable, leave travel allowance payables, etc.

## NOTE 20: NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

	(₹ in million)	
	31 March 2022	31 March 2021
Provision for gratuity (refer note 38)	76.10	76.67
<b>Total</b>	<b>76.10</b>	<b>76.67</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 21: CURRENT EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	31 March 2022	31 March 2021
Provision for gratuity (refer note 38)	24.12	23.71
Provision for leave benefit	82.54	74.47
<b>Total</b>	<b>106.66</b>	<b>98.18</b>

## NOTE 22: DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in million)

	31 March 2022	31 March 2021
<b>I. Deferred tax liability</b>		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	35.13	204.79
Fair valuation of land on transition date	38.86	38.86
Cash flow hedge reserve	538.28	230.90
Timing difference on accounting profit and profit chargeable under income tax for Brazil	209.80	1.81
Deferred tax liability created on consolidation adjustment	355.37	-
Others	176.27	64.15
<b>Gross deferred tax liability</b>	<b>1,353.70</b>	<b>540.51</b>
Less: Netted off against deferred tax assets	809.71	-
<b>Net deferred tax liability</b>	<b>543.99</b>	<b>540.51</b>
<b>II. Deferred tax assets</b>		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting"	511.80	511.80
Unabsorbed tax depreciation and business loss	-	149.31
Provision for doubtful debts and advances	149.60	122.58
Capital loss on sale of investment	13.09	173.78
Deferred tax asset created on elimination of assets and revenue	-	116.31
Deferred tax asset on expenses disallowed in income tax, allowed as and when incurred	171.14	171.14
Others	139.85	68.82
<b>Gross deferred tax assets</b>	<b>985.48</b>	<b>1,313.74</b>
Less: Netted off against deferred tax liabilities	809.71	-
<b>Net deferred tax asset</b>	<b>175.77</b>	<b>1,313.74</b>

## Reconciliation of deferred tax asset/(liability)

(₹ in million)

	31 March 2022	31 March 2021
Opening deferred tax asset, (net)	773.23	267.30
Deferred tax credit recorded in statement of profit and loss	(743.27)	(30.40)
Net deferred tax credit recorded in OCI not to be reclassified to profit and loss in the subsequent period	2.61	-
Deferred tax credit recorded in cash flow hedge reserve	(307.38)	(237.63)
Deferred tax asset/ (liability) classified as asset held for sale (refer note 10)	(22.36)	750.41
Others	(71.05)	23.55
<b>Closing deferred tax (liability)/asset, (net) as at year end</b>	<b>(368.22)</b>	<b>773.23</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Profit or loss section</b>		
<b>Current income tax charges:</b>		
Current income tax	1,570.18	2,789.22
Adjustment of tax relating to earlier periods	(144.90)	75.71
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	743.27	30.40
<b>Income tax expenses reported in the statement of profit or loss</b>	<b>2,168.55</b>	<b>2,895.33</b>
<b>OCI section</b>		
<b>Deferred tax related to items recognised in OCI during the period:</b>		
Net gain on revaluation of cash flow hedges	307.38	237.63
Re-measurement loss defined benefit plans	(2.61)	(1.15)
<b>Income tax debited through OCI</b>	<b>304.77</b>	<b>236.48</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Accounting profit before income tax</b>	<b>6,569.97</b>	<b>11,593.07</b>
At India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	1,653.53	2,917.74
Permanent difference on account expenses disallowed/income exempted	186.64	193.12
Permanent difference on account of exempt income	(35.87)	-
Effect of income chargeable at different rate of tax	302.02	-
Difference in income tax rate considered for deferred tax on capital assets	(442.58)	(71.81)
Deferred tax asset not recognised	36.69	117.91
Interest expense on income tax under section 234 B and 234 C	-	(19.48)
Deferred tax asset created on provision for doubtful debts of previous year	-	(112.25)
Difference in rate of tax in Brazil and India	(59.18)	(125.86)
Impact of share in the profit of loss in associate or joint venture for the year	673.45	-
Exchange rate difference	-	(115.88)
Income tax for earlier year*	(144.90)	75.71
Others	(1.24)	36.12
<b>At the effective income tax rate of 33.31% (March 31, 2021: 24.97 %)</b>	<b>2,168.55</b>	<b>2,895.33</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>2,168.55</b>	<b>2,895.33</b>

## NOTE 23: OTHER LIABILITIES

	(₹ in million)	
	31 March 2022	31 March 2021
<b>Non-current liabilities</b>		
Contract liabilities for EPC contracts including advances from customers (refer note 55)*	2,249.29	2,975.76
Contract liability (refer note 4)	71.63	93.84
Other statutory dues payable to central/state government	668.83	-
Unearned revenue	1,983.43	125.26
<b>Total</b>	<b>4,973.18</b>	<b>3,194.86</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2022	31 March 2021
<b>Current liabilities</b>		
Advance from customers	288.85	486.86
Withholding taxes (TDS) payable	125.25	203.72
Contract liabilities for EPC contracts including advances from customers (refer note 55)*	4,694.67	1,899.93
Goods and service tax payable	127.63	4.43
Other statutory dues payable to central/state government	199.38	11.36
Unearned revenue	72.63	7.29
Others #	289.61	514.25
<b>Total</b>	<b>5,798.02</b>	<b>3,127.84</b>

## NOTE 24: REVENUE FROM OPERATIONS

(₹ in million)

	31 March 2022	31 March 2021
<b>Revenue from contracts with customers</b>		
Revenue from sale of conductors and power cables	15,470.90	12,206.75
Revenue from master system integration (MSI) contracts	3,254.93	3,909.48
Revenue from engineering, procurement and construction (EPC) contracts with joint ventures* (refer note 55)	17,978.93	-
Revenue from power transmission services	1,345.68	2,076.60
Revenue from construction of concession assets	11,687.25	1,168.67
Remuneration of concession assets	1,365.47	646.50
Revenue from operation & maintenance of concession assets	84.05	16.48
Revenue from sale of traded goods	324.63	588.80
Revenue from project consultancy services	46.14	75.54
Revenue from services rendered to joint ventures	237.88	-
Revenue from network infrastructure	24.84	6.58
<b>Total revenue from contracts with customers</b>	<b>51,820.70</b>	<b>20,695.40</b>
<b>Other operating revenue</b>		
Scrap sales	128.45	100.67
Export incentive	-	53.98
Management fees (refer note 55)	25.68	68.10
License fees	-	5.76
<b>Total revenue from operations</b>	<b>51,974.83</b>	<b>20,923.91</b>

\*As explained in note 46, during the year ended March 31, 2022, some of the subsidiaries of the Group viz. Sterlite Grid 14 Limited (immediate holding company of Udupi Kasaragode Transmission Limited), Sterlite Grid 18 Limited (immediate holding company of Lakadia-Vadodara Transmission Project Limited) and Sterlite Grid 29 Limited (immediate holding company of Goa Tamnar Transmission Project Limited) which are engaged in constructing and developing power transmission projects on Build, Own, Operate and Maintain ('BOOM') basis became joint ventures. In the earlier years, the assets, liabilities, income and expenses of these subsidiaries were consolidated on a line by line basis and the intercompany transactions with these subsidiaries (including sale of goods/services, etc) and the intercompany balances (including trade receivables and trade payables) were eliminated in the consolidated financial statements. Since these subsidiaries became joint ventures, these are accounted for using the equity method of accounting. Accordingly, transactions with these joint ventures and the related balances are not eliminated from the consolidated financial statements of the Group. Only the unrealised gains/losses to the extent of Group's share in these joint ventures are eliminated (refer note 2.3 for the accounting policy adopted by the Group in this regard). As a result, the amounts for the year ended March 31, 2022 may not be comparable with the earlier years.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Based on the inter-se rights available to the Group and AMP Capital under the Framework Agreement and the Share purchase and Shareholders' agreements and the equal equity shareholdings of both the investors, SGL 14/SGL 18/SGL29 have become joint ventures for the Group during the current period and SGL 13 had become joint venture in the previous year as mentioned in the note 56 (a) due to which the revenue from engineering, procurement and construction (EPC) contracts with these entities will not get eliminated post such change in the ownership of the above mentioned entities.

## (a) Performance obligations

### Sale of conductors and power cables

The performance obligation is satisfied upon delivery of conductor, power cable or traded aluminium rods and payment is generally due within 60 to 365 days from delivery. Some contracts provide the Group right to receive price variation from customers on account of changes in metal prices.

### Revenue from Engineering, Procurement and Construction ('EPC') contracts

The performance obligation is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

### Revenue from master system integration (MSI) contracts and engineering, procurement and construction ('EPC') contracts

The performance obligation is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

### Power transmission services

Power transmission services are rendered to Long Term Transmission Customers (LTTCS) pursuant to the respective Transmission Services Agreements (TSAs) executed by the company with LTTCS. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCS are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount. Applying the practical expedient as given in Ind AS 115, the group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

### Construction of concession assets

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one 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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Revenue from services rendered to joint ventures

Services rendered to joint ventures represent the performance obligation for providing various consultation and agency services in relation to joint venture entities which are satisfied at a point of time.

## Project consultancy

Project consultancy services represent the performance obligation for providing consultation services in relation to designing and testing of conductors and are satisfied over-time. Payment is generally due within 30 days from provision of service.

## (b) Disaggregated revenue information

(₹ in million)

	Within India		Outside India	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
(i) Revenue from sale of conductors and power cables recognised at a point in time	4,698.08	5,161.75	10,772.82	7,045.00
(ii) Revenue from engineering, procurement and construction (EPC) contracts recognised over time	17,978.93	3,909.48	-	-
(iii) Revenue from power transmission services recognised at a point in time	1,345.68	2,076.60	-	-
(iv) Revenue from construction of concession assets recognised over time	-	-	11,687.25	1,168.67
(v) Remuneration of concession assets recognised over time	-	-	1,365.47	646.50
(vi) Revenue from operation & maintenance of concession assets recognised over time	-	-	84.05	16.48
(vii) Revenue from sale of traded goods recognised at a point of time	324.63	588.80	-	-
(viii) Revenue from professional consultancy services recognised at a point of time	-	-	-	-
(ix) Revenue from network infrastructure recognised over time	24.84	6.58	-	-
(x) Revenue from project services recognised over time	237.88	-	46.14	75.54
<b>Total</b>	<b>24,610.03</b>	<b>11,743.21</b>	<b>23,955.73</b>	<b>8,952.19</b>

## (c) Assets and liabilities related to contracts with customers

(₹ in million)

	31 March 2022	31 March 2021
<b>Balances at the beginning of the year</b>		
Trade receivables	6,230.12	5,539.54
Contract assets*	2,533.12	8,031.34
Contract liabilities (including advances from customers)	4,969.53	365.14
<b>Balances at the end of the year</b>		
Trade receivables	13,604.29	6,230.12
Contract assets	17,351.01	2,533.12
Contract liabilities (including advances from customers)	7,304.43	4,969.53

\* 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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Set out below is the amount of revenue recognised from:

(₹ in million)

	31 March 2022	31 March 2021
Amounts included in contract liabilities at the beginning of the year	4,969.53	365.14

## (d) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

	31 March 2022	31 March 2021
Revenue as per contracted price	51,774.61	20,656.60
<b>Adjustments:</b>		
Incentives earned for higher asset availabilities	42.35	37.59
Surcharges received for late payments	10.99	15.36
Rebates given for early payments	(7.25)	(14.15)
<b>Total revenue from contracts with customers</b>	<b>51,820.70</b>	<b>20,695.40</b>

## (e) Terms of service concession contracts

The Group has subsidiaries in Brazil which construct power transmission assets / facilities under service concession agreements.

### Characteristics of service concession arrangement

The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time which are awarded by Brazilian Electricity Regulatory Agency ('ANEEL') through competitive bidding process. The infrastructure constructed by the Group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract

### Periodic revision to annual permitted revenue ('RAP')

In accordance with the service concession agreement every five years after the date of signing the contracts, Brazilian Electricity Regulatory Agency ('ANEEL') will periodically tariff review of RAP of electricity transmission, in order to promote efficiency and low tariffs.

The periodic rate revision recipe comprises repositioning by determining:

- the change of third-party capital costs in the concession agreement;
- receipts from reinforcements and improvements;
- 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)

	31 March 2022	31 March 2021
Revenue from construction of service concession assets	11,687.25	1,168.67
Cost of construction of service concession assets	11,603.65	1,416.03

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## (f) Remuneration of concession assets

Remuneration from concession assets comprise of interest income which is recognized at the market interest rate that reflects the economic volatility on the future flow from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset at the time of award of the concession.

## (g) Transaction price allocated to the remaining performance obligations

(₹ in million)

	31 March 2022	31 March 2021
Expected to be recognised as revenue over the next one year	37,428.94	30,403.76
Expected to be recognised as revenue beyond next one year	56,844.63	60,938.34
<b>Total</b>	<b>94,273.57</b>	<b>91,342.09</b>

## NOTE 25: FINANCE INCOME

(₹ in million)

	31 March 2022	31 March 2021
Interest income on		
- Bank deposits	283.07	170.89
- Loan to related parties (refer note 55)	576.35	85.85
Fair value gain on investments measured at fair value through profit or loss	-	82.33
Gain on sale of mutual funds	-	5.06
Interest on income tax refund	0.96	-
Others	24.22	35.65
<b>Total</b>	<b>884.60</b>	<b>379.78</b>

## NOTE 26: OTHER INCOME

(₹ in million)

	31 March 2022	31 March 2021
Net profit on sale of investments in shares of Indigrd Investment Managers Limited and in units of India Grid Trust [refer note 10(a) and 10(b)]	297.50	213.92
Net gain on sale of power transmission assets (refer note i and ii below) (refer note 36)	7,031.95	15,397.27
Profit on sale of property, plant and equipment (net)	-	1.86
Income on investment in India Grid Trust	11.47	537.73
Gain on conversion of subsidiaries in power transmission infrastructure business into joint ventures (refer note 46)	94.44	-
Consideration received from India Grid Trust on sale of investments in earlier years (refer note iii below)	513.65	1,047.29
Miscellaneous income	21.68	47.61
<b>Total</b>	<b>7,970.70</b>	<b>17,245.68</b>

## (i) Sale of Gurgaon-Palwal Transmission Limited

The Group had entered into share purchase agreement and shareholders' agreement dated August 28, 2020 ("the Agreements") among Gurgaon-Palwal Transmission Limited ("GPTL" referred as "the SPV"), Sterlite Power Transmission Limited ("SPTL"), Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Pursuant to the Agreements, the Group has transferred 49% of equity in the SPV and for transfer of the remaining 51% equity stake, the Group has received consideration in advance which is non-refundable. The remaining stake will be transferred to the buying shareholder on expiry of the mandatory shareholding period in the SPV. Under the Agreements, the Group has also given the following rights to the buying shareholder:

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- a. Right to nominate all directors on the board of directors of the SPV;
- b. Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPV;
- c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPV at later dates;
- d. Pledge on the remaining 51% equity stake in the SPV;
- e. Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in the SPV.

During the previous year, basis the above rights and the fact that full non-refundable consideration has been received in advance by the Group from the buying shareholder, the Group has derecognised all the assets and the liabilities pertaining to the SPV and recognised a gain of ₹ 10.50 million on sale of the SPV in the statement of profit and loss.

## (ii) Sale of NER-II Transmission Limited

"During the year ended March 31, 2021, the Group entered into a Share purchase agreement dated 05 March 2021, as amended on 25 March 2021 ("SPA") and Shareholders' agreement dated 25 March 2021 ("SHA") with IndiGrid Investment Managers Limited (formerly known as Indigrd Investment Managers Limited), being the Investment Manager of India Grid Trust ("IndiGrid") for the sale of NER II Transmission Limited ("NER").

Pursuant to the SPA, the Group has sold 49% of the paid-up equity shares of NER on 24 March 2021 for a consideration of ₹ 8,578.70 million. Further, under the SHA, the Group has also transferred control over majority of the Board of Directors of NER to IndiGrid. Also, the Group has received irrevocable advance consideration of ₹ 4,376.89 million for further 25% paid up equity shares of NER before 31 March 2021 and it has transferred such equity shares to an escrow account on an irrevocable basis to be transferred eventually to IndiGrid after the expiry of period for mandatory shareholding by Sterlite Grid 4 Limited in NER as per the relevant Transmission Services Agreement. Under the SHA, the control over the voting power for the 25% equity shares is vested with IndiGrid and it has the right to instruct the Group to vote in accordance with its instructions in respect of the 25% equity shares in NER.

Basis the above, the Group has concluded that it has transferred control over NER to IndiGrid on 25 March 2021 and accordingly the net assets of NER have been derecognised and a net gain (including EPC margin) of ₹ 15,313.40 million corresponding to the sale in substance of 74% equity stake in NER has been recognised in the consolidated financial statements. Since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset/group of similar identifiable assets, hence the sale of NER has been treated as sale of asset rather than sale of business. Accordingly, the remaining equity holding of 26% in NER as at March 31, 2021 has been carried at cost. There are certain conditions precedent ("CPs") specified in the SPA for transfer of the remaining 26% equity stake in NER which are pending to be completed till date.

During the year, the Group has received advance consideration for remaining 26% stake in NER and has transferred such equity shares to an escrow account on an irrevocable basis which would be transferred eventually to IndiGrid after the expiry of period for mandatory shareholding by erstwhile Sterlite Grid 4 Limited. Accordingly, the Group has recognised a gain (including EPC margin) of ₹ 7,031.95 million for the year ended March 31, 2022.

- (iii) In earlier periods, the Group sold the investment in various subsidiaries to India Grid Trust. During the year, India Grid Trust has paid earn outs related to claim in increase in tariff due to change in law, income tax refund and VAT refund to the Group.

## NOTE 27: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	(₹ in million)	
	31 March 2022	31 March 2021
Inventory at the beginning of the year	1,871.70	1,454.23
Add: Purchases during the year	10,941.21	8,492.99
	<b>12,812.91</b>	<b>9,947.22</b>
Less: Inventory at the end of the year	809.56	1,871.70
<b>Cost of raw material and components consumed</b>	<b>12,003.35</b>	<b>8,075.52</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 28: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	31 March 2022	31 March 2021
Construction material	12,361.41	2,743.50
Subcontracting charges*	15,027.30	1,694.11
<b>Total</b>	<b>27,388.71</b>	<b>4,437.61</b>

\*These charges pertain to services rendered in relation to construction contracts

## NOTE 29: DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	31 March 2022	31 March 2021
Opening inventories:		
Traded goods	58.21	34.90
Work-in-progress	205.64	264.51
Finished goods	762.44	2,006.93
	<b>1,026.29</b>	<b>2,306.34</b>
Closing inventories:		
Traded goods	11.20	58.21
Work-in-progress	340.83	205.64
Finished goods	497.42	762.44
	<b>849.45</b>	<b>1,026.29</b>
<b>Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods</b>	<b>176.84</b>	<b>1,280.05</b>

## NOTE 30: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31 March 2022	31 March 2021
Salaries, wages and bonus	2,205.70	1,866.78
Contribution to provident fund and superannuation fund	137.04	133.12
Employees stock appreciation rights expense (refer note 45)	(16.37)	196.98
Gratuity expense (refer note 38)	24.53	29.55
Staff welfare expenses	119.47	74.91
<b>Total</b>	<b>2,470.37</b>	<b>2,301.34</b>

Employee benefit expense above is net of the amounts capitalised to property, plant and equipment. Refer note 39 for details.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group is assessing the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 31: OTHER EXPENSES

	(₹ in million)	
	31 March 2022	31 March 2021
Consumption of stores and spares	91.27	67.58
Power, fuel and water	309.98	207.07
Repairs and maintenance		
- Building	17.37	6.98
- Machinery	122.54	71.97
- Others	5.78	2.61
Service expenses and labour charges	271.23	224.80
Consumption of packing materials	324.10	296.18
Transmission infrastructure maintenance charges	75.35	108.93
Sales commission	168.53	182.13
Carriage outwards	814.27	464.79
Rent	60.29	19.79
Insurance	132.45	136.26
Rates and taxes	151.43	127.47
Travelling and conveyance	198.97	59.81
Legal and professional fees	525.80	1,067.88
Advertisement and business promotion expenses	33.72	11.68
Loss on sale of property, plant & equipment (net)	4.48	-
Network maintenance charges	10.95	16.05
Directors sitting fee and commission (refer note 55)	14.17	14.50
Impairment allowance for trade receivables and advances	103.59	97.64
Write down / (reversal) related to assets held for sale (refer note 10)	(422.23)	670.24
Indemnification expenses incurred under share purchase agreement	77.13	72.88
Miscellaneous expenses	697.49	579.47
<b>Total</b>	<b>3,788.66</b>	<b>4,506.71</b>

Other expenses above are net of the amounts capitalised to property, plant and equipment. Refer note 39 for details.

### Details of CSR expenditure:

	(₹ in million)	
	31 March 2022	31 March 2021
a) Gross amount required to be spent by the Group during the period	-	-
b) Amount approved by the Board to be spent during the period	42.81	19.51

	(₹ in million)	
	In cash	Total
c) Amount spent during the year ending on March 31, 2022:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	32.88	-
d) Amount spent during the year ending on March 31, 2021:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	19.51

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	In cash	Total
e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	9.93	-
- Other than ongoing project	-	-

## NOTE 32: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	31 March 2022	31 March 2021
Depreciation of tangible assets	624.03	829.50
Depreciation of right-of-use assets	94.08	76.13
Amortisation of intangible assets	85.45	82.52
<b>Total</b>	<b>803.56</b>	<b>988.15</b>

## NOTE 33: FINANCE COST

(₹ in million)

	31 March 2022	31 March 2021
Interest on financial liabilities measured at amortised cost	3,212.35	4,839.85
Bill discounting charges	78.05	248.49
Interest others	154.07	6.89
Lease charges	19.59	7.63
Bank charges	792.70	633.60
<b>Total</b>	<b>4,256.76</b>	<b>5,736.46</b>

Finance cost includes interest cost related to term loans of Khargone Transmission Limited which has been classified as asset held for sale refer note 10).

Finance cost above is net of the amounts capitalised to property, plant and equipment. Refer note 39 for details.

## NOTE 34: EXCEPTIONAL ITEM

(₹ in million)

	31 March 2022	31 March 2021
Initial public offer related expenses	117.00	-
	<b>117.00</b>	-

During the year, the Group had filed its Draft Red Herring Prospectus with Securities & Exchange Board of India (SEBI) for a proposed Initial Public Offering (IPO) of its equity shares. The Company incurred expenses of ₹ 117.00 million in connection with proposed IPO. Management has informed that the current market conditions are not conducive for listing and hence the same is not pursued. Accordingly, management has charged off expenses incurred on the IPO as non recurring expenses. Considering the nature of the expenses management has disclosed it as an "exceptional item" for the financial year ended March 31, 2022.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 35: EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

	(₹ in million)	
	31 March 2022	31 March 2021
Profit attributable to equity shareholders for computation of basic and diluted EPS	4,401.42	8,697.74
<b>Weighted average number of equity shares in calculating basic and diluted EPS (Nos. million)</b>	<b>61.18</b>	<b>61.18</b>
<b>Earnings per share</b>		
Basis and diluted (on nominal value of ₹ 2 per share)	71.94	142.16

## NOTE 36: 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 Group's consolidated financial statements:

#### Applicability of Appendix D to Ind AS 115 - Revenue from Contracts with Customers to transmission projects in India:

The Group through its subsidiaries in India is a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. It has also entered into a Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") in India through a tariff based bidding process and is required to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 25/35 years. The management of the Group is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term

of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group in respect of the transmission projects undertaken in India under BOOM model.

#### Asset held for sale (subsidiaries in Brazil)

The Group has presented certain assets and liabilities as held for sale. Refer note 10.

During the previous year, the management had exercised significant judgement in assessing that these entities are available for immediate sale and can be sold in its current condition, the actions to complete the sale were initiated and the sale of these entities is highly probable within one year from the date and the Group expects approval from relevant regulatory authorities which is administrative in nature. Accordingly, the management has classified the assets and liabilities related to these entities as held for sale since the carrying amounts of such assets and liabilities will be recovered principally through sale transaction rather than through continuing use based on approval from the Board of Directors.

During the year, the Board of Directors has decided not to sell São Francisco and Marituba project. Accordingly, the assets and liabilities related to São Francisco and Marituba project have been re-classified from assets held for sale.

#### Acquisition of Maharashtra Transmission Communication Infrastructure Limited

The Group has acquired Maharashtra Transmission Communication Infrastructure Limited ("MTCIL") which is engaged in the business of making available fibre capacity on lease rental to retail, wholesale and enterprise/corporate customers, drawn from Optical Power Ground Wire (OPGW) network. The purchase consideration primarily pertains to the fair value of the telecommunication infrastructure assets. As the fair value of MTCIL is substantially concentrated in

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

the property, plant and equipment, the management has considered acquisition of MTCIL as an asset acquisition.

## Disposal of NER II Transmission Limited ("NER") and Gurgaon-Palwal Transmission Limited ("GPTL"):

### NER:

During the year ended March 31, 2021, the Group entered into a Share purchase agreement dated 05 March 2021, as amended on 25 March 2021 ("SPA") and Shareholders' agreement dated 25 March 2021 ("SHA") with IndiGrid Investment Managers Limited (formerly known as Indigrd Investment Managers Limited), being the Investment Manager of India Grid Trust ("IndiGrid") for the sale of NER II Transmission Limited ("NER").

Pursuant to the SPA, the Group has sold 49% of the paid-up equity shares of NER on 24 March 2021 for a consideration of ₹ 8,578.70 million. Further, under the SHA, the Group has also transferred control over majority of the Board of Directors of NER to IndiGrid. Also, the Group has received irrevocable advance consideration of ₹ 4,376.89 million for further 25% paid up equity shares of NER before 31 March 2021 and it has transferred such equity shares to an escrow account on an irrevocable basis to be transferred eventually to IndiGrid after the expiry of period for mandatory shareholding by Sterlite Grid 4 Limited in NER as per the relevant Transmission Services Agreement. Under the SHA, the control over the voting power for the 25% equity shares is vested with IndiGrid and it has the right to instruct the Group to vote in accordance with its instructions in respect of the 25% equity shares in NER.

Basis the above, the Group has concluded that it has transferred control over NER to IndiGrid on 25 March 2021 and accordingly the net assets of NER have been derecognised and a net gain (including EPC margin) of ₹ 15,313.40 million corresponding to the sale in substance of 74% equity stake in NER has been recognised in the consolidated financial statements. Since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset/group of similar identifiable assets, hence the sale of NER has been treated as sale of asset rather than sale of business. Accordingly, the remaining equity holding of 26% in NER as at March 31, 2021 has been carried at cost. There are certain conditions precedent ("CPs") specified in the SPA for transfer of the remaining 26% equity stake in NER which are pending to be completed till date.

During the year, the Group has received advance consideration for remaining 26% stake in NER and has transferred such equity shares to an escrow account on an irrevocable basis which would be transferred eventually to IndiGrid after the expiry of period for mandatory shareholding by Sterlite Grid 4 Limited. Accordingly, the Group has recognised a gain of ₹ 7,031.95 million for the year ended March 31, 2022.

### GPTL:

The Group had entered into share purchase agreement and shareholders' agreement dated August 28, 2020 ("the Agreements") among Gurgaon-Palwal Transmission Limited ("GPTL" referred as "the SPV"), Sterlite Power Transmission Limited ("SPTL"), Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Pursuant to the Agreements, the Group has transferred 49% of equity in the SPV and for transfer of the remaining 51% equity stake, the Group has received consideration in advance which is non-refundable. The remaining stake will be transferred to the buying shareholder on expiry of the mandatory shareholding period in the SPV. Under the Agreements, the Group has also given the following rights to the buying shareholder:

- Right to nominate all directors on the board of directors of the SPV;
- Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPV;
- Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPV at later dates;
- Pledge on the remaining 51% equity stake in the SPV;
- Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in the SPV.

During the previous year, basis the above rights and the fact that full non-refundable consideration has been received in advance by the Group from the buying shareholder, the Group has derecognised all the assets and the liabilities pertaining to the SPV and recognised a gain of ₹ 10.50 million on sale of the SPV in the statement of profit and loss.

### Khargone Transmission Limited ("KTL"):

As on March 31, 2022, the investment of the Group in the net assets of Khargone Transmission Limited are proposed to be transferred. The management has classified the 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. Refer Note 10 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

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

## Estimates used in the application of Appendix D of Ind AS 115 'Service Concession Arrangement' to transmission projects in Brazil

The Group constructs transmission infrastructure in Brazil and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the group (i.e. the operator) is not recorded as property, plant and equipment of the group because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. The Group only has the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider.

The Group records "Concession contract assets", as per Ind AS 115– Revenue from Contracts with Customers for Brazilian subsidiaries in the Group's special purpose consolidated financial statements. The contract asset refers to the Group's right to the consideration as a result of the investments made in the construction of transmission line infrastructure. The measurement of contract assets involves significant estimates, such as: (i) the discount rate used, which represents the financing component embedded in the future receivable, (ii) Determination of fair value of consideration for each identified performance obligation and (iii) expected profit margins in each identified performance obligation.

## Revenue from contract with customers - EPC contracts

As described in Note 2.3, revenue and costs in respect of construction contracts are recognised progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. The Group estimates the total cost of the project at each period end. These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

## Impairment of non-financial assets including investment in associate and joint venture

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment), investment in associate and joint venture. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on the fair values less costs of disposal/value in use of the projects. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash flows.

## Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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 38.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 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 52 and 53 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 24), hence the concentration of risk with respect to trade receivables is low.

## NOTE 37: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE COMPANY'S EFFECTIVE EQUITY SHAREHOLDINGS THEREIN ARE AS UNDER:

(₹ in million)

Name of the entity	Effective equity shareholding as on	Effective equity shareholding as on	Country of incorporation
	March 31, 2022	March 31, 2021	
<b>List of subsidiaries</b>			
Sterlite Convergence Limited	100.00%	100.00%	India
Sterlite Grid 4 Limited (SG4L) <sup>^</sup>	-	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 14 Limited (SG14L)	-	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%	India
Sterlite Grid 19 Limited (SG19L)	100.00%	100.00%	India
Sterlite Grid 20 Limited (SG20L)	100.00%	100.00%	India
Sterlite Grid 21 Limited (SG21L)	100.00%	100.00%	India
Sterlite Grid 22 Limited (SG22L)	100.00%	100.00%	India
Sterlite Grid 23 Limited (SG23L)	100.00%	100.00%	India
Sterlite Grid 24 Limited (SG24L)	100.00%	100.00%	India
Sterlite Grid 25 Limited (SG25L)	100.00%	100.00%	India
Sterlite Grid 26 Limited (SG26L)	100.00%	100.00%	India
Sterlite Grid 27 Limited (SG27L)	100.00%	100.00%	India

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Name of the entity	Effective equity shareholding as on March 31, 2022	Effective equity shareholding as on March 31, 2021	Country of incorporation
Sterlite Grid 28 Limited (SG28L)	100.00%	100.00%	India
Sterlite Grid 29 Limited (SG29L)	-	100.00%	India
Sterlite Grid 30 Limited (formerly known as NRSS XXIS JS Transmission limited)	100.00%	100.00%	India
One Grid Limited	100.00%	100.00%	India
Sterlite EdIndia Foundation	99.95%	99.95%	India
Khargone Transmission Limited (KTL)***	100.00%	100.00%	India
Goa-Tamnar Transmission Project Limited (GTTPL)	-	100.00%	India
Udupi Kasargode Transmission Limited (UKTL)	-	100.00%	India
Lakadia Vadodara Transmission Project Limited (LVTPPL)	-	100.00%	India
Nangalbibra-Bongaigaon Transmission Limited**	100.00%	-	India
Maharashtra Transmission Communication Infrastructure Limited**	64.98%	-	India
Sterlite Brazil Participacoes S.A	100.00%	100.00%	Brazil
Vineyards Participacoes S.A.***	100.00%	-	Brazil
Se Vineyards Power Transmission S.A.***	100.00%	100.00%	Brazil
Dunas Transmissão de Energia S.A.*	-	100.00%	Brazil
Borborema Participacoes S.A.	100.00%	-	Brazil
Borborema Transmissão de Energia S.A.	100.00%	100.00%	Brazil
São Francisco Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Goyas Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Marituba Transmissão de Energia S.A.	100.00%	100.00%	Brazil
Solaris Transmissão de Energia S.A.	100.00%	100.00%	Brazil
<b>List of associates and joint ventures</b>			
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	-	40.00%	India
Sterlite Interlinks Limited	49.00%	49.00%	India
Sterlite Grid 13 Limited (SG13L)	50.00%	50.00%	India
Sterlite Grid 14 Limited (SG14L)	50.00%	-	India
Sterlite Grid 18 Limited (SG18L)	50.00%	-	India
Sterlite Grid 29 Limited (SG29L)	50.00%	-	India
Mumbai Urja Marg Liimited [formerly know as Vapi II-North Lakhimpur Transmission Limited (VNLTL)]	50.00%	50.00%	India
Goa-Tamnar Transmission Project Limited (GTTPL)	50.00%	-	India
Udupi Kasargode Transmission Limited (UKTL)	50.00%	-	India
Lakadia Vadodara Transmission Project Limited (LVTPPL)	50.00%	-	India
NER-II Transmission Limited (NER-II)#	-	26.00%	India

\* Subsidiaries sold during the year

\*\* Subsidiary incorporated/acquired during the year

\*\*\* Classified as asset held for sale (refer note 10)

# Based on beneficial ownership in the associate. Stake in NER-II was completely sold in the current year.

^ Merged with Sterlite Power Transmission Limited. Refer note 56

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 38: EMPLOYEE BENEFIT OBLIGATION

The Group has a defined benefit gratuity plan which is unfunded. Every employee working in the Group gets a gratuity on departure at 15 days salary (last drawn salary) for completed period of service.

Changes in the present value of the defined benefit obligation are as follows:

(₹ in million)

	31 March 2022	31 March 2021
<b>Defined benefit obligation at the beginning of the year</b>	<b>100.37</b>	<b>84.72</b>
Interest cost	5.67	4.70
Current service cost	18.87	16.87
Past service cost	-	13.35
Benefits paid directly by the Group	(22.48)	(23.82)
Actuarial (gain)/loss due to change in financial assumptions	6.77	(3.86)
Actuarial (gain)/loss on obligation due to experience adjustments	3.55	8.01
Actuarial (gain)/loss on obligation due to demographic assumptions	1.03	0.40
<b>Present value of defined benefit obligation at the end of the year</b>	<b>113.78</b>	<b>100.37</b>

Changes in the fair value of plan assets are as follows:

(₹ in million)

	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	-	-
Employer's contribution	24.99	-
Benefits paid	(10.33)	-
Return on plan assets excluding amounts recognised in net interest expense	0.96	-
<b>Fair value of plan assets at the end of the year</b>	<b>15.62</b>	<b>-</b>

Details of defined benefit obligation

(₹ in million)

	31 March 2022	31 March 2021
Present value of defined benefit obligation	113.78	100.37
Fair value of plan assets	15.62	-
Adjustment on account of merger	2.06	-
<b>Defined benefit liability</b>	<b>100.22</b>	<b>100.37</b>
<b>Current</b>	<b>24.12</b>	<b>23.71</b>
<b>Non Current</b>	<b>76.10</b>	<b>76.67</b>

Net employee benefit expense recognised in the statement of profit and loss:

(₹ in million)

	31 March 2022	31 March 2021
Current service cost	18.87	16.87
Past service cost	-	13.35
Interest cost on benefit obligation	5.67	4.70
<b>Net benefit expense</b>	<b>24.54</b>	<b>34.92</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Expenses recognised in other comprehensive income (OCI) for current year

	(₹ in million)	
	31 March 2022	31 March 2021
Actuarial (gain)/loss on obligation for the year		
- changes in demographic assumption	1.03	0.40
- changes in financial assumption	6.77	(3.86)
- experience variance	3.55	8.01
- Return on plan assets excluding amounts recognised in net interest expense	(0.96)	-
<b>Net (income)/expense for the year recognized in OCI</b>	<b>10.39</b>	<b>4.55</b>

## Amounts for the current and previous years are as follows:

	(₹ in million)	
	31 March 2022	31 March 2021
Defined benefit obligation	98.16	100.37
Plan assets	-	-
Deficit	(98.16)	100.37
Experience adjustments on plan liabilities	3.55	8.01
Experience adjustments on plan assets	-	-

## The principal assumptions used in determining defined benefit obligation are shown below:

	(₹ in million)	
	31 March 2022	31 March 2021
Discount rate	6.10%	5.65%
Expected rate of return on plan asset	NA	NA
Employee turnover	15.00%-22.62%	16.56%-24.85%
Expected rate of salary increase	9%	7%
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)	
	31 March 2022	31 March 2021
Projected benefit obligation on current assumptions	98.16	100.37
Delta effect of +1% change in rate of discounting	9.89	(4.16)
Delta effect of -1% change in rate of discounting	21.08	4.54
Delta effect of +1% change in rate of salary increase	20.44	4.24
Delta effect of -1% change in rate of salary increase	10.28	(3.98)
Delta effect of +1% change in rate of employee turnover	11.32	(1.40)
Delta effect of -1% change in rate of employee turnover	23.94	3.29

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Maturity analysis of projected benefit obligation: From the employer (undiscounted basis)

(₹ in million)

	31 March 2022	31 March 2021
Projected benefits payable in future years from the date of reporting		
1st year	24.12	23.71
2-5 years	60.31	57.15
6-10 years	42.72	32.41
More than 10 years	33.70	19.29

## NOTE 39: 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)

	31 March 2022	31 March 2021
<b>A. Opening balance of expenditure included in CWIP</b>	4,773.43	7,489.30
<b>B. Additions to CWIP during the year</b>		
Employee benefits expense (including gratuity)	-	512.16
Finance costs*	457.45	2,874.45
Travelling and conveyance	-	75.12
Professional and consultancy fee	91.37	308.80
Other expenses	3.66	201.41
<b>Total</b>	<b>552.48</b>	<b>3,971.94</b>
<b>C. Reduction in CWIP during the year</b>		
Transferred to property, plant and equipment	2,905.07	6,687.81
Reduction due to loss of control in subsidiaries (refer note 56 (b))	2,315.79	-
	5,220.87	6,687.81
<b>D. Closing balance of expenditure in CWIP (A+B-C)</b>	<b>105.05</b>	<b>4,773.43</b>

\* During the year, the Group has capitalised borrowing costs of ₹ 457.45 million (31 March 2021: ₹ 2,874.45 million) incurred on the borrowings availed for erection of transmission lines. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's borrowings, in this case 9.25% p.a. to 12.45% p.a. (March 31, 2021: 10.50% p.a. to 11.50% p.a)

## NOTE 40: CAPITAL AND OTHER COMMITMENTS

- Estimated amount of contracts of the Group remaining to be executed on capital account and not provided for (net of advances) are ₹ 17,626.80 million (March 31, 2021: ₹ 40,073.57 million). In addition, the Group has commitment related to further investment in joint ventures of ₹ 3,248.06 million (March 31, 2021: Nil).
- 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.
- The Group has entered into agreements with the lenders of following joint ventures wherein it has committed to hold, together with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital'), directly or indirectly at all times at least 51% of equity share capital of below mentioned joint venture entities 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.
  - Goa Tamnar Transmission Project limited (GTTPL)
  - Lakadia Vadodara Transmission Limited (LVTPL)
  - Mumbai Urja Marg Limited (formerly known as Vapi II-North Lakhimpur Transmission Limited) (VNLTLL)
  - Udupi Kasargode Transmission Limited (UKTL)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- d) The Group has entered into agreements with the lenders of following subsidiaries wherein it has pledged the equity share held in the subsidiary with the lender and agreed 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. Marituba Transmission De Energia S.A.
- 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.
- g) The Group has entered into a share purchase agreement with Vinci Energiea Fundo De Investimento EM Participacoes Infraestrutura for selling its stake in Vineyards Participacoes S.A. at a value agreed in the share purchase agreement subject the requisite approvals.

## NOTE 41: CONTINGENT LIABILITIES

		(₹ in million)	
		31 March 2022	31 March 2021
<b>1</b>	<b>Disputed liabilities in appeal</b>		
	a) Excise duty	73.56	76.40
	b) Value Added Tax (VAT) and Central sales tax (refer note i below)	38.98	294.06
<b>2</b>	<b>Bank guarantees given</b>		
	- On behalf of India Grid Trust ('IGT')	25.00	25.00
	- To India Grid Trust ('IGT') for various claim with respect to sale of investments	1,336.00	1,000.00
<b>3</b>	<b>Corporate guarantees given:</b>		
	- Given on behalf of its related party revenue contract executed	188.60	188.60
	- To India Grid Trust ('IGT') for clearance of items mentioned in the share purchase agreement with respect to sale of ENICL	350.00	350.00
	- On behalf of its subsidiary for issuance of non-convertible debentures during the year	-	2,000.00

Further, pursuant to share purchase agreement with India Grid Trust, the Group is to indemnify India Grid Trust for entry tax demand of ₹ 252.78 million (March 31, 2021 ₹ 252.31 million) sales tax demands of ₹ 9.34 million (March 31, 2021: ₹ 43.88 million) and income tax act ₹ 27.92 million (March 31, 2021: ₹ 27.90 million) in relation to the Companies sold to the trust.

- (i) The above Value Added Tax, Central Sales Tax and Entry Tax demand (along with the applicable interest, wherever levied) pertains to the following matters.
- (a) Central Sales Tax demand of ₹ 16.80 million (31 March 2021 of ₹ 16.80 million) raised under the Delhi VAT Act, 2004 on account of non-submission of the declaration forms C pending to be received from the customers for the Assessment Year 2014-15.
  - (b) Value Added Tax, Central Sales Tax and Entry Tax demand of ₹ 14.31 million (31 March 2021 of ₹ 14.31 million) raised under the Madhya Pradesh VAT Act, 2002 on account of non-submission of the declaration forms EI/EII and Form 3 pending to be received / submitted for the Assessment Year 2015-16. The Company has deposited an amount of ₹ 4.77 million (31 March 2021: 4.77 million) while preferring the appeal in this matter.
  - (c) Central Sales Tax demand of ₹ 5.53 million (31 March 2021 ₹ 5.53 million) raised under the West Bengal VAT Act, 2003 on account of non-submission of the declaration forms C pending to be received / submitted for the Assessment Year 2014-15 and the Company has deposited an amount of ₹ 0.56 million (31 March 2021: ₹ 0.56 million) while preferring the appeal in this matter.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- (d) VAT and CST demand of ₹ Nil (31 March 2021: ₹ 30.95 million) pertains to Telangana VAT Act, 2003 on account of non discharge of VAT liability by sub-contractor for the period December 2015 to June 2017. The Company has deposited an amount of ₹ 3.44 million (31 March 2021: ₹ Nil million) while preferring the appeal in this matter.
- (e) Central Sales Tax demand of ₹ 1.46 million (31 March 2021: 185.93 million) pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EI forms pending to be received from the suppliers for the Assessment Year 2015-16, Assessment year 2016-17 and Assessment year 2017-18.
- (f) Central Sales Tax demand of ₹ 0.88 million (31 March 2021: ₹ 0.88 million) pertains to the demand raised under the Odisha VAT Act, 2004 on account of non-submission of the E1 declaration forms pending to be received from the suppliers for the Assessment Year 2016-17 and 2017-18. The Company has deposited an amount of ₹ 0.10 million (31 March 2021: ₹ 0.10 million) while preferring the appeal in this matter.
- (g) Value Added Tax demand of ₹ Nil (31 March 2021: ₹ 12.78 million) raised under the Uttarakhand Vat Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2014-15 and 2015-16
- (h) Value Added Tax demand of ₹ Nil (31 March 2021: ₹ 12.64 million) raised under the Orissa Value Added Tax Act, 2004 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year October-15 - March-16, April-16 - June-16 and April-14 - September-15.
- i) Value Added Tax demand Nil (31 March 2021: ₹ 14.36 million) raised under the Dadra & Nagar Haveli Value Added Tax Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2013-14, 2014-15, 2015-16 and July-16 - March-17.

The Company is contesting the demand by way of preferring appeals to the higher tax authorities and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management

believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of the operations.

- (ii) During the earlier year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by in earlier years which is pending before Arbitral Tribunal. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.
- (iii) During the year, one of the MSME vendor has filed arbitration proceedings against the Company which is pending before Delhi International Arbitration Centre ("DIAC"). The Company had filed a writ petition to Hon. Delhi High Court basis which the High Court has ordered DIAC for stay of proceedings. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

## NOTE 42: HEDGING ACTIVITIES AND DERIVATIVES

### Cash flow hedges

#### Foreign exchange forward contracts

Foreign exchange forward contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments, majorly for sales and purchases in USD and EUR. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

#### Commodity future contracts

Commodity future contracts entered on London Metal Exchange (LME) measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for purchases of aluminium and copper. The futures contract balances vary with the level of expected quantity of purchases of aluminium and copper. The terms of the future contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, generally, no hedge ineffectiveness arise requiring recognition through profit or loss.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

The cash flow hedges during the year ended 31 March 2022 were assessed to be highly effective, and a net unrealised gain of ₹ 1,603.10 million (net of deferred tax of ₹ 538.28 million), (31 March 2021 ₹ 769.94 million) (net of deferred tax of ₹ 238.35 million) is included in other comprehensive income. The amounts retained in other comprehensive income at 31 March 2022 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2023.

## NOTE 43: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the Group, for hedge purpose, as on March 31, 2022:

	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
<b>March 31, 2022</b>				
Hedge of payables, supplier's credit and highly probable foreign currency purchases	USD 101.33	7,681.30	Buy	141
Hedge of trade receivables, margin money deposits and highly probable sale	USD 119.99	8,645.76	Sell	60
Hedge of payables and highly probable purchases	EUR 1.05	88.72	Buy	3
Hedge of trade receivables and highly probable sale	EUR 6.68	565.94	Sell	10
<b>March 31, 2021</b>				
Hedge of payables, supplier's credit and highly probable foreign currency purchases	USD 95.03	6,985.05	Buy	101
Hedge of trade receivables, margin money deposits and highly probable sale	USD 60.44	4,442.84	Sell	66
Hedge of trade receivables and highly probable sale	EUR 15.94	1,372.60	Sell	20

(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)

Particulars	Currency type	March 31, 2022		March 31, 2021	
		Foreign currency	Amount	Foreign currency	Amount
Import of goods and services	USD	0.00*	0.13	0.85	62.56
	EUR	0.13	9.62	0.07	5.82

\*Amount less than ₹ 0.00 million

(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 year end:

Particulars	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
March 31, 2022	Aluminium	127	34,622	Buy
March 31, 2022	Aluminium	19	9,345	Sell
March 31, 2022	Copper	6	153	Buy
March 31, 2022	Copper	4	149	Sell
March 31, 2021	Aluminium	143	60,705	Buy
March 31, 2021	Aluminium	31	10,359	Sell
March 31, 2021	Copper	4	323	Buy
March 31, 2021	Copper	1	275	Sell
March 31, 2021	Midwest premium on aluminium	4	100	Buy
March 31, 2021	Midwest premium on aluminium	4	100	Sell

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 44A: ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021.

Pursuant to these amendments, the Group has given the significant additional disclosures, as applicable, in these Restated Consolidated Financial Information for all the periods/years presented.

- (i) The Group has granted loans and made investment in its Joint ventures, associates, fellow subsidiaries and subsidiary of Joint venture. Loans has been given for general corporate purpose. In some of the cases, the associate have utilised borrowings for further investment as per their business requirement. Details of the loans are as follows and please refer Note 6 for the terms of the loans given.

### 31 March 2022

Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
Sterlite Grid 13 Limited	Joint venture	U29309DL2018PLC337962	YC Co Working Space, 3rd Floor, Plot No. 94 Dwarka Sec 13, Opp. Metro Station Near Radisson Blu Delhi South West Delhi 110078	Investment in non-convertible debentures	Various Dates	507.87
Sterlite Grid 14 Limited	Joint venture	U29300DL2018PLC339426	YC Co Working Space, 3rd Floor, Plot No. 94 Dwarka Sec 13, Opp. Metro Station Near Radisson Blu Delhi South West Delhi 110078	Investment in equity	Various Dates	0.10
Sterlite Grid 14 Limited	Joint venture	U29300DL2018PLC339426	YC Co Working Space, 3rd Floor, Plot No. 94 Dwarka Sec 13, Opp. Metro Station Near Radisson Blu Delhi South West Delhi 110078	Investment in non-convertible debentures	Various Dates	228.72
Sterlite Grid 18 Limited	Joint venture	U29110DN2019PLC005565	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Investment in compulsurly convertible debentures	Various Dates	50.50
Sterlite Grid 18 Limited	Joint venture	U29110DN2019PLC005565	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Investment in equity	Various Dates	618.11
Sterlite Grid 18 Limited	Joint venture	U29110DN2019PLC005565	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Investment in non-convertible debentures	Various Dates	964.36
Sterlite Grid 29 Limited	Joint venture	U40100DN2019PLC005578	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Investment in compulsurly convertible debentures	Various Dates	48.63
Sterlite Grid 29 Limited	Joint venture	U40100DN2019PLC005578	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Investment in equity	Various Dates	389.69
Sterlite Grid 29 Limited	Joint venture	U40100DN2019PLC005578	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Investment in non-convertible debentures	Various Dates	1,875.86
Sterlite Power Technologies Private Limited	Fellow Subsidiary	U74110HR2014PTC101972	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	35.00

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

**NOTE 44B: ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED**  
 Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021. Pursuant to these amendments, the Company has given the significant additional disclosures, as applicable, in these Financial statement for all the years presented.

The Joint ventures of the Group has availed loans and received investments from entities having significant influence over it ('Funding parties') for general corporate purpose. In some of the cases, the Company have utilised the money received for further investments and grant of loans to its subsidiaries ('Ultimate beneficiaries') as per its business requirement. Details of such further investments and loans are as follows:

## Sterlite Grid 13 Limited

Sr No.	Name of the funding party	Relationship with funding party	Details of funds received			Details of payments						
			CIN/Legal entity identifier (LEI) of funding party	Nature of funding	Amount received from funding party (₹ in million)	Sr No.	Name of the ultimate beneficiary	Relationship with ultimate beneficiary	CIN of the ultimate beneficiary	Nature of payment	Amount paid to ultimate beneficiary (₹ in million)	Date of payment
1	Sterlite Power Transmission Limited	Entity having significant influence over the Company	CIN: U74120PN2015PLC156643	Issue of non-convertible debentures	507.87	1.1	Mumbai Ujja Marg Limited (Erstwhile Vapi II-North Lakhimpur Transmission Limited)	Subsidiary of the Company	U40100DL2018GOI335750	Investment in equity shares	315.00	Various Dates
2	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DL48N6L2T465	Issue of non-convertible debentures	507.87	2.1	Mumbai Ujja Marg Limited (Erstwhile Vapi II-North Lakhimpur Transmission Limited)	Subsidiary of the Company	U40100DL2018GOI335750	Investment in Compulsory convertible debentures	234.00	Various Dates

## Sterlite Grid 14 Limited

Sr No.	Name of the funding party	Relationship with funding party	Details of funds received			Details of payments						
			CIN/Legal entity identifier (LEI) of funding party	Nature of funding	Amount received from funding party (₹ in million)	Sr No.	Name of the ultimate beneficiary	Relationship with ultimate beneficiary	CIN of the ultimate beneficiary	Nature of payment	Amount paid to ultimate beneficiary (₹ in million)	Date of payment
1	Sterlite Power Transmission Limited	Entity having significant influence over the Company	CIN: U74120PN2015PLC156643	Issue of non-convertible debentures	228.73	1.1	Udupi Kasargode Transmission Limited	Subsidiary of the Company	U40100DL2018GOI342365	Investment in equity shares	115.13	Various Dates
2	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DL48N6L2T465	Issue of non-convertible debentures	228.73	2.1	Udupi Kasargode Transmission Limited	Subsidiary of the Company	U40100DL2018GOI342365	Investment in Compulsory convertible debentures	327.68	Various Dates



# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Sterlite Grid 18 Limited		Details of funds received				Details of payments							
		Name of the funding party	Relationship with funding party	CIN/Legal entity identifier (LEI) of funding party	Nature of funding	Amount received from funding party (₹ in million)	Date of receipt	Sr No.	Name of the ultimate beneficiary	Relationship with ultimate beneficiary	CIN of the ultimate beneficiary	Nature of payment	Amount paid to ultimate beneficiary (₹ in million)
1	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DL48N6L2T465	Non-convertible debentures	964.36	Various Dates	1.1	Lakadia Vadodara Transmission Project Limited	Subsidiary of the Company	U40105DL2019GOI347349	Investment in equity shares	598.90	Various Dates
2	Sterlite Power Transmission Ltd.	Entity having significant influence over the Company	CIN: U74120PN2015PLC156643	Non-convertible debentures	964.36	Various Dates	2.1	Lakadia Vadodara Transmission Project Limited	Subsidiary of the Company	U40105DL2019GOI347349	Investment in Compulsory convertible debentures	2,645.70	Various Dates
3	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DL48N6L2T465	Compulsory convertible debentures	50.50	Various Dates							
4	Sterlite Power Transmission Ltd.	Entity having significant influence over the Company	CIN: U74120PN2015PLC156643	Compulsory convertible debentures	50.50	Various Dates							
5	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DL48N6L2T465	Equity share capital	618.01	Various Dates							
6	Sterlite Power Transmission Ltd.	Entity having significant influence over the Company	CIN: U74120PN2015PLC156643	Equity share capital	618.01	Various Dates							

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Sr No.	Name of the funding party	Relationship with funding party	Details of funds received			Details of payments							
			CIN/Legal entity identifier (LEI) of funding party	Nature of funding	Amount received from funding party (₹ in million)	Date of receipt	Sr No.	Name of the ultimate beneficiary	Relationship with ultimate beneficiary	CIN of the ultimate beneficiary	Nature of payment	Amount paid to ultimate beneficiary (₹ in million)	Date of payment
1	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DDL48N6L2T465	Non-convertible debentures	1,313.96	Various Dates	1.1	Goa-Tammar Transmission Project Ltd.	Subsidiary of the Company	U40106DL2017GOI310611	Investment in equity shares	857.40	Various Dates
2	Sterlite Power Transmission Ltd.	Entity having significant influence over the Company	"CIN: U74120PN2015PLC156643"	Non-convertible debentures	1,313.96	Various Dates	2.1	Goa-Tammar Transmission Project Ltd.	Subsidiary of the Company	U40106DL2017GOI310611	Unsecured loans granted	2,628.08	Various Dates
3	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DDL48N6L2T465	Compulsory convertible debentures	48.63	Various Dates							
4	Sterlite Power Transmission Ltd.	Entity having significant influence over the Company	"CIN: U74120PN2015PLC156643"	Compulsory convertible debentures	48.63	Various Dates							
5	AMP Capital Infrastructure Investment No.2 S.A.R.L.	Entity having significant influence over the Company	LEI: 549300DDL48N6L2T465	Equity share capital	390.87	Various Dates							
6	Sterlite Power Transmission Ltd.	Entity having significant influence over the Company	"CIN: U74120PN2015PLC156643"	Equity share capital	389.69	Various Dates							

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 44C: ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

- (i) The Group has availed borrowings from the banks and financial institutions on the basis of security of current assets. The Group files the statement of current assets with the bank on periodical basis. Following are the discrepancies between books of accounts and quarterly statements submitted to the lenders, where borrowings have been availed based on security of current assets:

### A. Sterlite Power Transmission Limited\*:

#### 1. Inventory

S. No.	Quarter	Amount as reported in the quarterly return/statement	Reconciling Items				Amount as per books of accounts	Net difference
			Provision for inventory (refer note 1)	Material in transit (refer note 2)	Contract asset (refer note 3)	Supplier credit (refer note 4)		
1	Jun-21	4,102.05	-	-	1,212.38	-	2,889.67	-
2	Sep-21	3,979.32	117.40	-	1,297.23	-	2,564.69	-
3	Dec-21	4,311.53	-	2.41	1,400.80	-	2,913.14	-
4	Mar-22	3,391.74	-	305.09	1,492.25	-	2,204.57	-

**Note 1** Balances for provision for inventory were not considered in the quarterly statement submitted to the lenders.

**Note 2** Balances for material in transit were not considered in the quarterly statement submitted to the lenders.

**Note 3** Balances for contract asset arising from EPC contracts which forms part of other current assets in the books of accounts were considered in inventory in the quarterly statement submitted to the lenders.

#### 2. Trade payable

S.No.	Quarter	Amount as reported in the quarterly turn/statement	Reconciling items			Amount as per books of accounts	Net difference
			Provision for services and expenses (refer note 1)	Advance to vendor (refer note 2)	Trade payables not backed by letter of credit (refer note 3)		
5	Jun-21	8,249.92	898.13	852.09	3,366.90	13,367.04	-
6	Sep-21	9,828.56	1,164.41	833.98	3,467.43	15,294.38	-
7	Dec-21	9,818.01	2,567.43	1,178.89	453.50	13,703.04	-
8	Mar-22	9,663.60	2,960.24	923.61	-	12,997.90	-

**Note 1** Balance for payables for service and provision for expenses were not considered in the quarterly statement submitted to the lenders.

**Note 2** Balance of advance given to vendors which forms part of other current assets in the books of accounts were considered in trade payables in the quarterly statement submitted to the lenders.

**Note 3** Balance of trade payables not backed by letter of credit were not considered in the quarterly statement submitted to the lenders.

**Note 4** Balance of short term borrowings which is included in the trade payable in the quarterly return submitted to the lenders

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 3. Trade receivables

S.No.	Quarter	Amount as reported in the quarterly return/statement	Reconciling items				Amount as per books of accounts	Net difference
			Provision for doubtful debts (refer note 1)	Advance from customers (refer note 2)	Trade receivables pertaining to finished goods in transit (refer note 4)	Others (refer note 3)		
1	Jun-21	3,093.62	384.18	5,956.00	-	-	9,433.80	-
2	Sep-21	3,801.15	610.10	7,731.96	760.00	-	11,683.01	-
3	Dec-21	6,304.77	805.19	8,228.68	-	2,352.78	11,375.48	-
4	Mar-22	7,625.43	841.04	8,213.97	-	1,506.57	13,491.50	-

**Note 1** Balance for provision for trade receivables were not considered in the quarterly statement submitted to the lenders.

**Note 2** Balance of advances received from customer which forms part of other liabilities in the books of accounts were considered in the quarterly statement submitted to the lenders.

**Note 3** Others includes balance of unbilled revenue pertaining to subsidiary or contract asset which forms part of other assets in the books of accounts which were considered in the quarterly statement submitted to the lenders.

**Note 4** Balance of receivables pertaining to the finished goods in transit were considered in the quarterly statement submitted to the lenders.

\* State Bank of India, Axis Bank, Yes Bank, ICICI Bank, Corporation Bank, Bank of Maharashtra, IDBI Bank, Bank of Baroda, HDFC Bank, Union Bank of India, Federal Bank RBL BANK, EXIM Bank, are the working capital lenders for Sterlite Power Transmission Limited to which the quarterly stock statements are submitted to the lenders at standalone level.

## NOTE 44D: ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

### A. Sterlite Power Transmission Limited\*:

#### 1. Inventory

S. No.	Quarter	Amount as reported in the quarterly return/statement	Reconciling Items					Amount as per books of accounts	Net difference
			Provision for inventory (refer note 1)	Material in transit (refer note 2)	Contract asset (refer note 3)	Supplier credit (refer note 4)	Others (refer note 5)		
1	Jun-20	4,531.70	69.40	-	2,045.74	356.90	43.50	2,816.96	-
2	Sep-20	4,166.40	96.40	-	1,827.70	158.00	-	2,400.30	-
3	Dec-20	4,358.00	85.60	-	1,231.00	-	-	3,041.40	-
4	Mar-21	4,114.10	71.50	117.62	1,279.80	-	197.98	3,078.40	-

**Note 1** Balances for provision for inventory were not considered in the quarterly statement submitted to the lenders.

**Note 2** Balances for material in transit were not considered in the quarterly statement submitted to the lenders.

**Note 3** Balances for contract asset arising from EPC contracts which forms part of other current assets in the books of accounts were considered in inventory in the quarterly statement submitted to the lenders.

**Note 4** Balances of suppliers credit which forms part of borrowings on the books of accounts were adjusted in the inventory in the quarterly statement submitted to the lenders.

**Note 5** Other balances included inventory balance of packing material and master system integration division which were not considered in the quarterly statement submitted to the lenders.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 2. Trade payable

S.No.	Quarter	Amount as reported in the quarterly return/ statement	Reconciling items			Amount as per books of accounts	Net difference	
			Provision for services and expenses (refer note 1)	Advance to vendor (refer note 2)	Trade payables not backed by letter of credit (refer note 3)			Others (refer note 4)
1	Jun-20	6,769.20	1,013.90	128.90	-	628.00	7,284.00	-
2	Sep-20	5,278.20	1,739.10	127.00	-	208.00	6,936.30	-
3	Dec-20	4,411.90	1,744.30	121.20	-	-	6,277.40	-
4	Mar-21	4,962.50	2,208.20	113.30	-	-	7,284.00	-

**Note 1** Balance for payables for service and provision for expenses were not considered in the quarterly statement submitted to the lenders.

**Note 2** Balance of advance given to vendors which forms part of other current assets in the books of accounts were considered in trade payables in the quarterly statement submitted to the lenders.

**Note 3** Balance of trade payables not backed by letter of credit were not considered in the quarterly statement submitted to the lenders.

**Note 4** Balance of short term borrowings which is included in the trade payable in the quarterly return submitted to the lenders

## 3. Trade receivables

S.No.	Quarter	Amount as reported in the quarterly return/ statement	Reconciling items			Amount as per books of accounts	Net difference
			Provision for doubtful debts (refer note 1)	Advance from customers (refer note 2)	Others (refer note 3)		
1	Jun-20	5,441.00	268.02	1,158.12	232.00	6,563.10	-

**Note 1** Balance for provision for trade receivables were not considered in the quarterly statement submitted to the lenders.

**Note 2** Balance of advances received from customer which forms part of other liabilities in the books of accounts were considered in the quarterly statement submitted to the lenders.

**Note 3** Others includes balance of unbilled revenue pertaining to subsidiary or contract asset which forms part of other assets in the books of accounts which were considered in the quarterly statement submitted to the lenders.

\* State Bank of India, Axis Bank, Yes Bank, ICICI Bank, Corporation Bank, Bank of Maharashtra, IDBI Bank, Bank of Baroda, HDFC Bank, Union Bank of India, Federal Bank RBL BANK, EXIM Bank, IndusInd Bank are the working capital lenders for Sterlite Power Transmission Limited to which the quarterly stock statements are submitted to the lenders.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Sterlite Power Grid Ventures Limited (Merged with Sterlite Power Transmission Limited during the financial year ended March 31, 2021.

## 1 Trade payable

S.No.	Quarter	Amount as per stock statement	Reconciling Items Trade payables not backed by letter of credit (refer note 1)	Derived balance	Amount as per F.S.	Net Difference
1	Jun-20	421.70	5,190.80	5,612.50	5,612.50	-
2	Sep-20	463.40	5,030.30	5,493.70	5,493.70	-
3	Dec-20	1,228.00	3,699.30	4,927.30	4,927.30	-
4	Mar-21	1,575.90	6,034.20	7,610.10	7,610.10	-

Note 1 Balance of trade payables not backed by letter of credit were not considered in the quarterly statement submitted to the lenders.

\* State Bank of India and HDFC Bank are the working capital lenders for erstwhile Sterlite Power Grid Ventures Limited to which the quarterly stock statements were submitted to the lenders at standalone level.

**B. There are no outstanding short term working capital loans and cash credit limits as at March 31, 2022 for the Company**

### NOTE 44E: ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

- (iii) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (iv) The Group do not have any transactions with companies struck off.
- (v) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except that with State Bank of India for working capital facility that has been sanctioned to the Group against which the charge for additional security demanded by the bank has not been created before the end of the statutory period.
- (vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (viii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 45A: EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR)

### ESAR scheme 2017

The Group has granted Nil (March 31, 2021: 0.69 million) Employee Stock Appreciation Rights (ESARs) to eligible employees under the Employee Stock Appreciation Rights plan 2017 ("ESAR 2017") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated 8 October 2017.

	March 31, 2022		March 31, 2021	
	Numbers	Amount (₹ in million)	Numbers	Amount (₹ in million)
Opening balance as at the beginning of the year	6,28,472	307.65	6,97,122	54.36
ESAR granted during the period	-	-	25,675	1.70
ESAR cancelled	-	(16.37)	(94,325)	(9.09)
Payment towards ESARs vested	(6,28,472)	(291.28)	-	-
Balance	-	-	6,28,472	46.97
Accrual for the year and impact of change in FMV of equity share*	-	-	-	260.68
Closing balance as at the end of the year	-	-	6,28,472	307.65

\* Including amount capitalised during the period.

During the year the Company has reversed expense of ₹ 16.37 in statement of profit & loss account and ₹ 291.28 million has been paid to employees towards ESAR vested.

## NOTE 45B: PERFORMANCE CASH INCENTIVE PLAN FOR EMPLOYEE

### Long Term Incentive Plan 2022

During the year, the Group introduced Sterlite Power Plus Performance Cash Incentive Plan– 2021 ('Performance Cash Incentive Plan') for its employees pursuant to the approval from the Nomination and Remuneration committee vide resolution dated September 24, 2021. Performance Cash Incentive Plan is designed to provide annual incentives to the employees of the Group to contribute towards long term performance of the Group and achievement of the Group's goals. It is a cash settled plan.

The Nomination and remuneration committee of the Group has approved related vesting conditions for the financial year ended March 31, 2022. Vesting of the benefits under Performance Cash Incentive Plan would be subject to continuous employment with the Group and certain performance parameters subject to which the incentives would vest. The total cash incentives payable as per the Performance Cash Incentive Plan are approved by the Nomination and remuneration committee and the cash pay out will be spread over a period of 3 years as per the pay out schedule specified in the Performance Cash Incentive Plan based on the performance parameters achieved by the Group for the financial year ended March 31, 2022.

The Group has recorded liability towards Performance Cash Incentive Plan based on the projected unit completion method. The Group has used certain assumptions such as attrition rate and discount rate to derive the present value of the obligation under Performance Cash Incentive Plan which are mentioned below:

Following is the reconciliation of provision for LTIP outstanding:

	(₹ in million)	
	31 March 2022 Amount (₹ in million)	31 March 2021 Amount (₹ in million)
Opening balance as at the beginning of the year		
LTIP provision during the year	114.30	-
LTIP provision reversed during the year	-	-
Payment towards LTIP vested	-	-
Balance LTIP	114.30	-
Accrual for the year	-	-
Closing balance as at the end of the year	114.30	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 46: LEASE LIABILITY

The Group has long term lease contracts for office premises and various vehicles. Information about leases for which the Group is lessee is presented below.

### Lease liabilities

Maturity analysis - contractual undiscounted cash flows	(₹ in million)
Less than one year	124.62
One to two years	95.44
Two to five years	359.29
More than five years	-
<b>Total undiscounted lease liabilities as at balance sheet date</b>	<b>579.35</b>

Set out below, are the carrying amount of the Group's liabilities and the movement during the period.

Particulars	(₹ in million)
Opening lease liabilities as at April 01, 2021	53.05
Add: Additions/(deductions)	566.71
Add: Interest expense	19.59
Less: Adjustments	26.32
Less: Payments	(86.31)
<b>As at March 31, 2022</b>	<b>579.36</b>
Current	124.62
Non-current	454.74

The weighted average incremental borrowing rate for discounting lease payments for India: 9.83% p.a. to 11.75% p.a. (March 31, 2021: 9.83% p.a. to 11.75% p.a.) and for Brazil: 10.24% p.a. (March 31, 2021: 10.24% p.a.)

## NOTE 47 (A): STATUTORY GROUP INFORMATION (SHARE IN NET ASSETS)

	Net assets, i.e., total assets minus total liabilities (March 31, 2022)		Net assets, i.e., total assets minus total liabilities (March 31, 2021)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
<b>Parent</b>				
Sterlite Power Transmission Limited	43.94%	7,464.41	-29.65%	(3,251.44)
<b>Subsidiaries</b>				
- <b>Indian</b>				
Sterlite Convergence Limited	0.67%	114.61	0.79%	86.36
Sterlite EdIndia Foundation	0.02%	2.58	0.01%	1.47
Sterlite Grid 4 Limited <sup>^</sup>	-	-	23.42%	2,568.22
Sterlite Grid 5 Limited	-0.13%	(21.33)	0.01%	1.41
Sterlite Grid 6 Limited	0.00%	(0.17)	-0.01%	(0.73)
Sterlite Grid 7 Limited	0.00%	(0.15)	0.00%	(0.14)
Sterlite Grid 8 Limited	(0.00)	(0.18)	0.00%	(0.14)
Sterlite Grid 9 Limited	(0.00)	(0.17)	0.00%	(0.15)
Sterlite Grid 10 Limited	0.00%	(0.18)	0.00%	(0.14)
Sterlite Grid 11 Limited	0.00%	(0.18)	0.00%	(0.15)
Sterlite Grid 12 Limited	0.00%	(0.18)	0.00%	(0.17)
Sterlite Grid 14 Limited	-	-	0.00%	(0.34)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	Net assets, i.e., total assets minus total liabilities (March 31, 2022)		Net assets, i.e., total assets minus total liabilities (March 31, 2021)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Sterlite Grid 15 Limited	0.00%	0.37	0.00%	(0.17)
Sterlite Grid 16 Limited	0.00%	(0.01)	0.00%	0.02
Sterlite Grid 17 Limited	(0.00)	(0.01)	0.00%	(0.02)
Sterlite Grid 18 Limited	-	-	0.01%	0.60
Sterlite Grid 19 Limited	(0.00)	(0.00)	0.00%	(0.02)
Sterlite Grid 20 Limited	0.00%	0.00	0.00%	(0.02)
Sterlite Grid 21 Limited	0.00%	0.01	0.00%	(0.02)
Sterlite Grid 22 Limited	0.00%	0.00	0.00%	(0.02)
Sterlite Grid 23 Limited	0.00%	0.67	0.00%	0.38
Sterlite Grid 24 Limited	0.00%	0.34	0.00%	0.37
Sterlite Grid 25 Limited	0.00%	0.34	0.00%	0.37
Sterlite Grid 26 Limited	0.47%	79.58	0.00%	0.37
Sterlite Grid 27 Limited	0.00%	0.34	0.00%	0.36
Sterlite Grid 28 Limited	0.00%	(0.40)	0.01%	0.85
Sterlite Grid 29 Limited	0.00%	(0.62)	-0.02%	(1.95)
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0.00%	(0.16)	0.00%	(0.01)
One Grid Limited	0.00%	0.03	0.00%	0.10
Maharashtra Transmission Communication Infrastructure Limited	3.22%	547.85	-	-
Nangalbibra-Bongaigaon Transmission Limited**	-2.07%	(351.58)	-	-
Khargone Transmission Limited	22.35%	3,797.31	40.50%	4,440.90
Lakadia Vadodara Transmission Project Limited	-	-	10.30%	1,129.85
Goa-Tamnar Transmission Project Limited	-	-	3.86%	423.45
Udupi Kasargode Transmission Limited	-	-	2.94%	322.04
<b>- Foreign</b>				
Sterlite Brazil Participacoes S.A	-12.92%	(2,194.62)	9.50%	1,042.01
Se Vineyards Power Transmission S.A.	9.46%	1,607.45	11.81%	1,294.80
Vineyards Participacoes S.A.	-15.55%	(2,641.12)	-	-
Dunas Transmissão de Energia S.A*	-	-	2.98%	327.31
Borborema Transmissão de Energia S.A.	14.07%	2,389.96	3.12%	342.24
Borborema Participacoes S.A.	-39.25%	(6,668.37)	-	-
São Francisco Transmissão de Energia S.A.	3.27%	555.69	2.75%	301.79
Goyas Transmissão de Energia S.A.	30.93%	5,254.55	3.04%	333.40
Marituba Transmissão de Energia S.A.	22.56%	3,831.95	3.20%	351.26
Solaris Transmissão de Energia S.A.	17.47%	2,967.20	3.26%	357.63
<b>Associates</b>				
<b>- Indian</b>				
Sterlite Investment Managers Limited	-	-	0.43%	47.14
Sterlite Interlinks Limited	0.08%	12.85	0.11%	12.59
NER-II Transmission Limited*	-	-	7.61%	834.36
<b>Joint Venture</b>				
<b>- Indian</b>				
Sterlite Grid 13 Limited	-	-	-	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	Net assets, i.e., total assets minus total liabilities (March 31, 2022)		Net assets, i.e., total assets minus total liabilities (March 31, 2021)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Sterlite Grid 14 Limited	-	-	-	-
Sterlite Grid 18 Limited	-	-	-	-
Sterlite Grid 29 Limited	1.41%	238.94	-	-
<b>Total</b>	<b>100.00%</b>	<b>16,987.59</b>	<b>100.00%</b>	<b>10,966.05</b>

\* sold during the year

\*\* Company incorporated during the year

^ Company merged with Sterlite Power Transmission Limited w.e.f. 15 March 2022 (refer note 56)

## NOTE 47B: STATUTORY GROUP INFORMATION (SHARE IN PROFIT OR LOSS)

	Share in profit or loss (Period ended March 31, 2022)		Share in profit or loss (Period ended March 31, 2021)	
	As % of profit/loss for the period	(₹ in million)	As % of profit/loss for the period	(₹ in million)
<b>Parent</b>				
Sterlite Power Transmission Limited	89%	3,911.16	27%	2,327.56
<b>Subsidiaries</b>				
<b>- Indian</b>				
Sterlite Convergence Limited	0%	(21.92)	0%	(25.70)
Sterlite EdIndia Foundation	-1%	(30.43)	0%	(20.52)
Sterlite Grid 4 Limited <sup>^</sup>	93%	4,114.59	-	7,215.77
Sterlite Grid 5 Limited	0%	(2.76)	-	(5.50)
Sterlite Grid 6 Limited	0%	(0.83)	0%	(0.15)
Sterlite Grid 7 Limited	0%	(0.84)	0%	(0.16)
Sterlite Grid 8 Limited	0%	(0.84)	0%	(0.16)
Sterlite Grid 9 Limited	0%	(0.83)	0%	(0.16)
Sterlite Grid 10 Limited	0%	(0.83)	0%	(0.16)
Sterlite Grid 11 Limited	0%	(0.83)	0%	(0.15)
Sterlite Grid 12 Limited	0%	(1.42)	0%	(0.93)
Sterlite Grid 14 Limited	-	-	0%	(0.42)
Sterlite Grid 15 Limited	0%	(0.82)	0%	(0.75)
Sterlite Grid 16 Limited	0%	(0.03)	0%	(0.61)
Sterlite Grid 17 Limited	0%	(0.03)	0%	(0.61)
Sterlite Grid 18 Limited	-	-	0%	(0.30)
Sterlite Grid 19 Limited	0%	(0.63)	0%	(0.61)
Sterlite Grid 20 Limited	0%	(0.63)	0%	(0.73)
Sterlite Grid 21 Limited	0%	(0.63)	0%	(0.61)
Sterlite Grid 22 Limited	0%	(0.62)	0%	(0.61)
Sterlite Grid 23 Limited	0%	(0.03)	0%	(0.61)
Sterlite Grid 24 Limited	0%	(0.03)	0%	(1.21)
Sterlite Grid 25 Limited	0%	(0.03)	0%	(0.62)
Sterlite Grid 26 Limited	0%	(0.10)	0%	(1.21)
Sterlite Grid 27 Limited	0%	(0.63)	0%	(0.63)
Sterlite Grid 28 Limited	0%	(1.26)	0%	(0.73)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	Share in profit or loss (Period ended March 31, 2022)		Share in profit or loss (Period ended March 31, 2021)	
	As % of profit/ loss for the period	(₹ in million)	As % of profit/ loss for the period	(₹ in million)
Sterlite Grid 29 Limited	-	-	0%	(2.94)
Sterlite Grid 30 Limited (previously known as NRSS XXIX JS Transmission limited)	0%	(0.21)	0%	(0.14)
One Grid Limited	0%	(0.04)	-	-
Nangalbibra-Bongaigaon Transmission Limited**	0%	(3.72)	-	-
Gurgaon-Palwal Transmission Limited	-	-	0%	32.34
Khargone Transmission Limited	0%	0.28	1%	110.89
NER-II Transmission Limited	-	-	-1%	(82.30)
Lakadia Vadodara Transmission Project Limited	-	-	0%	(6.60)
Goa-Tamnar Transmission Project Limited	-	-	0%	(2.74)
Udupi Kasargode Transmission Limited	-	-	0%	(5.06)
<b>- Foreign</b>				
Sterlite Brazil Participacoes S.A	-4%	(169.76)	-8%	(718.62)
Se Vineyards Power Transmission S.A.	0%	(4.69)	0%	(16.69)
Vineyards Participacoes S.A.	-8%	(331.33)	-	-
Dunas Transmissão de Energia S.A*	0%	2.95	0%	12.69
Borborema Transmissão de Energia S.A.	-2%	(71.27)	0%	(35.12)
GBS Participacoes S.A. (Formerly known as Borborema Participacoes S.A.)	-4%	(164.11)	-	-
São Francisco Transmissão de Energia S.A.	0%	4.62	0%	(23.84)
Goyas Transmissão de Energia S.A.	-6%	(271.07)	0%	(16.61)
Marituba Transmissão de Energia S.A.	0%	(17.80)	0%	(14.79)
Solaris Transmissão de Energia S.A.	3%	144.42	0%	(24.11)
<b>Associates</b>				
<b>- Indian</b>				
Sterlite Investment Managers Limited	-	-	0%	10.22
Sterlite Interlinks Limited	0%	0.26	0%	1.69
<b>Joint Venture</b>				
<b>- Indian</b>				
Sterlite Grid 13 Limited	-32%	(1,424.93)	-	-
Sterlite Grid 14 Limited	-2%	(96.56)	-	-
Sterlite Grid 18 Limited	-19%	(847.88)	-	-
Sterlite Grid 29 Limited	-7%	(306.50)	-	-
<b>Total</b>	<b>100.00%</b>	<b>4,401.42</b>	<b>17.10%</b>	<b>8,697.74</b>

\* sold during the year

\*\* Company incorporated during the year

^ Company merged with Sterlite Power Transmission Limited w.e.f. 15 March 2022 (refer note 56)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## NOTE 48: STATUTORY GROUP INFORMATION (SHARE IN OTHER COMPREHENSIVE INCOME)

	Share in other comprehensive income (year ended March 31, 2022)		Share in other comprehensive income (year ended March 31, 2021)	
	As % of OCI for the year	(₹ in million)	As % of OCI for the year	(₹ in million)
<b>Parent</b>				
Sterlite Power Transmission Limited	80.07%	4,178.05	142.99%	2,175.42
<b>Foreign subsidiaries</b>				
Sterlite Brazil Participacoes S.A	19.93%	1,040.09	-42.99%	(654.05)
<b>Total</b>	<b>100.00%</b>	<b>5,218.15</b>	<b>100.00%</b>	<b>1,521.37</b>

## NOTE 49: IMPACT OF ACQUISITION OF MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED ('MTCIL')

The Group has acquired Maharashtra Transmission Communication Infrastructure Limited ('MTCIL') which is engaged in the business of making available fiber capacity on lease rental to retail, wholesale and enterprise /corporate customers, drawn from Optical Power Ground Wire (OPGW) network. The purchase consideration primarily pertains to the fair value of the telecommunication infrastructure assets. As the fair value of MTCIL is substantially concentrated in the property, plant and equipment, the management has considered acquisition of MTCIL as an asset acquisition. As the acquisition is considered as an Asset acquisition, consideration of ₹ 278.65 million paid over and above the book values of net assets as at date of acquisition of MTCIL has been adjusted to the cost of property, plant and equipment in the consolidated books of account.

### (a) Balance sheet of Maharashtra Transmission Communication Infrastructure Limited as on March 31, 2022

(₹ in million)

Particulars	31 March 2022
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	858.62
Capital work-in-progress	55.25
Other intangible assets	27.40
<b>Financial assets</b>	
i. Other financial assets	0.27
Income tax asset (net)	115.60
Other non-current assets	16.30
<b>Total non-current assets</b>	<b>1,073.44</b>
<b>Financial assets</b>	
i. Trade receivables	251.40
ii. Cash and cash equivalents	65.67
iii. Bank balances other than (ii) above	971.62
iv. Other financial assets	5.51
Other current assets	1.49
<b>Total current assets</b>	<b>1,295.69</b>
<b>TOTAL ASSETS</b>	<b>2,369.13</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY</b>	
Equity share capital	345.51

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)	
Particulars	31 March 2022
Other equity	
i. Securities premium	6.67
ii. Retained earnings	-170.37
ii. Other reserves	51.00
<b>Total equity</b>	<b>232.81</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
i. Borrowings	88.05
ii. Lease liabilities	6.91
iii. Other financial liabilities	8.83
Employee benefit obligations	2.06
Other non-current liabilities	1,865.52
<b>Total non-current liabilities</b>	<b>1,971.37</b>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
i. Short term borrowings	0.92
ii. Lease liabilities	0.07
iii. Trade payables	0.34
iv. Other financial liabilities	81.75
Employee benefit obligations	0.40
Current tax liability (net of advance tax and TDS)	81.48
<b>Total current liabilities</b>	<b>164.95</b>
<b>TOTAL LIABILITIES</b>	<b>2,369.13</b>

## NOTE 50: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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, 2022.

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, 2022 and March 31, 2021.

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of loans and borrowings affected. With all the other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in million)	
	Increase/ decrease in basis points	Effect on profit before tax / pre- tax equity *
<b>31 March 2022</b>		
Base Rate	+50	6.67
Base Rate	-50	(6.67)
<b>31 March 2021</b>		
Base Rate	+50	(193.37)
Base Rate	-50	(193.37)

\*Part of the interest costs pertaining to under construction projects get capitalised. The figures for sensitivity in the above table are before considering the capitalisation of interest costs.

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in a foreign currency) and foreign currency borrowings.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

## 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, 2022, 2.62 % of the Group's borrowings are at a fixed rate of interest (March 31, 2021: 11.90%).

Further, the Group does not record borrowings at fair value through profit and loss.

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 99.99% as at March 31, 2022 and 94.36% as at March 31, 2021.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 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
<b>31 March 2022*</b>	+5%	(0.48) / (0.36)	+5%	(0.01) / (0.01)
	-5%	0.48 / 0.36	-5%	0.01 / 0.01
<b>31 March 2021*</b>	+5%	(11.16) / (8.35)	+5%	(0.29) / (0.22)
	-5%	11.16 / 8.35	-5%	0.29 / 0.22

\*Does not include sensitivity with respect to interest on borrowings associated with assets classified as held for sale. Refer note 10.

## Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of aluminium and copper for manufacture of conductor and OPGW, power cables and therefore require a continuous supply of aluminium and copper. Due to the volatility of the price of aluminium and copper, the group enters into various purchase contracts for aluminium and copper on London Metal Exchange. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on a 1 month forecast of the required copper, and aluminium supply, the group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

During the previous year, as referred in note 10, the Company entered into an agreement to sell 87.54 million units of India Grid Trust at an agreed amount hence these units were not considered for sensitivity analysis. Further, the Company continued to hold 0.10 million units in the India Grid Trust which were carried at cost. In the previous year, the Company has sold 85.51 million units of India Grid Trust and the balance have been included for sensitivity analysis in the previous financial year ended March 31, 2021.

(₹ in million)				
Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value	
			31 March 2022	31 March 2021
Investment at fair value of India Grid Trust	March 31, 2022: Not applicable	+0.50%	-	1.43
	March 31, 2021: ₹ 140.24 per unit	-0.50%	-	(1.43)

## Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.

## Equity price risk

The Group's investment in equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions

At the reporting date, the exposure to non-listed equity shares at fair value was ₹ 112.45 million (March 31, 2021: ₹ 398.60 million). Refer note 52.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## 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.

## 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, 2022 and March 31, 2021 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 41 and note 43 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

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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
<b>As at March 31, 2022*</b>						
Borrowings	1,852.76	450.47	3,635.02	271.21	15,629.07	21,838.52
Other financial liabilities	-	362.47	1,852.93	176.13	-	2,391.54
Trade payables	-	16,688.23	-	-	-	16,688.23
Payables for Property, plant and equipment	-	81.93	392.41	-	-	474.34
Derivatives	-	7.46	-	-	-	7.46
Lease liability	-	39.90	84.72	454.74	-	579.36
	<b>1,852.76</b>	<b>17,630.47</b>	<b>5,965.07</b>	<b>902.08</b>	<b>15,629.07</b>	<b>41,979.45</b>
<b>As at March 31, 2021*</b>						
Borrowings	2,799.34	2,829.64	2,875.67	8,675.84	10,580.44	27,760.92
Other financial liabilities	-	2,088.42	575.69	-	-	2,664.11
Trade payables	-	-	6,234.40	-	-	6,234.40
Payables for Property, plant and equipment	-	-	7,618.73	93.84	-	7,712.57
Derivatives	-	115.63	-	-	-	115.63
Lease liability	-	14.61	17.98	20.46	-	53.05
	<b>2,799.34</b>	<b>5,048.30</b>	<b>17,322.46</b>	<b>8,790.14</b>	<b>10,580.44</b>	<b>44,540.69</b>

\*does not include liabilities classified as held for sale.

## NOTE 51: 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, 2022	As at March 31, 2021
Interest bearing loans and borrowings	21,486.70	27,760.93
Lease liabilities	579.36	53.05
Trade payables	16,688.24	6,234.40
Other financial liabilities	3,120.66	10,492.32
Less: cash and short-term deposits and current investments	(13,500.53)	(9,761.69)
<b>Net debt (A) *</b>	<b>28,374.42</b>	<b>34,779.01</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2022	As at March 31, 2021
Equity share capital	122.36	122.36
Other equity	33,771.30	10,843.68
<b>Total capital (B)</b>	<b>33,893.65</b>	<b>10,966.05</b>
<b>Capital and net debt [C = (A+B)]</b>	<b>62,268.08</b>	<b>45,745.05</b>
<b>Gearing ratio</b>	<b>45.57%</b>	<b>76.03%</b>

\* Does not include amounts associated with disposal groups classified as held for sale (Refer note 10).

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

## NOTE 52: 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:

Particulars	(₹ in million)			
	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Financial assets</b>				
Investment in Joint Ventures and associates	350.92	59.73	350.92	59.73
Investment in units	-	286.15	-	286.15
Investment others	112.45	112.45	112.45	112.45
Investment in mutual funds	-	9.07	-	9.07
Derivative instruments	522.69	1,173.86	522.69	1,173.86
<b>Total</b>	<b>635.14</b>	<b>1,581.53</b>	<b>635.14</b>	<b>1,581.53</b>
<b>Financial liabilities</b>				
Derivative instruments	7.46	115.63	7.46	115.63
<b>Total</b>	<b>7.46</b>	<b>115.63</b>	<b>7.46</b>	<b>115.63</b>

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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

- 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, 2022 and March 31, 2021 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

(₹ in million)

Sr. No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value of equity shares	
				31 March 2022	31 March 2021
(i)	Long-term growth rate for cash flows for subsequent years	March 31, 2022: 3%	2% increase	10.99	11.36
		March 31, 2021: 3%	2% decrease	(9.08)	(9.33)
(ii)	WACC (pre-tax)	March 31, 2022: 23.40%	1% increase	(9.17)	(11.02)
		March 31, 2021: 23.40%	1% decrease	10.21	12.36
(iii)	Discount for lack of marketability	March 31, 2022: 10%	5% increase	(6.27)	(6.99)
		March 31, 2022: 10%	5% decrease	6.27	6.99

### B. FVTOCI assets - unquoted equity shares in compulsorily convertible debentures of joint ventures

The fair value of the investments in compulsorily convertible debentures of joint ventures have been determined based on the fair values of the various Indian transmission projects owned by the Company. Such fair values have been computed based on discounted cash flow (DCF) method during the year ended March 31, 2022 and March 31, 2021.

(₹ in million)

Sr. No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value	
				31 March 2022	31 March 2021
(i)	Cost of equity	(i) New/under construction project -			
		March 31, 2022 - 13.50%- 15.00%	0.5% increase	(2.73)	-
		March 31, 2021 - 14.75%	0.5% decrease	2.96	
(ii)	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 expected to be approved by CERC in respect of cost overruns due to force majeure/change in law (as % of non-escalable tariff)	Increase by 5% (of non-escalable tariff)	14.42	-
			Decrease by 5% (of non-escalable tariff)	(14.57)	-
(iii)	Project cost (for under construction assets)	Project cost (for under construction assets)	5% increase	(0.19)	-
			5% decrease	0.19	-

## NOTE 53: 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, 2022 and March 31, 2021

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets/(liabilities) measured at fair value through profit and loss</b>				
<b>Mutual fund investments</b>				
As at 31 March 2022	-	-	-	-
As at 31 March 2021	9.07	9.07	-	-
<b>Investment in units</b>				
As at 31 March 2022	-	-	-	-
As at 31 March 2021	286.15	286.15	-	-
<b>Assets/(liabilities) measured at fair value through other comprehensive income</b>				
<b>Investment in equity instruments</b>				
As at 31 March 2022	112.45	-	-	112.45
As at 31 March 2021	112.45	-	-	112.45
<b>Derivative assets</b>				
As at 31 March 2022	515.23	-	515.23	-
As at 31 March 2021	1,058.23	-	1,058.23	-
<b>Investment in compulsorily convertible debentures</b>				
As at 31 March 2022	99.13	-	-	99.13
As at 31 March 2021	-	-	-	-

## NOTE 54: SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

- Power product and solutions segment, which produces power conductors, power cables and optical power ground wire and also construction and master system integration of power transmission lines.
- Power transmission grid business, which develops power transmission infrastructure on build, owns, operate and maintain basis in India and executes service concession arrangement of power transmission infrastructure in Brazil.
- Others includes leasing of dark fibre ducts and other miscellaneous activities.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Group's special purpose 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, 2022					Total
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	
<b>Segment revenue (Gross)</b>						
External customer	37,459.62	14,482.45	32.76	-	-	51,974.83
Inter-segment	514.51	-	-	-	(514.51)	-
<b>Total Revenue</b>	<b>37,974.13</b>	<b>14,482.45</b>	<b>32.76</b>	<b>-</b>	<b>(514.51)</b>	<b>51,974.83</b>
<b>Segment results (PBIT)<sup>#</sup></b>	<b>3,264.65</b>	<b>7,349.26</b>	<b>3.57</b>	<b>(117.00)</b>	<b>(558.35)</b>	<b>9,942.13</b>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

Particulars	March 31, 2022					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Less: Finance cost (net)	269.58	3,085.88	17.95	-	(1.26)	3,372.16
<b>Profit/(loss) before tax</b>	<b>2,995.07</b>	<b>4,263.36</b>	<b>(14.38)</b>	<b>(117.00)</b>	<b>(557.10)</b>	<b>6,569.97</b>
Less: Tax expense	556.51	1,208.17	-	(145.07)	548.95	2,168.55
<b>Profit/(loss) for the year</b>	<b>2,438.56</b>	<b>3,055.19</b>	<b>(14.38)</b>	<b>28.07</b>	<b>(1,106.05)</b>	<b>4,401.42</b>
Segment assets	41,299.18	57,198.23	2,692.17	-	(9,874.32)	91,315.26
Common assets <sup>§</sup>	-	-	-	175.77	-	175.77
<b>Total assets</b>	<b>41,299.18</b>	<b>57,198.23</b>	<b>2,692.17</b>	<b>175.77</b>	<b>(9,874.32)</b>	<b>91,491.04</b>
Segment liabilities	27,957.92	50,711.43	2,488.37	-	(7,550.08)	73,607.64
Common liabilities	-	-	-	895.86	-	895.86
<b>Total liabilities</b>	<b>27,957.92</b>	<b>50,711.43</b>	<b>2,488.37</b>	<b>895.86</b>	<b>(7,550.08)</b>	<b>74,503.50</b>
Investments in associates and joint venture	12.85	238.94	-	-	-	251.78
Investments in non-convertible debentures of joint ventures	-	5,744.40	-	-	-	5,744.40
Investments in compulsorily-convertible debentures of joint ventures	-	99.13	-	-	-	99.13
Additions to non-current assets*	809.50	5,517.80	1,181.59	-	-	7,508.89
Depreciation and amortization	390.66	400.13	12.76	-	-	803.56

\*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, concession contract assets and intangible assets.

# includes net gain on sale of power transmission assets

§ Common assets and liabilities mainly includes tax assets and liabilities.

Particulars	March 31, 2021					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
<b>Segment revenue (Gross)</b>						
External customer	16,985.59	3,918.86	19.45	-	-	20,923.90
Inter-segment	12,352.91	-	-	-	(12,352.91)	-
<b>Total Revenue</b>	<b>29,338.51</b>	<b>3,918.86</b>	<b>19.45</b>	<b>-</b>	<b>(12,352.91)</b>	<b>20,923.90</b>
<b>Segment results (PBIT)#</b>	<b>5,478.45</b>	<b>17,262.67</b>	<b>(13.85)</b>	<b>-</b>	<b>(5,777.50)</b>	<b>16,949.77</b>
Less: Finance cost (net)	2,886.25	2,476.44	12.49	-	(18.50)	5,356.68
<b>Profit / (Loss) before tax</b>	<b>2,592.20</b>	<b>14,786.24</b>	<b>(26.34)</b>	<b>-</b>	<b>(5,796.00)</b>	<b>11,593.08</b>
	9%	377%				
Less: Tax expense	296.78	1,942.30	0.72	-	655.53	2,895.33
<b>Profit / (Loss) for the year</b>	<b>2,295.42</b>	<b>12,843.94</b>	<b>(27.06)</b>	<b>-</b>	<b>(6,451.53)</b>	<b>8,697.75</b>
Segment assets	48,254.97	51,866.34	380.37	-	(34,268.47)	66,233.20
Common assets <sup>§</sup>	-	-	-	1,313.74	-	1,313.74
<b>Total assets</b>	<b>48,254.97</b>	<b>51,866.34</b>	<b>380.37</b>	<b>1,313.74</b>	<b>(34,268.47)</b>	<b>67,546.94</b>
Segment liabilities	41,118.01	48,290.11	405.99	-	(34,258.20)	55,555.90
Common liabilities	-	-	-	1,024.99	-	1,024.99
<b>Total liabilities</b>	<b>41,118.01</b>	<b>48,290.11</b>	<b>405.99</b>	<b>1,024.99</b>	<b>(34,258.20)</b>	<b>56,580.89</b>
Investments in associates and joint venture	59.73	-	-	-	-	59.73
Investments in non-convertible debentures of joint ventures	-	1,007.88	-	-	-	1,007.88
Additions to non-current assets*	31.90	26,542.76	46.25	-	-	26,620.91
Depreciation and Amortization	425.71	551.49	10.95	-	-	988.15
Impairment of property, plant and equipment (including capital work in progress)	-	-	-	-	-	-

\*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

# includes net gain on sale of power transmission assets

§ Common assets and liabilities mainly includes tax assets and liabilities.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## Geographical Information

The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	(₹ in million)	
	31 March 2022	31 March 2021
<b>(1) Segment revenue - external turnover</b>		
- Within India	28,019.10	11,971.72
- Outside India	23,955.73	8,952.19
<b>Total</b>	<b>51,974.83</b>	<b>20,923.91</b>
<b>(2) Non-current assets*</b>		
- Within India	4,472.15	24,503.89
- Outside India	67.29	1,755.65
<b>Total</b>	<b>4,539.44</b>	<b>26,259.54</b>

\*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, right of use asset and intangible assets. It excludes assets held for sale. Refer note 10.. Refer note 10

## Information about major customers

For Power transmission grid segment, under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collection of usage charges from Inter-State Transmission Services (ISTS) users. The amount of revenue of ₹ 1,345.68 million (31 March 2021: ₹ 2,076.60 million) from power transmission projects in India is receivable from PGCIL.

Also in the power transmission and grid business, the Group executes engineering, procurement and construction (EPC) contracts for the subsidiaries of joint venture entities. During the current year, revenue from such EPC contracts includes revenue from Lakadia Vadodara Transmission Project Limited amounting to ₹ 9,186.81 million (March 31, 2021: ₹ Nil million).

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 in India. Hence trade receivables of ₹ 343.48 million pertaining to transmission charges is receivable from PGCIL.

## NOTE 55: 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

Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (till January 14, 2022)

Sterlite Interlinks Limited

NER-II Transmission Limited (from March 25, 2021 to June 29, 2021)

##### (ii) Joint ventures

Sterlite Grid 13 Limited (from March 31, 2021)

Sterlite Grid 14 Limited (from April 06, 2021)

Sterlite Grid 18 Limited (from April 06, 2021)

Sterlite Grid 29 Limited (from April 06, 2021)

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(iii) **Subsidiaries of joint ventures**

Mumbai Urja Marg Limited (formorely known as Vapi II North Lakhimpur Transmission Limited) (from March 31, 2021)

Udupi Kasargode Transmission Limited (from April 06, 2021)

Lakadia Vadodara Transmission Project Limited (from April 06, 2021)

Goa-Tannar Transmission Project Limited (from April 06, 2021)

(iv) **Key management personnel (KMP)**

Mr. Pratik Agarwal (Managing Director)

Mr. Anuraag Srivastava (Chief Financial Officer) (till 30 September 2021)

Mr. Sanjeev Bhatia (Chief Financial Officer) (from 01 October 2021)

Mr. Manish Agrawal (Whole time Director) (from 17 December 2021)

(v) **Fellow subsidiaries**

Vedanta Limited

Bharat Aluminium Company Limited

Fujairah Gold FZE

Hindustan Zinc Limited

Sterlite Technologies Limited

Sterlite Power Technologies Private Limited

Maharashtra Transmission Communication Infrastructure Limited (till March 30, 2022)

ESL Steels Limited (formerly know as Electro steel Steels Limited)

(c) **Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**

(i) **Key management personnel (KMP)**

Mr. Arun Todarwal (Director) (till July 24, 2021)

Ms. Avaantika Kakkar (Director) (till February 01, 2021)

Mr. Anoop Sheth (Director) (from July 31, 2020)

Ms. Zhao Haixia (Director) (till March 31, 2022)

Mr. A.R. Narayanswamy (Director)

Mr. Ashok Ganesan (Company secretary)

(ii) **Entities in which directors are interested**

PTC Cables Private Limited (till July 24, 2021)

Talwandi Sabo Power Limited

Universal Floritech LLP

(iii) **Relatives of key management personnel (KMP)**

Mr. Navin Kumar Agarwal

Mr. Suman Didwania

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

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

S. Particulars No.	Holding Company		Associates and joint ventures/subsidiaries of associates and joint ventures		KMP/ Relative of KMP		Entities in which directors are interested		Fellow subsidiaries	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1										
Purchase of goods (net of taxes)	-	-	-	-	-	-	-	-	13,354.00	5,711.24
2										
Sale of services	-	-	25.13	17.79	-	-	-	-	-	-
3										
Sale of goods (net of taxes)	-	-	-	-	-	-	-	-	35.36	8.39
4										
Interest income	-	-	562.97	-	-	-	-	-	7.81	19.23
5										
Loans and advances given	-	-	-	70.12	-	-	-	-	35.00	-
6										
Loans and advances given to related party repaid	-	-	27.00	70.12	-	-	-	-	310.44	-
7										
Reimbursement of expenses paid to related parties	-	-	-	-	-	-	-	-	15.50	-
8										
Reimbursement of expense paid on behalf of related parties	-	-	52.99	-	-	-	-	-	5.13	-
9										
Reimbursement of expenses recovered from related parties	-	-	-	-	-	-	-	-	0.68	2.73
10										
Purchase of power	-	-	-	-	-	-	-	-	31.33	26.12
11										
Remuneration	-	-	-	-	149.96	89.06	-	-	-	-
12										
Sitting fees	-	-	-	-	10.63	14.65	-	-	-	-
13										
Commission	-	-	-	-	3.54	6.49	-	-	-	-
14										
Management fees income (excluding GST)	-	-	0.73	5.13	-	-	-	-	24.99	9.95
15										
Loan taken from related party repaid	-	-	-	6,200.00	-	-	-	-	-	-
16										
Interest expenses	-	-	-	354.33	-	-	44.90	130.18	125.32	136.90
17										
Services availed	-	-	-	-	-	-	-	1.30	1.00	-
18										
Security deposits taken	-	-	-	4.00	-	-	-	-	-	-
19										
Security deposits repaid	-	-	54.00	20.00	-	-	-	-	-	-
20										
Revenue from EPC contract with customer	-	-	19,945.09	-	-	-	-	-	-	-
21										
Advance received against contracts (excluding tax)	-	-	405.92	-	-	-	-	-	-	-
22										
Subscription/acquisition of equity shares including pending allotment	-	-	1,007.90	-	-	-	-	-	-	-
23										
Investment in non-convertible debentures (NCD's)	-	-	2,452.99	-	-	-	-	-	-	-
24										
Investment in compulsory-convertible debentures (CCD's)	-	-	99.13	-	-	-	-	-	-	-
25										
Dividend paid	231.45	-	-	-	8.01	-	-	-	5.05	-
26										
Purchase consideration paid/payable	-	-	-	-	-	-	-	-	430.00	-
27										
Bank guarantee given	-	-	800.00	-	-	-	-	-	-	-
28										
Miscellaneous income	-	-	3.71	-	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

	March 31, 2022	March 31, 2021								
<b>Outstanding balances</b>										
1 Loans/advance receivables	-	-	-	-	-	-	-	-	35.52	302.53
2 Short term borrowings (including interest payable)	-	-	-	-	-	-	-	1,722.96	-	-
3 Management fee receivable	-	-	-	4.91	-	-	-	-	-	-
4 Trade receivables	-	-	6,663.17	17.11	-	-	-	-	5.13	-
5 Trade payables (including operational supplier's credit)	-	-	-	-	0.21	-	-	-	3,402.39	2,161.31
6 Others receivables	-	-	52.99	-	-	-	-	-	34.17	37.83
7 Advance Recoverable in Cash from Related party	-	-	28.40	-	-	-	-	-	-	-
8 Security deposits received	-	-	-	54.00	-	-	-	-	-	-
9 Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	188.60	188.60
10 Advance from customers	-	-	4,763.00	4,463.02	-	-	-	-	-	-
11 Investment in non-convertible debentures (NCD)	-	-	5,744.40	1,007.88	-	-	-	-	-	-
12 Investment in compulsory-convertible debentures (CCD's)	-	-	99.13	-	-	-	-	-	-	-
13 Purchase Consideration payable	-	-	-	-	-	-	-	-	230.00	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

## (C) Disclosure in respect of material related party transactions during the year:

(₹ in million)

Particulars	Relationship	31 March 2022	31 March 2021
<b>1 Purchase of goods (net of taxes)</b>			
Vedanta Limited	Fellow subsidiary	10,647.67	4,792.49
Bharat Aluminium Company Limited	Fellow subsidiary	2,195.46	507.80
ESL Steel Limited	Fellow subsidiary	405.88	243.18
Sterlite Technologies Limited	Fellow subsidiary	104.79	161.66
Hindustan Zinc Limited	Fellow subsidiary	0.20	6.11
<b>2 Sale of services</b>			
Sterlite Interlinks Limited	Associate	25.13	17.79
<b>3 Sale of goods (net of taxes)</b>			
Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	35.36	8.39
<b>4 Interest income</b>			
Sterlite Power Technologies Private Limited	Fellow subsidiary	1.52	11.73
Sterlite Technologies Limited	Fellow subsidiary	6.29	7.50
Sterlite Grid 13 Limited	Subsidiary of joint venture	135.56	-
Sterlite Grid 14 Limited	Subsidiary of joint venture	45.73	-
Sterlite Grid 18 Limited	Subsidiary of joint venture	241.81	-
Sterlite Grid 29 Limited	Subsidiary of joint venture	139.87	-
<b>5 Loans and advances given</b>			
Sterlite Interlinks Limited	Associate	-	70.12
Sterlite Power Technologies Private Limited	Fellow subsidiary	35.00	-
<b>6 Loans and advances given to related party repaid</b>			
Sterlite Interlinks Limited	Associate	-	70.12
Sterlite Grid 14 Limited	Subsidiary of joint venture	27.00	-
Sterlite Technologies Limited	Fellow subsidiary	101.50	-
Sterlite Power Technologies Private Limited	Fellow subsidiary	208.94	-
<b>7 Reimbursement of expenses paid to related parties</b>			
Sterlite Technologies Limited	Fellow subsidiary	15.50	-
<b>8 Reimbursement of expense paid on behalf of related parties</b>			
Lakadia Vadodara Transmission Project Limited	Subsidiary of joint venture	33.36	-
Mumbai Urja Marg Limited	Subsidiary of joint venture	7.74	-
Goa-Tammar Transmission Project Limited	Subsidiary of joint venture	11.89	-
Vedanta Limited	Fellow subsidiary	5.13	-
<b>9 Reimbursement of expenses recovered from related parties</b>			
Sterlite Power Technologies Private Limited	Fellow subsidiary	0.68	2.73
<b>10 Purchase of power</b>			
Vedanta Limited	Fellow subsidiary	31.33	26.12
<b>11 Remuneration</b>			
Mr. Anuraag Srivastava	KMP	24.28	30.17
Mr. Pratik Agarwal	KMP	101.50	49.99
Mr. Ashok Ganesan	KMP	11.81	8.90
Mr. Sanjeev Bhatia	KMP	6.39	-
Mr. Manish Agrawal	KMP	5.98	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Relationship	31 March 2022	31 March 2021
<b>12 Sitting fees</b>			
Mr. Arun Todarwal	Director	1.40	4.55
Mr. Lalit Tondon	Director	-	-
Mr. A. R. Narayanswamy	Director	3.70	5.00
Ms. Haixia Zhao	Director	2.63	3.40
Mr. Anoop Sheth	Director	2.90	1.70
<b>13 Commission</b>			
Ms. Haixia Zhao <sup>^</sup>	Director	3.42	5.86
Mr. A.R Narayanaswamy	Director	0.12	-
Mr. Anoop Sheth <sup>^</sup>	Director	-	0.63
<b>14 Management fees income (excluding GST)</b>			
IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Associate	0.73	5.13
Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	24.99	9.95
<b>15 Loan repaid</b>			
Sterlite Interlinks Limited	Associate	-	6,200.00
<b>16 Interest expenses</b>			
PTC Cables Private Limited	Entity in which director is interested	44.90	130.18
Vedanta Limited	Fellow subsidiary	104.10	120.16
Bharat Aluminium Company Limited	Fellow subsidiary	21.22	16.74
Sterlite Interlinks Limited	Associate	-	354.33
<b>17 Services availed</b>			
Cyril Amarchand Mangaldas	Entity in which director is interested	-	0.45
Sterlite Technologies Limited	Fellow subsidiary	1.00	-
Talwandi Sabo Power Limited	Entity in which director is interested	-	0.85
<b>18 Security deposits taken</b>			
Sterlite Interlinks Limited	Associate	-	4.00
<b>19 Security deposits repaid</b>			
Sterlite Interlinks Limited	Associate	54.00	20.00
<b>20 Revenue from EPC contract with customer #</b>			
Udupi Kasargode Transmission Limited	Subsidiary of joint venture	2,394.31	-
Mumbai Urja Marg Liimited	Subsidiary of joint venture	6,359.68	-
Goa-Tammar Transmission Project Limited	Subsidiary of joint venture	2,004.29	-
Lakadia Vadodara Transmission Project Limited	Subsidiary of joint venture	9,186.81	-
<b>21 Advance received against contracts (excluding tax)</b>			
Udupi Kasargode Transmission Limited	Subsidiary of joint venture	405.92	-
<b>22 Subscription/acquisition of equity shares including pending allotment</b>			
Sterlite Grid 14 Limited	Joint venture	0.10	-
Sterlite Grid 18 Limited	Joint venture	618.11	-
Sterlite Grid 29 Limited	Joint venture	389.69	-
<b>23 Investment in non-convertible debentures (NCD's)</b>			
Sterlite Grid 13 Limited	Joint venture	507.87	-
Sterlite Grid 14 Limited	Joint venture	228.72	-
Sterlite Grid 18 Limited	Joint venture	964.36	-
Sterlite Grid 29 Limited	Joint venture	752.05	-

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Relationship	31 March 2022	31 March 2021
<b>24 Investment in compulsory-convertible debentures (CCD's)</b>			
Sterlite Grid 18 Limited	Joint venture	50.50	-
Sterlite Grid 29 Limited	Joint venture	48.63	-
<b>25 Dividend paid</b>			
Twin Star Overseas Limited	Immediate Holding Company	231.45	-
Vedanta Limited	Fellow Subsidiary	5.05	-
Mr. Pravin Agarwal	Chairman	4.43	-
Mr. Navin Kumar Agarwal	Relative of KMP	0.30	-
Mrs. Suman Didwania	Relative of KMP	0.09	-
Mr. Pratik Agarwal	Managing Director	3.18	-
<b>26 Purchase consideration paid/payable</b>			
Sterlite Technologies Limited	Fellow subsidiary	430.00	-
<b>27 Bank guarantee given</b>			
Mumbai Urja Marg Limited	Subsidiary of joint venture	800.00	-
<b>28 Miscellaneous income</b>			
Sterlite Grid 14 Limited	Joint venture	3.07	-
Sterlite Grid 29 Limited	Joint venture	0.64	-

# Sales disclosed above are based on actual billings made to subsidiaries of joint ventures in respect of EPC contracts. However, the Company recognises revenue based on percentage of completion method.

## (D) Compensation of Key management personnel of the Group:

(₹ in million)

	31 March 2022	31 March 2021
Short term employee benefits *	149.96	89.06
Post employment benefits*	-	-
<b>Total</b>	<b>149.96</b>	<b>89.06</b>

\* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel are not included above.

## NOTE 56: OTHER NOTES

- (a) The board of directors of the Company in its meeting held on May 10, 2021 declared an interim dividend of ₹ 5.75 (March 31, 2021: ₹ Nil per share) per share.
- (b) The Group has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital') dated December 28, 2020 ('the Framework Agreement') for investment in the subsidiaries of the Group which are engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India wherein the Group and AMP Capital (together referred as investors) each will own 50% of the equity capital of such entities. Both the investors would invest in equal proportions in the projects being developed in the form of equity capital, NCDs and other convertible instruments. The returns on sale of the projects post completion would be shared between the two investors in a graded manner in accordance with the Framework Agreement. There is no guaranteed minimum return to AMP Capital under the Framework Agreement.

Pursuant to the Framework Agreement as above and the Share purchase and Shareholders' agreements dated December 28, 2020 and restated framework agreement dated March 30, 2021 executed among the Company, AMP Capital, Sterlite Grid 13 Limited ('SGL 13') and Mumbai Urja Marg Limited (formerly known as Vapi II North Lakhimpur Transmission Limited), AMP Capital invested ₹ 3.10 million which is equivalent to 50% of the paid up equity share capital of SGL 13 on March 31, 2021 and it has also acquired from the Company, 50% of the NCDs issued by SGL 13 to the Company for a consideration of ₹ 1,074.01 million. SGL 13 was a wholly owned subsidiary of the Company before the above transaction and it is the holding company of Vapi-II North Lakhimpur Transmission Limited which is the project SPV

# Notes to Consolidated Financial Statements

For the year ended March 31, 2022

(All amounts in ₹ million unless otherwise stated)

developing the transmission project in the states of North east, Maharashtra and Gujarat. Accordingly, based on the inter-se rights available to the Group and AMP Capital under the aforesaid agreements and the equal equity shareholdings of both the investors, SGL 13 has become joint venture for the Group with effect from March 31, 2021.

Pursuant to the Framework Agreement and the respective Share purchase and Shareholders' agreements dated December 28, 2020 executed among the Company, AMP Capital, SGL 14/SGL 18/SGL 5/SGL 29 and their respective project SPVs viz. Udupi Kasargode Transmission Limited / Lakadia-Vadodara Transmission Project Limited / Goa Tamnar Transmission Project Limited, on April 6, 2021, AMP Capital subscribed 50% of the paid up equity share capital of Sterlite Grid 14 Limited ('SGL 14'), Sterlite Grid 18 Limited ('SGL 18') and Sterlite Grid 29 Limited ('SGL 29'). AMP Capital also acquired NCDs of ₹ 285.53 million of SGL 14, ₹ 1,046.13 million of SGL 18 and ₹ 561.90 million of SGL 29 from the Company for considerations of ₹ 313.84 million, ₹ 1,093.37 million and ₹ 658.95 million respectively. Accordingly, based on the inter-se rights available to the Group and AMP Capital under the aforesaid agreements and the equal equity shareholdings of both the investors, SGL 14/SGL 18/SGL 29 have become joint ventures for the Group with effect from April 6, 2021.

- (c) The Board of Directors of the Sterlite Power Transmission Limited ('SPTL') in its meeting held on March 22, 2021 approved a Scheme of amalgamation of Sterlite Grid 4 Limited ('SGL 4'), a wholly owned subsidiary of the SPTL under the Companies Act, 2013 with the appointed date of April 1, 2020. After obtaining requisite approvals SPTL has filed the Scheme with National Company Law Tribunal ('NCLT'). NCLT has sanctioned the scheme vide its order dated February 17, 2022. SPTL has received certified copy of the order on February 28, 2022 which is filed with Registrar of Companies on March 14, 2022 ('Effective date').

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

Sd/-  
**per Paul Alvares**  
Partner  
Membership Number: 105754  
Place: Mumbai  
Date: May 27, 2022

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

Sd/-  
**Pravin Agarwal**  
Chairman  
DIN: 00022096  
Place: Pune  
Date: May 27, 2022

Sd/-  
**Pratik Agarwal**  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer  
Place: Mumbai  
Date: May 27, 2022

Sd/-  
**Ashok Ganesan**  
Company Secretary  
Place: Mumbai  
Date: May 27, 2022

# Definitions and Abbreviations

Term	Description
“our Company” or “the Company”	Sterlite Power Transmission Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 4th Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001, Maharashtra, India and its corporate office at 9 th Floor, Block B DLF Cyber Park, Udyog Vihar, Okhla Industrial Estate Phase 3 Rd, Sector 20, Gurugram, Haryana 122008
“we”, “us”, “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries. Where the context indicates, refers to the Associates, Investee HoldCos and Investee SPVs as well
AMP Capital	AMP Capital Infrastructure Investment No.2 S.A.R.L
AMP Framework Agreement	Restated framework agreement dated March 30, 2021 entered into between our Company and AMP Capital
AMP Investment Agreements	Four investment agreements dated December 28, 2020, as amended on March 30, 2021, entered into between (i) our Company, AMP Capital, SGL13 and VNLTL; (ii) our Company, AMP Capital, SGL14 and UKTL; (iii) our Company, AMP Capital, SGL18 and LVTPPL; and (iv) our Company, AMP Capital, SGL5, SGL29 and GTTPL
Articles of Association or AoA	Articles of association of our Company, as amended
Associates	Associates as consolidated in restated consolidated summary statements as per the relevant Ind AS 28 in the relevant reporting period
Audit Committee	Audit committee of our Board, as described in the section entitled “Our Management - Committees of the Board”
Auditors or Statutory Auditors	S R B C & CO LLP, Chartered Accountants, the statutory auditors of our Company
BDTCL	Bhopal Dhule Transmission Company Limited
Board or Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Group Chief Financial Officer or Group CFO	Chief Financial officer of our Company, Sanjeev Bhatia
Company Secretary	Company secretary of our Company, Ashok Ganesan
Corporate Promoter	Twin Star Overseas Limited
Demerger Scheme	Scheme of arrangement entered into between our Company and STL and their respective shareholders and creditors which was approved and sanctioned by the High Court of Bombay by way of its order dated April 22, 2016
Director(s)	Directors on our Board
ENICL	East-North Interconnection Company Limited
GPTL	Gurgaon Palwal Transmission Limited
Group Companies	The group companies of our Company identified in terms of Regulation 2(1)(t) of the SEBI ICDR Regulations, including companies (other than the Corporate Promoter and the Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Summary Statements as covered under the applicable accounting standards, and any other companies as considered material by the Board, in accordance with the resolution dated August 7, 2021 passed by the Board, as described in the section entitled “Our Group Companies”
GTTPL	Goa-Tamnar Transmission Project Limited
IGL	IndiGrid Limited (formerly, Sterlite Grid 1 Limited)
KTL	Khargone Transmission Limited
LVTPPL	Lakadia-Vadodara Transmission Project Limited
NER	NER II Transmission Limited
SPGVL	Sterlite Power Grid Ventures Limited
STL	Sterlite Technologies Limited
UKTL	Udupi Kasargode Transmission Limited
MUML	Mumbai Urja Marg Limited (Erstwhile Vapi II - North Lakhimpur Transmission Limited)

## Technical/Industry Related Terms or Abbreviations

Term	Description
ANEEL	Agência Nacional de Energia Elétrica
BOOM	Build, own, operate and maintain
COD	Commercial Operations Date
CRISIL / CRISIL Research	CRISIL Research, a division of Credit Rating Information Services of India Limited
CRISIL Report	Report entitled “CRISIL Research - Indian Power & Transmission Sector” released in Mumbai in July 2021
DISCOM	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
EPA or Environment Protection Act	Environment Protection Act, 1986
Fitch	Fitch Solutions Group Limited
Fitch Report	Report entitled “Brazil Power Report” issued by Fitch dated June 2021
HVDC	High Voltage Direct Current
HVPLN	Haryana Vidyut Prasaran Nigam Limited
MoP	Ministry of Power
MVA	Mega Volt Ampere
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
RSA	Revenue Sharing Agreement
SCOD	Schedules Commercial Operations Date
SEB(s)	State Electricity Boards
TBCB	Tariff Based Competitive Bidding
TEECL	Techno Electric & Engineering Company Limited
TSA	Transmission Services Agreement

## Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
£/Pounds	Pound Sterling
AGM	Annual general meeting
BRL/Real/R\$	Brazil Real
CRISIL Report	Report entitled “CRISIL Research - Indian Power & Transmission Sector” released in Mumbai in July 2021
DISCOM	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
EPA or Environment Protection Act	Environment Protection Act, 1986
Fitch	Fitch Solutions Group Limited
Fitch Report	Report entitled “Brazil Power Report” issued by Fitch dated June 2021
HVDC	High Voltage Direct Current
HVPLN	Haryana Vidyut Prasaran Nigam Limited
MoP	Ministry of Power
MVA	Mega Volt Ampere
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
RSA	Revenue Sharing Agreement
SCOD	Schedules Commercial Operations Date
SEB(s)	State Electricity Boards
TBCB	Tariff Based Competitive Bidding
TEECL	Techno Electric & Engineering Company Limited
TSA	Transmission Services Agreement