Independent Auditor's Report

To
The Members of
Sterlite Power Transmission Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Sterlite Power Transmission Limited ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

BASIS FOR OPINION

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

OTHER INFORMATION

The 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 standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 and Note 21 to the standalone financial statements;

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

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 58(i) to the standalone financial statement 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 Company 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 58(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act;

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

sd/-
per Paul Alvares
Partner
Membership Number: 105754
UDIN: 23105754BGQUPU8505
Place of Signature: Mumbai
Date: August 11, 2023

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")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

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

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including Right-of-use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory, were not noted on physical verification of inventories. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(b) As disclosed in note 59 to the financial statements, the Company has been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans and stood guarantee to parties as follows:

(₹ in million)

	Guarantees	Security	Loans*	Advances in nature of loans
Aggregate amount granted/provided during the year:				
- Subsidiaries	2,000.00	-	1,010.27	-
- Joint Ventures	-	-	1,864.09	-
- Other companies	-	-	383.68	-
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	2,188.60	-	2,744.89	-
- Joint Ventures	-	-	8,481.85	-
- Other companies	-	-	-	-

** Includes Non-convertible debentures and Compulsory-convertible debentures.*

(b) During the year the investments made, guarantees provided and conditions of the grant of all loans to companies are not prejudicial to the Company's interest. During the year, the Company has not given security and advances in the nature of loans to companies.

Further, during the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(c) The Company has granted loans during the year to companies, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) The Company had granted loan to Sterlite Grid 5 Limited, a wholly owned subsidiary, which had fallen due during the year and the Company has extended loan tenure during the year to settle the dues of the existing loans.

The aggregate amount of such extended loan and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year are as follows:

(₹ in million)

Name of Parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Sterlite Grid 5 limited	3,258.03	643.73	19.76%

(f) As disclosed in note 8 to the financial statements, during the year, the Company has granted loans which are repayable on demand to companies which are related parties ('wholly owned subsidiaries') as defined in clause (76) of section 2 of the Companies Act, 2013. None of these loans are granted to promoters.

(₹ in million)

	Wholly owned subsidiaries
Aggregate amount of loans/ advances in nature of loans	
- Repayable on demand	41.30
Percentage of loans/ advances in nature of loans to the total loans	1.95%

During the year, the Company has not granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to firms, Limited Liability Partnerships or any other parties.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(₹ in million)

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act 1944	Excise	73.56	FY 2000-01, FY 2001-02	Bombay High Court
Orissa Value Added Tax Act, 2004	CST	2.86	FY 2016-17, FY 2017-18	Office of the Addl. Commissioner of CT & GST (Appeal)-Sambalpur
West Bengal VAT Act, 2003	CST	6.10	FY 2014-15, FY 2015-16	Jt. Commissioner Appeal, Medinipur(WB)
Delhi VAT Act, 2004	CST	27.64	FY 2014-15	Assistant Commissioner, DVAT
Madhya Pradesh VAT Act, 2002	CST/ET/ VAT	19.06	FY 2015-16	Additional Commissioner Appeal, Bhopal (MP)
Jharkhand VAT Act, 2005	CST	1.46	FY 2017-18	Assessing Officer
Goods & Services Tax Act, 2017	GST	77.74	FY 2017-18, FY 2018-19, FY 2021-22	Joint Commissioner of State Tax, Chattisgarh
Goods & Services Tax Act, 2017	GST	0.35	FY 2021-22	Joint Commissioner of State Tax, Uttarakhand
Goods & Services Tax Act, 2017	GST	0.89	FY 2022-23	Assistant Commissioner (UP)
CGST Act, 2017	IGST	1,827.39	FY 2018-19, FY 2019-20	Office of the Commissioner, Central GST
Income Tax Act, 1961	Income Tax	3.68	AY 2018-19, AY 2019-20	Commissioner of Income-tax (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

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

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

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

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

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

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 57 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not required to spend any amount in respect of Corporate Social Responsibility activities under section 135 (5) of the Companies Act, 2013 for the year ended March 31, 2023, Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

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

sd/-
per Paul Alvares
Partner
Membership Number: 105754
UDIN: 23105754BGQUPU8505
Place of Signature: Mumbai
Date: August 11, 2023

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Sterlite Power Transmission Limted

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the 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 these standalone 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 these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

sd/-
per Paul Alvares
Partner
Membership Number: 105754
UDIN: 23105754BGQUPU8505
Place of Signature: Mumbai
Date: August 11, 2023

Balance Sheet

as at March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,014.38	2,130.63
Capital work in progress	4	35.95	20.01
Other intangible assets	5	69.93	96.29
Right-of-use assets	3	437.45	549.41
Investments in associate	6	-	0.05
Financial assets			
i. Investments	7	12,648.10	11,445.10
ii. Loans	8	1,881.97	1,165.66
iii. Trade receivables	9	-	-
iv. Other financial assets	10	1,183.39	915.03
Income tax asset (net)		359.07	768.89
Other non-current assets	11	434.04	435.13
Total non-current assets		**19,064.28**	**17,526.20**
Current assets			
Inventories	13	7,245.87	2,204.57
Financial assets			
i. Investments	7	805.00	-
ii. Loans	8	231.10	4,586.26
iii. Trade receivables	9	16,772.24	13,491.50
iv. Cash and cash equivalents	14	3,221.10	1,859.54
v. Other bank balances	15	978.80	465.64
vi. Other financial assets	10	1,845.49	2,035.87
Other current assets	11	5,611.33	3,875.83
Total current assets		**36,710.93**	**28,519.21**
Assets classified as held for sale	12	-	101.35
		36,710.93	**28,620.56**
TOTAL ASSETS		**55,775.21**	**46,146.76**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	244.72	122.36
Other equity			
i. Securities premium	17	4,450.46	4,536.80
ii. Retained earnings	17	17,786.19	14,932.38
iii. Others	17	(4,098.77)	38.55
Total equity		**18,382.60**	**19,630.09**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	430.00	187.61
ii. Lease liabilities	40	344.88	444.27
iii. Other financial liabilities	21	24.55	149.21
Employee benefit obligations	22	55.73	74.04
Other non-current liabilities	25	-	2,249.29
Deferred tax liabilities (net)	23	23.62	300.25
Total non-current liabilities		**878.78**	**3,404.67**
Current liabilities			
Financial liabilities			
i. Borrowings	20	4,286.09	2,325.47
ii. Lease liabilities	40	97.16	86.33
iii. Trade payables	24		
- total outstanding dues of micro enterprises and small enterprises		908.41	497.00
- total outstanding dues of creditors other than micro enterprises and small enterprises		16,352.10	12,500.56
iv. Other financial liabilities	21	1,167.46	861.64
Employee benefit obligations	22	77.63	106.26
Other current liabilities	25	13,407.71	6,384.30
Current tax liability (net)		217.27	350.44
Total current liabilities		**36,513.83**	**23,112.00**
TOTAL EQUITY AND LIABILITIES		**55,775.21**	**46,146.76**
Summary of significant accounting policies	2.2		

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

For and on behalf of the board of directors of Sterlite Power Transmission Limited

Sd/-
per Paul Alvares
Partner
Membership Number: 105754
Place: Mumbai
Date: 11 August 2023

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096
Place: Mumbai
Date: 11 August 2023

Sd/-
Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
Date: 11 August 2023

Sd/-
Sanjeev Bhatia
Chief Financial Officer
PAN : ACTPB6336M
Place: Mumbai
Date: 11 August 2023

Sd/-
Ashok Ganesan
Company Secretary
PAN : AHYPK5104G
Place: Mumbai
Date: 11 August 2023

Statement of Profit and Loss

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2023	31 March 2022
INCOME			
Revenue from operations	26	39,235.14	37,973.84
Other income	28	188.98	371.85
Total income (I)		**39,424.12**	**38,345.69**
EXPENSES			
Cost of raw material and components consumed	29	17,384.00	12,003.35
Purchase of traded goods		674.55	579.31
Construction material and contract expenses	30	10,030.19	16,262.68
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	31	(1,287.48)	176.85
Employee benefits expense	32	2,020.40	2,046.60
Other expenses	33	5,023.42	3,621.75
Total expenses (II)		**33,845.08**	**34,690.54**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**5,579.04**	**3,655.15**
Depreciation and amortisation expense	34	438.40	390.65
Finance costs	35	1,942.29	1,119.57
Finance income	27	(1,064.46)	(849.28)
Profit before tax before exceptional items and tax		**4,262.81**	**2,994.21**
Exceptional items	36	-	(117.00)
Profit before tax		**4,262.81**	**2,877.21**
Tax expense:			
(i) Current tax	23	830.29	541.91
(ii) Income tax for earlier years (31 March 2022: refer note 56)	23	(29.69)	(145.07)
(iii) Deferred tax	23	242.10	14.59
Income tax expense		**1,042.70**	**411.43**
Profit for the year		**3,220.11**	**2,465.78**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(2,336.56)	2,816.88
Income tax effect		530.74	(307.38)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(1,805.82)**	**2,509.50**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(3.84)	(10.39)
Income tax effect		0.97	2.61
Net gain/(loss) on FVTOCI equity securities		(2,807.69)	1,621.69
Income tax effect		(12.98)	(710.02)
Net other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent periods		**(2,823.54)**	**903.89**
Other comprehensive income/(loss) for the year		**(4,629.36)**	**3,413.39**
Total comprehensive income for the year		**(1,409.25)**	**5,879.17**
Earnings per equity share [nominal value of ₹ 2 (31 March 2022: ₹ 2)]	37		
Basic (₹ per share)		**26.32**	**20.15**
Diluted (₹ per share)		**26.27**	**20.15**
Summary of significant accounting policies	2.2		

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Sd/-
per Paul Alvares
Partner
Membership Number: 105754
Place: Mumbai
Date: 11 August 2023

For and on behalf of the board of directors of Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096
Place: Mumbai
Date: 11 August 2023

Sd/-
Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
Date: 11 August 2023

Sd/-
Sanjeev Bhatia
Chief Financial Officer
PAN : ACTPB6336M
Place: Mumbai
Date: 11 August 2023

Sd/-
Ashok Ganesan
Company Secretary
PAN : AHYPK5104G
Place: Mumbai
Date: 11 August 2023

Cash Flow Statement

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
A. OPERATING ACTIVITIES		
Net profit as per statement of profit and loss	3,220.11	2,465.78
Adjustment for taxation	1,042.70	411.43
Profit before tax	**4,262.81**	**2,877.21**
Non-cash and non-operating adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	438.40	390.65
Profit/(loss) on sale of property, plant and equipment, (net)	0.24	4.48
Impairment allowance/(reversal) for trade receivables	(31.74)	103.59
Reversal of impairment of investment and loans	(154.71)	(150.53)
Impairment on investment and loans	409.28	59.98
Net gains on sale of investment in an associate and units of India Grid Trust	-	(297.50)
Fair value gain on financial instruments measured at fair value through profit and loss	(4.95)	-
Gain on sale of mutual funds	(1.86)	-
Share based payment expense	59.06	-
Finance costs	1,942.29	1,119.57
Finance income	(1,064.46)	(849.28)
Income on investment in India Grid Trust	-	(11.47)
	1,591.55	**369.49**
Operating profit before working capital changes	**5,854.36**	**3,246.70**
Movements in working capital :		
Increase/(decrease) in trade payables	4,231.88	(596.55)
Increase/(decrease) in employee benefit obligations	(50.78)	5.46
Increase/(decrease) in other liabilities	4,796.25	(2,427.30)
Increase/(decrease) in other financial liabilities	(2,074.76)	829.71
(Increase) in trade receivables	(3,249.00)	(3,839.68)
(Increase)/decrease in inventories	(5,041.30)	1,286.53
Decrease in other financial assets	(73.47)	571.39
(Increase)/decrease in other assets	(1,734.42)	1,631.19
Change in working capital	**(3,195.60)**	**(2,539.25)**
Cash generated from operations	**2,658.76**	**707.45**
Direct taxes paid (net of refunds)	(523.95)	(385.86)
Net cash flow from operating activities (A)	**2,134.81**	**321.59**
B. INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(234.02)	(161.64)
Proceeds from sale of property, plant and equipment	3.78	51.71
Proceeds from sale of investments	60.55	-
Investment in equity share capital, compulsorily convertible debentures and non convertible debenture	(2,363.01)	(4,683.84)
Proceed from sale of non convertible debenture	-	1,914.23
Proceeds from sale of investment in an associate and units of India Grid Trust	-	643.68
Consideration paid for Maharashtra Transmission Communication Infrastructure Limited (refer note 7(e))	(100.00)	(200.00)
Investment in bank deposits (net)	(779.34)	2,734.65
Loans given	(900.17)	(1,217.28)
Loans repaid	3,372.71	1,776.48
Payment for indemnification expenses as per share purchase agreement	(39.43)	(231.05)
Purchase of mutual funds	(2,200.00)	-
Sale of mutual funds	1,401.84	9.07
Income on investment in India Grid Trust	-	11.47
Finance income received	119.64	210.20
Consideration received for sale of projects	559.89	279.93
Net cash flow from/(used in) investing activities (B)	**(1,097.56)**	**1,137.61**

Cash Flow Statement

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
C. FINANCING ACTIVITIES		
Proceeds of long term borrowings	2,644.49	750.21
Repayment of long term borrowings	(1,125.00)	(977.61)
Proceeds of borrowings from related party	430.00	-
Repayment of lease liability	(142.27)	(67.82)
Proceeds from short term borrowings	651.67	6,082.85
Repayment of short term borrowings	(398.15)	(6,010.64)
Interest paid	(1,736.43)	(1,008.46)
Dividend paid	-	(317.97)
Net cash flow from/(used in) in financing activities (C)	**324.31**	**(1,549.44)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,361.56**	**(90.24)**
Cash and cash equivalents as at beginning of the year	1,859.54	1,868.45
Cash and cash equivalents on merger (refer note 56)	-	81.33
Cash and cash equivalents as at year end	3,221.10	1,859.54
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	1,017.99	759.51
Deposit with original maturity of less than 3 months	2,203.08	1,100.00
Cash in hand	0.03	0.03
Total cash and cash equivalents (refer note 14)	**3,221.10**	**1,859.54**

Reconciliation between opening and closing liabilities arising from financing activities

(₹ in million)

Particulars	Long term borrowings	Short term borrowing
31 March 2021	375.00	7,129.90
Cash flow		-
- Interest	(47.63)	(960.84)
- Addition in short term borrowings on account of merger of Sterlite Grid 4 Limited (refer note 56)	-	2,182.32
- Proceeds/(repayments)	(227.40)	72.21
Non-cash changes		-
- Classified as current maturities	40.00	(40.00)
- Inter Company borrowings eliminated on account of merger of Sterlite Grid 4 Limited (refer note 56)	-	(6,761.18)
- Interest accrual for the year	47.81	1,054.89
31 March 2022*	**187.78**	**2,677.30**
Cash flow		
- Interest	(401.20)	(1,335.23)
- Proceeds/(repayments)	1,949.49	253.52
Non-cash changes		
- Classified as current maturities	(1,707.10)	1,707.10
- Interest accrual for the year	402.10	1,474.29
31 March 2023*	**431.07**	**4,776.98**

**Including interest accrual as at year end.*

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Sd/-
per Paul Alvares
Partner
Membership Number: 105754
Place: Mumbai
Date: 11 August 2023

For and on behalf of the board of directors of Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096
Place: Mumbai
Date: 11 August 2023

Sd/-
Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
Date: 11 August 2023

Sd/-
Sanjeev Bhatia
Chief Financial Officer
PAN : ACTPB6336M
Place: Mumbai
Date: 11 August 2023

Sd/-
Ashok Ganesan
Company Secretary
PAN : AHYPK5104G
Place: Mumbai
Date: 11 August 2023

Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Nos. in million	₹ in million
As at 1 April 2021	**61.18**	**122.36**
Equiry share issued during the year	-	-
Changes in equity share capital due to prior period errors	-	-
As at 31 March 2022	**61.18**	**122.36**
Increase in equity share capital on account of issue of bonus shares [refer note 16(b)]	61.18	122.36
Changes in equity share capital due to prior period errors	-	-
As at 31 March 2023	**122.36**	**244.72**

B. OTHER EQUITY

	Securities premium	Retained earnings	Share based payment reserve	FVTOCI reserve	Cash flow hedge reserve	Debenture redemption reserve	Capital redemption reserve	Total equity
As at 1 April 2021	**4,536.80**	**1,820.28**	**-**	**6,517.29**	**769.94**	**-**	**36.02**	**13,680.33**
Profit for the year	-	2,465.78	-	-	-	-	-	2,465.78
Other comprehensive income	-	(7.78)	-	911.67	2,509.50	-	-	3,413.39
Total comprehensive income	**-**	**2,458.00**	**-**	**911.67**	**2,509.50**	**-**	**-**	**5,879.17**
Net realised gain on sale of investment transferred from FVTOCI reserve to retained earnings	-	336.65	-	(336.65)	-	-	-	-
Dividend appropriation	-	(324.26)	-	-	-	-	-	(324.26)
Adjustment on merger of Sterlite Grid 4 Limited	-	10,441.71	-	(8,692.88)	-	200.00	-	1,948.83
Transfer from debenture redemption reserve (refer note 17.5)	-	200.00	-	-	-	(200.00)	-	-
Amount reclassified to statement of profit and loss	-	-	-	-	(1,676.34)	-	-	(1,676.34)
As at 31 March 2022	**4,536.80**	**14,932.38**	**-**	**(1,600.57)**	**1,603.10**	**-**	**36.02**	**19,507.73**
Profit for the year	-	3,220.11	-	-	-	-	-	3,220.11
Other comprehensive income	-	(2.87)	-	(2,820.67)	(1,805.82)	-	-	(4,629.36)
Total comprehensive Income	**-**	**3,217.24**	**-**	**(2,820.67)**	**(1,805.82)**	**-**	**-**	**(1,409.25)**
Net realised gain on sale of investment transferred from FVTOCI reserve to retained earnings	-	8.93	-	(8.93)	-	-	-	-
Options granted during the year (refer note 54)	-	-	59.06	-	-	-	-	59.06
Dividend appropriation (refer note 18)	-	(122.36)	-	-	-	-	-	(122.36)
Amount utilised for issuance of bonus shares (refer note 17.1 & 17.4)	(86.34)	-	-	-	-	-	(36.02)	(122.36)
Debenture redemeption reserve created during the year (refer note 17.5)	-	(250.00)	-	-	-	250.00	-	-
Amount reclassified to statement of profit and loss	-	-	-	-	225.06	-	-	225.06
As at 31 March 2023	**4,450.46**	**17,786.19**	**59.06**	**(4,430.17)**	**22.34**	**250.00**	**-**	**18,137.88**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Sd/-
per Paul Alvares
Partner
Membership Number: 105754
Place: Mumbai
Date: 11 August 2023

For and on behalf of the board of directors of Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096
Place: Mumbai
Date: 11 August 2023

Sd/-
Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
Date: 11 August 2023

Sd/-
Sanjeev Bhatia
Chief Financial Officer
PAN : ACTPB6336M
Place: Mumbai
Date: 11 August 2023

Sd/-
Ashok Ganesan
Company Secretary
PAN : AHYPK5104G
Place: Mumbai
Date: 11 August 2023

Notes to Financial Statements

for the year ended March 31, 2023
(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, 2013. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Park, Pune, Maharashtra, India. The CIN of the Company is U74120PN2015PLC156643.

The Company is primarily engaged in the business of Power products and solutions. Power products and solutions mainly include manufacturing of power transmission conductors, optical ground wire cables and power 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 Company, directly or indirectly, through its subsidiaries, acts as a developer on Build Own Operate & Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years. The Company also undertakes the Engineering, Procurement and Construction Contracts for construction of power transmission systems.

The standalone financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Company on 11 August 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

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

- Derivative financial instruments.
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit obligations, plan assets measured at fair value.

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

b) **Foreign currencies**

The Company's standalone financial statements are presented in INR, which is its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) **Fair value measurement**

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets such as investment in subsidiaries and joint ventures. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for each case.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

At each reporting date, the management analyses the movement of assets and liabilities which are required to be premeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management in conjunction with external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. The valuation results are discussed at the Audit Committee.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates, and assumptions (note 38, 46 & 47)
- Quantitative disclosures of fair value measurement hierarchy (note 47)
- Investment in Non-Convertible Debentures (note 46 and 47)
- Investment in Compulsorily Convertible Debentures (note 46 and 47)
- Investment in mutual funds (note 46 and 47)
- Financial instruments (note 47)
- Investment in unquoted equity shares (note 46 and 47)

d) Revenue from contracts with customers

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 38.

Sale of power products and traded goods

Revenue from sale of power products and traded goods are recognised at a point of time upon delivery of conductor, power cable or traded aluminium ingots and rods and payment is generally due within 30 to 180 days from invoice. Some contracts provide the Company right to receive price variation from customers on account of changes in metal prices.

Rendering of services

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

Revenue from Engineering, Procurement and Construction (EPC) projects

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

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered.

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 over time.

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

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

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

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

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

e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

f) Taxes

Current income tax

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

Current income tax relating to items recognised outside of profit or loss is recognised outside of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

- When receivables and payables are stated with the amount of tax included

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

g) **Assets held for sale**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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

The Company treats sale of the asset or disposal group to be highly probable when:

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

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

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised. Refer note 12 for further disclosures.

- A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:
- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

h) **Property, plant and equipment**

Certain items of freehold land have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., April 01, 2015.

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Factory/Office) **	10-60 Years *	30/60 Years
Plant and machinery	2 - 20 Years *	Continuous process plant- 25 Years Others- 15 Years
Furniture and fixtures	3 - 10 Years *	10 Years
Data processing equipment	3 - 6 Years *	Service and networks- 6 Years and desktops and laptop etc - 3 Years
Office equipment	2 - 5 Years *	5 Years
Electric fittings	4 - 20 Years *	10 Years
Vehicles	3 - 5 Years *	8 Years
Leasehold improvements	Lease period	Lease period

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

*** Includes roads for which life considered is 15-25 years.*

 # Residual value considered as 5% on the basis of management's estimation, supported by technical advice.

The Company, based on technical assessments made by technical experts and management estimates, depreciates the certain items of building, plant and machinery, data processing equipment, furniture and fixtures, office equipment, electric fittings, vehicles and other telecom networks equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

i) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

The Company does not have any intangible assets with indefinite useful lives.

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

Softwares are amortised on a straight-line basis over the period of three to five years.

j) Borrowing Costs

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

k) Leases

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

Company as lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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

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

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

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Inventories

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

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

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

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

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

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

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

m) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses of continuing operations, including impairment on inventories, impairment of Compulsorily Convertible Debentures and Non-Convertible Debentures are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

n) Provisions

General

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

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

Warranty provisions

The Company provides warranties for general repairs of defects that existed at the time of sale, as required by the contract with the customers. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

o) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company has a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

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

The Company provides other benefits in the form of compensated absences. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

p) Share-based payments

The Company issues equity-settled options to certain employees. These are measured at fair value on the date of grant. The fair value determined at the grant date of the equity settled share-based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility and forfeiture assumptions are based on historical information.

The dilutive effect of outstanding options if any, is reflected as additional share dilution in the computation of diluted earnings per share.

q) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

i. Financial assets at amortised cost

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

iii. Financial assets at fair value through profit or loss (FVTPL)

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade receivables and loan to subsidiaries included under other non-current financials assets. For more information on receivables, refer to note 9.

Financial assets at FVTOCI

A 'financial assets' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and

Notes to Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

Financial assets at FVTPL
FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

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

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

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

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

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

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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

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

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer note 19 and note 20.

Buyers' Credit/Suppliers' Credit
The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials and project materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up within 12 months to 36 months. Where these arrangements are with a maturity of up to twelve months the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/suppliers' credit (under Trade payables). Interest expense on these are recognised in the finance cost.

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

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

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

Offsetting of financial instruments

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

r) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

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

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

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

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

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

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

s) **Earnings per share (EPS)**
Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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 Company's cash management.

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

v) **Presentation of EBITDA**
The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance.

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

2.3 New and amended standards

Amendments to Standards effective 1 April 2022
Indian Accounting Standards rules have been amended via notification dated 23 March 2022. The amendments were applicable from 01 April 2022, but did not have a material impact on the financial statements of the Company.

- Amendments to Ind AS 101 – First-time Adoption of Ind AS
- Amendments to Ind AS 103 - Business Combination
- Amendments to Ind AS 109 – Financial Instruments
- Amendments to Ind AS 16 – Property, Plant and Equipment
- Amendments to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- Amendments to Ind AS 41 - Agriculture

Amendments to Standards effective 1 April 2023
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023 which are not expected to have material impact on the financial statements of the Company.

- **Ind AS 1 – Presentation of Financial Statements**
  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Notes to Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

- **Ind AS 12 – Income Taxes**
  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**
  The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT & RIGHT-OF-USE ASSETS

(₹ in million)

DESCRIPTION	Owned assets										Right-of-use assets				
	Freehold land	Leasehold improvements	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Data processing equipment	Sub-total (A)	Land	Office building	Vehicles	Sub-total (B)	Total (A+B)
Cost															
As at 01 April 2021	485.89	60.64	1,029.56	3,059.04	46.94	26.61	46.07	251.30	134.77	5,140.82	3.17	184.71	10.67	198.55	5,339.37
Additions	-	-	2.68	147.18	0.21	-	7.11	12.86	27.02	197.06	-	599.83	-	599.83	796.89
Disposals	-	36.52	30.95	76.37	10.61	6.73	6.92	-	10.78	178.88	-	-	3.91	3.91	182.79
As at 31 March 2022	**485.89**	**24.12**	**1,001.29**	**3,129.85**	**36.54**	**19.88**	**46.26**	**264.16**	**151.01**	**5,159.00**	**3.17**	**784.54**	**6.76**	**794.47**	**5,953.47**
Additions	-	-	17.70	121.17	0.76	4.50	7.29	-	8.73	160.15	6.74	-	-	6.74	166.89
Disposals	-	-	-	14.40	6.36	14.61	10.33	0.01	1.37	47.08	-	-	-	-	47.08
As at 31 March 2023	**485.89**	**24.12**	**1,018.99**	**3,236.62**	**30.94**	**9.77**	**43.22**	**264.15**	**158.37**	**5,272.07**	**9.91**	**784.54**	**6.76**	**801.21**	**6,073.28**
Accumulated depreciation															
As at 1 April 2021	-	56.40	382.45	2,133.65	39.61	15.50	37.02	136.73	104.79	2,906.15	0.28	165.22	2.82	168.32	3,074.47
Depreciation charged during the year	-	3.52	33.94	160.28	2.59	4.66	5.08	15.20	19.64	244.91	0.04	76.38	2.49	78.91	323.82
Disposals	-	35.86	34.53	21.54	9.96	4.68	6.10	-	10.02	122.69	-	-	2.17	2.17	124.86
As at 31 March 2022	-	**24.06**	**381.86**	**2,272.39**	**32.24**	**15.48**	**36.00**	**151.93**	**114.41**	**3,028.37**	**0.32**	**241.60**	**3.14**	**245.06**	**3,273.43**
Depreciation charged during the year	-	-	77.22	144.09	0.63	0.52	5.07	26.59	18.27	272.39	0.08	116.91	1.71	118.70	391.09
Disposals	-	-	-	16.42	6.05	11.32	9.06	0.01	0.21	43.07	-	-	-	-	43.07
As at 31 March 2023	-	**24.06**	**459.08**	**2,400.06**	**26.82**	**4.68**	**32.01**	**178.51**	**132.47**	**3,257.69**	**0.40**	**358.51**	**4.85**	**363.76**	**3,621.45**
Net block as at 31 March 2022	**485.89**	**0.06**	**619.43**	**857.46**	**4.30**	**4.40**	**10.26**	**112.23**	**36.60**	**2,130.63**	**2.85**	**542.94**	**3.62**	**549.41**	**2,680.04**
Net block as at 31 March 2023	**485.89**	**0.06**	**559.91**	**836.56**	**4.12**	**5.09**	**11.21**	**85.64**	**25.90**	**2,014.38**	**9.51**	**426.03**	**1.91**	**437.45**	**2,451.83**

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

NOTE 4: CAPITAL WORK IN PROGRESS

Particulars	(₹ in million)
As at 1 April 2021	**5.96**
Additions	211.11
Capitalised during the year	(197.06)
As at 31 March 2022	**20.01**
Additions	176.09
Capitalised during the year	(160.15)
As at 31 March 2023	**35.95**

Capital work in progress mainly includes capital expenditure incurred for plant & machinery.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Following is the ageing of capital work in progress

(₹ in million)

Particulars	Amount in capital work in progress for									
	As at 31 March 2023					As at 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	35.95	-	-	-	35.95	19.11	0.22	0.68	-	20.01
Total	**35.95**	-	-	-	**35.95**	**19.11**	**0.22**	**0.68**	-	**20.01**

There are no projects for which completion is overdue or has exceeded its cost compared to its original budget.]

NOTE 5: INTANGIBLE ASSETS

(₹ in million)

DESCRIPTION	Software/Licenses
Cost	
As at 01 April 2021	**311.84**
Additions	10.93
As at 31 March 2022	**322.77**
Additions	21.06
Disposals	24.41
As at 31 March 2023	**319.42**
Amortisation	
As at 01 April 2021	**159.65**
Amortisation charge for the year	66.83
As at 31 March 2022	**226.48**
Amortisation charge for the year	47.31
Disposals	24.30
As at 31 March 2023	**249.49**
Net block as at 31 March 2022	**96.29**
Net block as at 31 March 2023	**69.93**

NOTE 6 : INVESTMENTS IN ASSOCIATE

(₹ in million)

	31 March 2023	31 March 2022
Non-current		
Investment in equity shares- unquoted (valued at cost)		
Sterlite Interlinks Limited [refer note 7(f)]		
Nil (31 March 2022: 4,900) equity shares of ₹ 10 each fully paid up	-	0.05
Total	-	**0.05**

NOTE 7: INVESTMENTS

(₹ in million)

	31 March 2023	31 March 2022
NON-CURRENT		
Investments in equity shares- unquoted (valued at fair value through other comprehensive income)		
Investments in joint ventures		
Sterlite Grid 13 Limited	121.07	502.93
1,65,10,511 (31 March 2022: 3,10,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 14 Limited (refer note d below)	181.44	105.29
60,000 (31 March 2022: 60,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 18 Limited (refer note a & d below)	102.57	-

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
6,18,61,000 (31 March 2022: 6,18,61,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 29 Limited (refer note c & d below)	36.46	760.63
3,90,69,483 (31 March 2022: 3,90,69,483) equity shares of ₹ 10 each fully paid up		
Investments in subsidiaries		
Sterlite Grid 5 Limited (refer note c below)	-	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 6 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 7 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 8 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 9 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 10 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 11 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 12 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 15 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 16 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 17 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 19 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 20 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 21 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 22 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 23 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 24 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 25 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 26 Limited	-	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 27 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 28 Limited	1.00	1.00
1,00,000 (31 March 2022: 1,00,000) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 30 Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
Sterlite Grid 31 Limited	1.50	-
1,50,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 32 Limited	1.50	-
1,50,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 33 Limited	1.50	-
1,50,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 34 Limited	1.50	-
1,50,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 35 Limited	1.50	-
1,50,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 36 Limited	0.10	-
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 37 Limited	0.10	-
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 38 Limited	0.10	-
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 39 Limited	0.10	-
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Grid 40 Limited	0.10	-
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Sterlite Convergence Limited	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each fully paid up		
Sterlite Interlinks Limited (refer note f below)	13.41	-
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up		
Maharashtra Transmission Communication Infrastructure Limited (refer note e below)	411.15	411.15
2,24,51,766 (31 March 2022: 2,24,51,766) equity shares of ₹ 10 each fully paid up		
Sterlite EdIndia Foundation	0.50	0.50
49,979 (31 March 2022: 49,977) equity shares of ₹ 10 each fully paid up		
Sterlite Brazil Participacoes S.A.	2,717.26	3,340.96
30,43,91,209 (31 March 2022: 27,78,97,092) equity shares of R$ 1 each fully paid up		
One Grid Limited	0.10	0.10
10,000 (31 March 2022: 10,000) equity shares of ₹ 10 each fully paid up		
Investment in non-convertible debentures (unquoted) (valued at amortised cost)		
Sterlite Grid 13 Limited	2,672.48	1,651.30
23,03,14,139 (31 March 2022: 15,15,74,650) Non- convertible debentures of face value of ₹ 10 each*		
Sterlite Grid 14 Limited	675.52	559.98
5,64,25,101 (31 March 2022: 5,14,25,101) Non- convertible debentures of face value of ₹ 10 each*		
Sterlite Grid 18 Limited (refer note a below)	2,499.58	2,252.29
20,10,48,052 (31 March 2022: 20,10,48,052) Non- convertible debentures of face value of ₹ 10 each*		
Less: Impairment on investment in non convertible debentures	-	(104.21)
	2,499.58	**2,148.08**
Sterlite Grid 29 Limited	1,615.44	1,453.82
13,13,95,681 (31 March 2022: 13,13,95,681) Non- convertible debentures of face value of ₹ 10 each*		
Investment in Compulsorily convertible debentures (unquoted) (valued at fair value through statement of profit and loss)		
Sterlite Grid 18 Limited (refer note a below)	845.20	50.50
8,45,20,250 (31 March 2022: 50,50,250) 0.01% Compulsorily convertible debentures of face value of ₹ 10 each		
Less: Impairment on investment in Compulsorily convertible debentures	-	(50.50)
	845.20	-

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
Sterlite Grid 29 Limited	173.63	48.63
1,73,62,513 (31 March 2022: 48,52,613) 0.01% Compulsorily convertible debentures of face value of ₹ 10 each		
Others (valued at fair value through other comprehensive income)		
Sharper Shape Group Inc	100.20	112.45
6,62,600 (31 March 2022: 26,504) common stock of USD 0.0004 (31 March 2022: USD 0.01) each fully paid up (refer note g below)		
Equity component of loan given to subsidiaries (refer note b below)		
Sterlite Grid 5 Limited #	286.02	305.71
Sterlite Grid 16 Limited	26.28	-
Sterlite Grid 24 Limited	119.72	-
Sterlite Grid 26 Limited #	-	-
Sterlite Convergence Limited	28.07	28.07
	460.09	**333.78**
Total	**12,648.10**	**11,445.10**

**The Company has subscribed to the non convertible debentures issued by the joint ventures which are redeemable at premium of 12.30% - 13.70% p.a. payable at the time of redemption.*

#The fair market value of the investment in Sterlite Grid 5 Limited ('SGL5') and Sterlite Grid 26 Limited ('SGL26') was below cost, hence the Company has recognised an impairment of ₹ 365.67 and ₹ 202.08 million on equity component of loan through other comprehensive income.

(a) In earlier years, the fair market value of the investment in Sterlite Grid 18 Limited ('SGL18') was below cost, hence the Company had recognised the impairment on compulsorily convertible debentures and non-convertible debentures. However, during the current year, the Company has reversed the impairment on compulsorily convertible debentures and non-convertible debentures based on fair valuation.

(b) The Company has given interest free loans to wholly owned subsidiaries, amounting to ₹ 2,703.60 million repayable after 1-3 years. The loans being financial asset, have been discounted to present value amounting to ₹ 2,082.62 million at initial recognition. The balance of ₹ 620.98 million being the difference between present value and loan amount has been recognised as equity component. During the current year, the Company has extended term of loan given to Sterlite Grid 5 Limited ('SGL5') which has resulted in change in equity component of loan.

c) Pursuant to Share Purchase Agreement ("Agreement") dated 3 April 2021 executed among the Company's wholly owned subsidiary Sterlite Grid 5 Limited ('SGL5'), wholly owned subsidiary of SGL5 i.e. Goa- Tamnar Transmission Project Limited ("GTTPL") and wholly owned subsidiary of the Company Sterlite Grid 29 Limited ('SGL29'), 100% equity shareholding of GTTPL held by the SGL5 is transferred to SGL29.

(d) The Company has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital') dated 28 December 2020 ('the Agreement') for investment in the subsidiaries of the Company which are engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Pursuant to the agreement, AMP Capital has invested in 50% of the paid up equity share capital of Sterlite Grid 14 Limited ('SGL14'), Sterlite Grid 18 Limited ('SGL18') and Sterlite Grid 29 Limited ('SGL29') on 6 April 2021. Accordingly, as per the terms of the agreement and rights available to the Company, investment in SGL14, SGL18 and SGL29 have been classified as investment in joint ventures.

(e) Pursuant to Share purchase agreement ('SPA') dated 29 March 2022 executed between the Company, Sterlite Technologies Limited ('STL'), Maharashtra State Electricity Transmission Company Limited ('MSETCL') and Maharashtra Transmission Communication Infrastructure Limited ('MTCIL'), the Company has purchased 64.98% equity stake in MTCIL from STL for agreed consideration of ₹ 430.00 million. SPTL has paid advance consideration of ₹ 200.00 million and balance consideration of ₹ 230.00 million is payable in 2 tranches. First Tranche of ₹ 100.00 million is payable within a period 6 months from date of SPA which has been paid during the financial year 2022-23 and second tranche of ₹ 130.00 million is

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

payable after 18 months from the date of SPA. Accordingly consideration payable after 18 months has been accounted at effective interest rate method ('EIR'). As a result, MTCIL became the subsidiary of the Company w.e.f. 31 March 2022.

(f) Pursuant to Securities purchase agreement ('SPA') dated 1 June 2022 executed between the Company, PTC Cables Private Limited and Sterlite Interlinks Limited ('SIL'), the Company has purchased 51% equity stake in SIL from PTC Cables Private Limited for agreed consideration of ₹ 13.36 million. As a result, SIL became the wholly owned subsidiary of the Company from associate w.e.f. 1 June 2022.

(g) During the year, 1 common stock of Sharper shape Group Inc. of USD 0.01 each fully paid up has been splitted into 25 common stock of USD 0.0004 each fully paid up.

(₹ in million)

	31 March 2023	31 March 2022
CURRENT		
Investment in mutual funds - quoted (valued at fair value through profit or loss)		
3,39,250.82 units (31 March 2022: Nil units) of Axis Overnight Fund Direct Growth (ONDGG)	402.20	-
3,33,283.31 units (31 March 2022: Nil units) of ICICI Prudential P9693 Overnight Fund Direct Plan Growth	402.80	-
Total	**805.00**	**-**
Current (mutual fund units)	**805.00**	**-**
Non-current (equity shares)	**3,706.16**	**5,249.51**
Non-current (non-convertible debentures)	**7,463.02**	**5,813.18**
Non-current (compulsorily convertible debentures)	**1,018.83**	**48.63**
Non-current (equity component of loan given to subsidiaries)	**460.09**	**333.78**
Aggregate value of quoted investments (mutual fund units)	**805.00**	**-**
Aggregate value of unquoted investments (equity shares)	**3,706.16**	**5,249.51**
Aggregate value of unquoted investments (non-convertible debentures)	**7,463.02**	**5,813.18**
Aggregate value of unquoted investments (compulsorily convertible debentures)	**1,018.83**	**48.63**
Aggregate value of unquoted investments (equity component of loan given to subsidiaries)	**460.09**	**333.78**

Investments at fair value through other comprehensive income and fair value through statement of profit and loss reflect investment in quoted mutual fund units, unquoted equity securities and compulsorily convertible debentures. Refer note 47 for determination of their fair values.

NOTE 8: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	31 March 2023	31 March 2022
Loans to related parties (refer note 50)*	-	35.52
Loans to subsidiaries [refer note 50 & 7(b)]#	2,113.07	5,716.40
Total	**2,113.07**	**5,751.92**
Current	**231.10**	**4,586.26**
Non-Current	**1,881.97**	**1,165.66**

** During the current year, the Company has given unsecured loan to Serentica Renewables India Private Limited (formerly Sterlite Power Technologies Private Limited) amounting to ₹ 383.68 million (March 31, 2022: 35.52 million) (including accumulated interest accrued) carrying interest at the rate of 11% p.a. and is repayable within 1 year. The loan has been repaid during the year.*

 # Indian rupee loan to subsidiaries which are either repayable on demand or with repayment terms of 1-3 years and these loans carry Nil rate of interest.

Compliance to the provisions of Section 186 of the Companies Act, 2013

The Company has given interest free loans amounting to its ₹ 1,010.26 million to wholly owned subsidiaries and the outstanding balance of total loan is of ₹ 2,113.07 million (discounted amount) as at year end. Based on the legal opinion obtained by the management, for the purpose of the compliance with Section 186 of the Companies Act, 2013, the Company is considered as infrastructure company as per Schedule VI of the Companies Act, 2013 as the Company is engaged in construction of power transmission lines and manufacturing of power products and solutions. Accordingly, the provisions of section 186 (2) to section 186 (11) are not applicable to the Company.

Notes to Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Break up of loans and advances in the nature of loans as at year end that are either repayable on demand or without specifying any term or period of repayment:

(₹ in million)

Type of borrower	31 March 2023		31 March 2022	
	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 *	41.30	1.95%	4,550.74	79.12%

* Includes loan to subsidiary which carries nil rate of interest and is repayable on demand.

The Company has not granted loans to its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment other than mentioned above.

Details of loan given by the Company (unsecured)

(₹ in million)

Name of entities	As on 31 March 2023		As on 31 March 2022	
	Amount of loan	% of total loan	Amount of loan	% of total loan
Non current				
Loans to related parties				
Fellow subsidiaries	-	-	-	-
Wholly owned subsidiaries	1,881.97	100.00%	1,165.66	100.00%
Totals	**1,881.97**	**100.00%**	**1,165.66**	**100.00%**
Current				
Loans to related parties				
Fellow subsidiaries	-	-	35.52	0.77%
Wholly owned subsidiaries	231.10	100.00%	4,550.74	99.23%
Totals	**231.10**	**100.00%**	**4,586.26**	**100.00%**

NOTE 9: TRADE RECEIVABLES

(₹ in million)

	31 March 2023	31 March 2022
Non-current		
Trade receivables	631.06	699.43
Total	**631.06**	**699.43**
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	631.06	699.43
	631.06	**699.43**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	631.06	699.43
Total non-current trade receivables	**-**	**-**
Current		
Trade receivables	8,607.99	6,684.75
Receivable from related parties (refer note 50)	8,164.25	6,806.75
Total	**16,772.24**	**13,491.50**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
Break-up for security details:		
- Unsecured, considered good	16,772.24	13,491.50
- Unsecured, credit impaired receivables	-	-
	16,772.24	**13,491.50**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	-	-
	16,772.24	**13,491.50**
Total current trade receivables	**16,772.24**	**13,491.50**

Ageing of current trade receivables

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Undisputed Trade receivables – considered good	11,746.99	4,191.53	357.55	300.68	19.68	155.81	16,772.24
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	0.03	21.49	63.60	36.00	123.00	386.94	631.06
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**11,747.02**	**4,213.02**	**421.15**	**336.68**	**142.68**	**542.75**	**17,403.30**
As at 31 March 2022							
Undisputed Trade receivables – considered good	9,908.00	2,969.92	269.60	164.55	45.11	134.32	13,491.50
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	64.93	9.04	184.75	5.27	435.44	699.43
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**9,908.00**	**3,034.85**	**278.64**	**349.30**	**50.38**	**569.76**	**14,190.93**

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and credit period varies as per the contractual terms with the customers which is generally between 30 - 180 days.

Refer note 48 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due or impaired.

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

NOTE 10: OTHER FINANCIAL ASSETS

(₹ in million)

	31 March 2023	31 March 2022
Non-current		
Security deposits (unsecured, considered good)	68.38	66.20
Other bank balance*	1,115.01	848.83
Total other non-current financials assets	**1,183.39**	**915.03**

**Represents margin money against various guarantees issued by banks on behalf of the Company and fixed deposits which have been marked lien to government/local authorities.*

	31 March 2023	31 March 2022
Current		
Security deposits (unsecured, considered good)	41.10	41.48
Advances recoverable in cash (unsecured, considered good) (refer note 50)	28.40	28.40
Interest accrued on fixed deposits	72.29	28.24
Earnest money deposit with customer (unsecured, considered good)	24.53	40.52
Consideration receivable on sale of investments in subsidiaries (unsecured, considered good)	1,050.05	1,237.67
Other receivables from related parties (unsecured, considered good) (refer note 50)	89.70	136.87
	1,306.07	**1,513.18**
Derivative instruments		
- Commodity futures	539.42	522.69
	539.42	**522.69**
Total other current financial assets	**1,845.49**	**2,035.87**

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

Derivative instruments reflect the change in fair value of commodity futures, designated as cash flow hedges to hedge highly probable forecasts/firm commitments for purchase of aluminium and copper.

Earnest money deposit from customers are non-derivative financial assets and are refundable in cash.

Consideration receivable on sale of investments in subsidiaries and receivables from related parties are non-derivative financial assets and are recoverable in cash.

NOTE 11: OTHER ASSETS

(₹ in million)

	31 March 2023	31 March 2022
Non-current		
Balances with government authorities	202.97	335.09
Deposit paid under dispute (refer note 42)	98.87	78.14
Prepaid expenses	132.20	21.90
Total other non-current assets	**434.04**	**435.13**
Current		
Advances to vendors/contractors (unsecured)	1,364.02	936.33
Balances with government authorities	2,290.71	1,671.11
Prepaid expenses	268.65	290.39
Contract assets related to EPC contracts	1,687.83	976.82
Others	0.12	1.18
Total other current assets	**5,611.33**	**3,875.83**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 12: ASSETS AND LIABILITIES HELD FOR SALE

Pursuant to Ind AS - 105 ""Non Current Assets Held for Sale and Discontinued Operations"", the Company has identified non-current assets referred to in below notes as held for sale as the carrying amount of these assets will be recovered principally through a sale transaction rather than through continuing use. These assets are available for immediate sale in its present condition and the sale transactions are highly probable.

Following assets and liabilities are classified as held for sale as at 31 March 2023 and as at 31 March 2022:

(₹ in million)

	31 March 2023	31 March 2022
Investment in equity shares (unquoted and valued at fair value through other comprehensive income)		
Khargone Transmission Limited*		
1.56 million equity shares of ₹ 10 each fully paid up	-	101.35
Total	**-**	**101.35**
Assets classified as held for sale - non-current	-	-
Assets classified as held for sale - current	-	101.35

**Sale of Khargone Transmission Limited*

During the year ended 31 March 2023, the Company entered into share purchase agreement and shareholders' agreement dated 21 January 2023 ("the Agreements") among Khargone Transmission Limited ('KTL' 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 IndiGrid Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Pursuant to the Agreements, the Company transferred 49% of equity in the SPV and for transfer of the remaining 51% equity stake, the Company 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 Company had also given the following rights to the buying shareholder:

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 meetings 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.

Basis the above rights and the fact that full non-refundable consideration was received in advance by the Company from the buyers, the Company has derecognised entire investment in the SPV and recognised a loss of ₹ 32.86 million on sale of the SPV during the current year through other comprehensive income.

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

NOTE 13: INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in million)

	31 March 2023	31 March 2022
Raw materials and components [includes stock in transit ₹ 325.61 million (31 March 2022: ₹ 51.49 million)]	2,053.91	809.56
Work-in-progress	533.31	340.83
Finished goods [includes stock in transit ₹ 1,056.42 million (31 March 2022: ₹ 175.38 million)]	1,593.71	497.42
Construction material [includes stock in transit ₹ Nil (31 March 2022: ₹ 302.77 million)]	2,797.15	309.98
Traded goods	9.91	11.20
Stores, spares, packing materials and others	257.88	235.58
Total	**7,245.87**	**2,204.57**

NOTE 14: CASH AND CASH EQUIVALENTS

(₹ in million)

	31 March 2023	31 March 2022
Balances with banks:		
On current accounts	1,017.99	759.51
Deposits with original maturity for less than three months	2,203.08	1,100.00
Cash in hand	0.03	0.03
Total	**3,221.10**	**1,859.54**

NOTE 15: OTHER BANK BALANCES

(₹ in million)

	31 March 2023	31 March 2022
Deposits with maturity for more than 3 months but less than 12 months	978.80	465.64
Total	**978.80**	**465.64**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Company, and earns interest at the respective short-term deposit rates.

NOTE 16: SHARE CAPITAL

	Nos. in million	₹ in million
Authorised Equity share capital		
Authorised Equity share capital of ₹ 2 per share each as on 01 April 2021	6,380.00	12,760.00
Increase in authorised equity share capital on merger (refer note 56)	0.25	0.50
As at 31 March 2022	**6,380.25**	**12,760.50**
Changes during the year	-	-
As at 31 March 2023	**6,380.25**	**12,760.50**
Issued, subscribed and fully paid-up equity shares (nos. million)		
122.36 (31 March 2022: 61.18) equity shares of ₹ 2 each fully paid - up.	244.72	122.36
Total issued, subscribed and fully paid-up equity share capital	**244.72**	**122.36**

** Authorised equity share capital has been disclosed after considering the impact of merger as mentioned in note 56*

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

	Nos. in million	₹ in million
As at 01 April 2021	**61.18**	**122.36**
Add: Changes during the year	-	-
As at 31 March 2022	**61.18**	**122.36**
Add: On account of issuance of bonus equity shares	61.18	122.36
As at 31 March 2023	**122.36**	**244.72**

Notes to Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

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 Board of Directors of the Company in its meeting held on 24 March 2023, have considered and declared an interim dividend of ₹ 1.00 per share on each fully paid-up equity shares having face value of ₹ 2 each, for the financial year 2022-23 (refer note 18).

During the year ended 31 March 2023, pursuant to the approval of Board of directors and the Shareholders of the Company in their meeting held on 23 August 2022 and 26 September 2022 respectively, the Company has issued bonus shares and allotted 61.18 million bonus equity shares of face value of ₹ 2 each in ratio of 1:1 (i.e. one equity share for every one equity share already held) to the exisitng shareholder on record date i.e. 5 October 2022.

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

c. **Equity shares held by holding company and their subsidiaries/associates:**

	31 March 2023		31 March 2022	
	Nos. in million	% holding	Nos. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	87.34	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
(Ultimate holding company)				
Vedanta Limited	1.91	1.56%	0.95	1.56%

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

	31 March 2023		31 March 2022	
	Nos. in million	% holding	Nos. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	87.34	71.38%	43.67	71.38%

e. **Detail of shareholding of Promoters**

Name of the promoters	As at 31 March 2023				
	No. of equity shares in million at the beginning	Change during the year*	No. of equity 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	87.34	71.38%	100%
Total	**43.67**	**43.67**	**87.34**	**71.38%**	**100%**

Name of the promoters	As at 31 March 2022				
	No. of equity shares in million at the beginning	Change during the year	No. of equity 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%	-
Total	**43.67**	**-**	**43.67**	**71.38%**	**-**

**Issue of bonus shares during the year.*

The shareholding information is based on the legal ownership of shares and has been extracted from the records of the Company including register of shareholder/members.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 17 : OTHER EQUITY

(₹ in million)

	31 March 2023	31 March 2022
Securities premium		
Balance as per last financial statements	4,536.80	4,536.80
Add: Amount utilised for issuance of bonus shares (refer note 17.1)	(86.34)	-
Closing balance	**4,450.46**	**4,536.80**
Retained earnings		
Balance as per last financial statements	14,932.38	1,820.28
Add: Adjustment on merger of Sterlite Grid 4 Limited (refer note 56)	-	10,441.71
Add: Profit for the year	3,220.11	2,465.78
Add: Remeasurement of post employment benefit obligation, net of tax	(2.87)	(7.78)
Add: Realised gain on sale of investments in subsidiaries transferred from FVTOCI reserve	8.93	336.65
Add: Dividend (refer note 18)	(122.36)	(324.26)
Add: Transfer from/(to) debenture redemption reserve (refer note 17.5)	(250.00)	200.00
Closing balance	**17,786.19**	**14,932.38**
Others		
FVTOCI reserve		
Balance as per last financial statements	(1,600.57)	6,517.29
Add: Adjustment on merger of Sterlite Grid 4 Limited (refer note 56)	-	(8,692.88)
Add: Change in fair value of investments through other comprehensive income, net of taxes	(2,820.67)	911.67
Add: Net realised gain on sale of investments in subsidiaries transferred to retained earnings	(8.93)	(336.65)
Closing balance	**(4,430.17)**	**(1,600.57)**
Debenture redemption reserve		
Balance as per last financial statements	-	-
Add: Created during the year (refer note 17.5)	250.00	-
Add: Adjustment on merger of Sterlite Grid 4 Limited (refer note 56)	-	200.00
Add: Transferred to retained earning	-	(200.00)
Closing balance	**250.00**	**-**
Cash flow hedge reserve		
Balance as per last financial statements	1,603.10	769.94
Add: Cash flow hedge reserve created on hedging contracts, net of taxes	(1,805.82)	2,509.50
Add: Amount reclassified to statement of profit and loss	225.06	(1,676.34)
Closing balance	**22.34**	**1,603.10**
Capital redemption reserve		
Balance as per last financial statements	36.02	36.02
Add: Amount utilised for issuance of bonus shares (refer note 17.4)	(36.02)	-
Closing balance	**-**	**36.02**
Share based payment reserve		
Balance as per last financial statements	-	-
Add: Expense recognised during the year (refer note 17.6)	59.06	-
Closing balance	**59.06**	**-**
Total other reserves	**(4,098.77)**	**38.55**

Nature and purpose of reserves :-

17.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013. During the current year, the Company has utilised the amount for issuance of bonus shares pursuant to the approval of Board of directors and the Shareholders of the Company in their meetings held on 23 August 2022 and 26 September 2022 respectively.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

17.2 FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

17.3 Cash flow hedge reserve

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

17.4 Capital redemption reserve

During the year ended 31 March 2021, the Company had redeemed 18 million redeemable preference shares of face value of ₹ 2 each issued to Clix Finance India Private Limited. Accordingly, the Company created capital redemption reserve of ₹ 36.02 million in compliance of Section 69 of the Companies Act, 2013. During the current year, the Company has utilised the amount for issuance of bonus shares pursuant to the approval of Board of directors and the Shareholders of the Company in their meetings held on 23 August 2022 and 26 September 2022 respectively.

17.5 Debenture Redemption reserve

During the year ended 31 March 2022, Sterlite Grid 4 Limited has been merged with the Company. Sterlite Grid 4 Limited had created debenture redemption reserve of ₹ 200.00 million in compliance with section 71(4) of the Companies Act 2013 which had been transferred to retained earnings on redemeption of non-convertible debentures.
During the current year, the Company has issued 2,500 non-convertible debentures to its wholly owned subsidiary ""Sterlite Grid 16 Limited"" at face value or ₹ 10,00,000 each. Accordingly, the Company has created debenture redemption reserve of ₹ 250.00 million in compliance with section 71(4) of the Companies Act 2013.

17.6 Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan (refer note 54).

NOTE 18 : DISTRIBUTION MADE AND PROPOSED

(₹ in million)

	31 March 2023	31 March 2022
Dividends on Equity shares declared and paid:		
Interim dividend for the year ended on 31 March 2023: ₹ 1 per share (31 March 2022: ₹ 5.30 per share)	122.36	324.26
	122.36	**324.26**

Dividend amounting to ₹ 6.26 million (31 March 2022: ₹ 6.29 million) is unclaimed and outstanding as on 31 March 2023 (refer note 21).

The Board of Directors of the Company in its meeting held on 24 March 2023, have considered and declared an interim dividend of ₹ 1.00 per share on each fully paid-up equity shares having face value of ₹ 2.00 each, for the financial year ended 31 March 2023. This dividend is payable as on 31 March 2023 which has been paid subsequently.

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

NOTE 19 : NON CURRENT BORROWINGS

(₹ in million)

	31 March 2023	31 March 2022
Term loan		
Indian rupee loan from financial institution (secured) (refer note (a)(i) below)	-	187.61
Inter corporate deposit		
Inter corporate deposit from related party (unsecured) (refer note (b) below)	430.00	-
Non convertible debenture		
1,750 (31 March 2022: Nil) Non convertible debenture from related parties (unsecured) (refer note (c) below)	-	-
Total non-current borrowings	**430.00**	**187.61**
Current maturities of long-term borrowing		
Non convertible debenture from related parties (unsecured) (refer note (c) below)	1,750.00	-
1,750 (31 March 2022: Nil) Non- convertible debentures of face value of ₹ 10,00,000 each		
Indian rupee loan from financial institution (secured) (refer note (a)(i) below)	187.50	375.00
Indian rupee loan from financial institution (unsecured) (refer note (a)(ii) below)	144.60	-
Total	**2,082.10**	**375.00**

a **Term Loans**

Indian rupee term loan from financial institution

i) The Indian rupee loan of ₹ 750.00 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 instalments 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 complied with the covenants attached to the borrowings.

ii) The Indian rupee loan of ₹ 190.00 million from Mahindra & Mahindra Financial Services Limited which carries interest at the rate of 10.00% p.a. payable monthly. The loan amount shall be repayable in 12 monthly equal instalments after 3 months of morotorium (where interest is only paid) from the date of disbursement. It is working capital term loan and the same is unsecured.

The Company has not been reported as wilful defaulter during the current year.

b **Inter Corporate Deposit from related party**

During the year, the Company has availed unsecured Inter Corporate Deposit of ₹ 430.00 million from its wholly owned subsidiary "Sterlite Convergance Limited" at the interest rate of 10% p.a payable quarterly. The loan amount shall be repayable as bullet repayment after 3 years from the date of disbursement.

c **Non convertible debenture (NCDs) from related parties**

During the year, the Company has issued 2,500 Non Convertible Debentures to its wholly owned subsidiary "Sterlite Grid 16 Limited" at face value of ₹ 10,00,000 each the interest rate of 14.50% p.a payable quarterly for a term of 17 months and 25 days from its allotment date. The NCDs are redeemable at the end of the tenor or can be reedemed in part or full at any time upon demand from the debentureholders. Accordingly, the Company has redeemed 750 Non convertible debenture amounting to ₹ 750.00 million during the year.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

d Redeemable preferences shares

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

(₹ in million)

	31 March 2023	31 March 2022
Authorised shares (nos. million)		
36.40 millions (31 March 2022: 36.40 millions) redeemable preference shares of ₹ 2 each	72.80	72.80
Issued, subscribed and fully paid-up shares (nos. million)		
Nil (31 March 2022: Nil) redeemable preference shares of ₹ 2 each	-	-

e Optionally convertible redeemable preference shares

(₹ in million)

	31 March 2023	31 March 2022
Authorised shares (nos. million)		
470.00 millions (31 March 2022: 470.00 millions) optionally convertible redeemable preference shares of ₹ 10 each	4,700.00	4,700.00
Issued, subscribed and fully paid-up shares (nos. million)		
Nil (31 March 2022: Nil) optionally convertible redeemable preference shares of ₹ 10 each	-	-

NOTE 20 : SHORT TERM BORROWINGS

(₹ in million)

	31 March 2023	31 March 2022
Current maturities of long-term borrowings (refer note 19)	2,082.10	375.00
Loan from others (unsecured) (refer note (i) below)	1,500.00	1,500.00
Customer bill discounting (secured) (refer note (ii) below)	651.67	-
Vendor bill discounting (secured) (refer note (iii) below)	-	289.24
Vendor bill discounting (unsecured) (refer note iv below)	52.32	161.23
Total	**4,286.09**	**2,325.47**
The above amount includes		
Secured borrowings	839.17	664.24
Unsecured borrowings	3,446.92	1,661.23

(i) Loan from others for ₹ 1,500.00 million (31 March 2022: ₹ 1,500.00 million) include loan from PTC Cables Private Limited with an interest rate of 9.60% - 11.00% p.a. (SBI 1 year MCLR + 250 basis points). However, the Company can repay the partial or full amount to the lender with prior not less than 10 days irrevocable notice or the lender may ask for the repayment by giving 5 business days notice to the Company.

(ii) The Company has entered into factoring facility arrangements with banks for trade receivables from Power Grid Corporation India Limited ('PGCIL') with full recourse basis. The factoring facility is generally taken for a period of 90 days and carries interest rate of 7.00% - 8.50% p.a.

(iii) Vendor bill discounting credit arrangements were secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Vendor bill discounting is generally repaid after a period of 90-120 days and it carries interest rate of Nil (31 March 2022: 8.55% - 8.60% p.a.).

(iv) Unsecured vendor bill discounting credit arrangements are generally repaid after a period of 90 days and it carries interest rate of 8.15% - 8.30% p.a. (31 March 2022: 7.00% - 8.50% p.a.).

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 21 : OTHER FINANCIAL LIABILITIES

(₹ in million)

	31 March 2023	31 March 2022
Non Current		
Payable against purchase consideration (refer note 7(e))	-	111.15
Employee benefits payable (refer note 53)	24.55	36.69
Others	-	1.37
Total non-current financial liabilities	**24.55**	**149.21**
Current		
Derivative instruments		
- Forward contracts	58.09	7.46
	58.09	**7.46**
Interest accrued but not due on short term borrowings	490.89	351.83
Interest accrued but not due on long term borrowing	1.07	0.17
Interest free and earnest money deposit from customers	2.80	2.20
Interest free and earnest money deposit from vendors	5.31	1.00
Payable for property, plant and equipment	35.06	65.13
Payable against purchase consideration (refer note 7(e))	123.34	100.00
Employee benefits payable	304.88	265.78
Dividend payable (including unclaimed dividend, refer note 18)	128.63	6.29
Others	17.39	61.78
Total current financial liabilities	**1,167.46**	**861.64**

Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-90 days terms.

Derivative instruments reflect the change in fair value of foreign exchange forward contracts, 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 from vendor are non interest bearing.

For explanations on the Company's credit risk management processes, refer to note 48.

NOTE 22 : EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	31 March 2023	31 March 2022
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 39)	55.73	74.04
Total non-current employee benefit obligations	**55.73**	**74.04**
Current		
Provision for employee benefits		
Provision for gratuity (refer note 39)	16.59	24.12
Provision for leave benefit	61.04	82.14
Total current employee benefit obligations	**77.63**	**106.26**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 23: DEFERRED TAX LIABILITIES/ASSETS (NET)

(₹ in million)

	31 March 2023	31 March 2022
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	24.07	35.13
Fair valuation of land on transition date	38.86	38.86
Fair valuation of FVTOCI investments	-	-
Cash flow hedge reserve	7.51	538.28
Interest accrued on non-convertible debentures	290.85	128.80
Others	4.14	16.11
Gross deferred tax liability	**365.43**	**757.18**
Deferred tax assets		
Provision for doubtful debts and advances	159.58	149.60
Capital loss on sale of investment	13.09	13.09
Expenses disallowed in income tax, allowed as and when incurred	83.85	171.14
Employee benefit obligations	55.68	65.70
Others	29.61	57.40
Gross deferred tax assets	**341.81**	**456.93**
Net deferred tax liability/(asset)	**23.62**	**300.25**

Reconciliation of deferred tax liability/(asset)

(₹ in million)

	31 March 2023	31 March 2022
Opening deferred tax liability (net)	300.25	1,789.06
Deferred tax credit recorded in statement of profit and loss	242.10	14.59
Deferred tax charge recorded in OCI	12.01	707.41
Deferred tax charge/(credit) on cash flow hedge reserve	(530.74)	307.38
Deferred tax liability transferred to current tax liability on sale of investments	-	60.82
Adjustment on merger of Sterlite Grid 4 Limited (refer note 56)	-	(2,579.00)
Others	-	(0.01)
Closing deferred tax liability/(asset), (net)	**23.62**	**300.25**

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

(₹ in million)

	31 March 2023	31 March 2022
Profit or loss section		
Current income tax charges:		
Current income tax	830.29	541.91
Adjustment of tax relating to earlier periods	(29.69)	(145.07)
Deferred tax		
Relating to origination and reversal of temporary differences	242.10	14.59
Income tax expenses reported in the statement of profit or loss	**1,042.70**	**411.43**
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on revaluation of cash flow hedges	(530.74)	307.38
Re-measurement loss defined benefit plans	(0.97)	(2.61)
Income tax charged through OCI on fair valuation of investments	12.98	710.02
	(518.73)	**1,014.79**

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

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

(₹ in million)

	31 March 2023	31 March 2022
Accounting profit before income tax	**4,262.81**	**2,877.21**
At India's statutory income tax rate of 25.168% (31 March 2022: 25.168%)	1,072.95	724.19
Permanent difference on account of expenses disallowed	14.07	8.56
Permanent difference on account of deferred tax not recognised on impairment	64.08	-
Permanent difference not liable to tax on account of notional income	(48.46)	(35.87)
Difference in income tax rate considered for deferred tax on capital assets	(16.22)	(17.93)
Interest cost benefit on NCDs of Sterlite Grid 4 Limited	-	(98.16)
Tax/(reversal of tax) for earlier years	(29.69)	(145.07)
Others	(14.03)	(24.29)
At the effective income tax rate of 23.37% (31 March 2022: 14.30%)	**1,042.70**	**411.43**
Income tax expense reported in the statement of profit and loss	**1,042.70**	**411.43**

For the purpose of recognition and measurement of income tax, the amalgamation of Sterlite Grid 4 Limited ("SGL4") with the Company has been considered from the appointed date of 1 April 2020 as required by the Income Tax Act, 1961 resulting in utilisation of business losses of the Company against the tax liability of SGL4, resulting in tax credit of ₹ 145.07 million in previous year.

NOTE 24 : TRADE PAYABLES

(₹ in million)

	31 March 2023	31 March 2022
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 45)	908.41	497.00
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,352.10	12,500.56
	17,260.51	**12,997.56**
Trade payables to related parties (refer note 50)	75.95	106.27
Operational suppliers credit		
- from related parties (refer note 50)	7,029.32	3,316.99
- from others	192.50	-
Other trade payables	9,962.74	9,574.30
Total	**17,260.51**	**12,997.56**

Ageing of trade payables

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Dues							
(i) MSME	553.99	-	187.02	86.15	48.15	33.10	908.41
(ii) Others	11,944.97	2,747.02	444.94	1,191.74	5.95	13.76	16,348.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	3.72	-	-	3.72
Total	**12,498.96**	**2,747.02**	**631.96**	**1,281.61**	**54.10**	**46.86**	**17,260.51**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022							
Dues							
(i) MSME	48.49	-	360.39	83.46	-	4.66	497.00
(ii) Others	10,665.86	606.46	1,156.10	68.32	2.74	1.08	12,500.56
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**10,714.35**	**606.46**	**1,516.49**	**151.78**	**2.74**	**5.74**	**12,997.56**

a) Trade payables are non-interest bearing and are normally settled on 45-180 days terms.

b) Operational supplier's credit availed in Indian Rupees at an interest rate of 7.00%-10.65% and is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Company.

NOTE 25: OTHER LIABILITIES

(₹ in million)

	31 March 2023	31 March 2022
Non-current		
Advance from customers*	-	2,249.29
Total other non-current liabilities	**-**	**2,249.29**
Current liabilities		
Advance from customers*	8,634.37	3,858.97
Goods and services tax payable	66.16	113.77
Withholding taxes (TDS) payable	119.67	114.03
Contract liabilities for EPC contracts including advances from customers	4,342.35	2,007.92
Others	245.16	289.61
Total	**13,407.71**	**6,384.30**

**The Company has provided corporate guarantees against the advances received from joint ventures and subsidiaries.*

NOTE 26: REVENUE FROM OPERATIONS

(₹ in million)

	31 March 2023	31 March 2022
Revenue from contract with customers		
Sale of goods and services (see notes below)	38,478.35	37,810.79
Other operating revenue		
Sale of scrap	183.07	128.45
Management fees (refer note 50)	573.72	34.60
Total revenue from operations	**39,235.14**	**37,973.84**
Type of goods or service:		
Revenue from sale of conductors and power cables	21,900.62	15,470.90
Revenue from engineering, procurement and construction (EPC) contracts	8,089.19	3,254.93
Revenue from engineering, procurement and construction (EPC) contracts with related parties (refer note 50)	7,686.54	18,469.45
Revenue form sale of traded goods	667.62	331.50
Revenue from project consultancy services	-	46.14
Revenue from services rendered to joint ventures (refer note 50)	134.38	237.87
Total revenue from contracts with customers	**38,478.35**	**37,810.79**

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
Geographical disaggregation:		
Within India	26,677.82	27,037.97
Outside India	11,800.53	10,772.82
Total revenue from contracts with customers	**38,478.35**	**37,810.79**
Timing of revenue recognition:		
Goods transferred at a point in time	22,568.24	15,802.40
Services transferred over time	15,910.11	22,008.39
Total revenue from contracts with customers	**38,478.35**	**37,810.79**

26 (a) Performance obligations

Information about the Company's performance obligations are summarised below:

Revenue from sale of conductors, power cables and traded goods

The performance obligation is satisfied upon delivery of conductor, power cable or traded aluminium ingots and rods and payment is generally due within 30 to 180 days from delivery. Some contracts provide the Company right to receive price variation from customers on account of changes in metal prices.

Revenue from engineering, procurement and construction (EPC) contracts

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

Project consultancy services

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.

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 over-time.

26 (b) Assets and liabilities related to contracts with customers

(₹ in million)

	31 March 2023	31 March 2022
Balances at the beginning of the year		
Trade receivables	13,491.50	9,755.41
Contract assets	976.82	1,440.03
Contract liabilities	8,116.18	10,043.39
Balances at the end of the year		
Trade receivables	16,772.24	13,491.50
Contract assets	1,687.83	976.82
Contract liabilities	12,976.72	8,116.18

The Company receives payments from customers based on a billing schedule, as established in the contracts. Contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) performed under the contract.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

26 (c) Revenue recognised in relation to contract liabilities

(₹ in million)

	31 March 2023	31 March 2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	6,064.08	7,794.11

26 (d) Transaction price allocated to the remaining performance obligations

(₹ in million)

	31 March 2023	31 March 2022
Expected to be recognised as revenue over the next one year	31,943.51	28,423.59
Expected to be recognised as revenue beyond next one year	14,590.34	7,771.83
Total	**46,533.85**	**36,195.42**

NOTE 27: FINANCE INCOME

(₹ in million)

	31 March 2023	31 March 2022
Interest income on		
- Bank deposits	121.32	133.42
- Loans and non-convertible debenture given/issued to related parties (refer note 50)	904.58	678.75
- Income tax refund	20.45	9.47
Gain on sale of non-convertible debentures	-	20.67
Gain on sale of mutual funds	1.86	-
Fair value gain on financial instruments measured at fair value through profit and loss	4.95	-
Others	11.30	6.97
Total	**1,064.46**	**849.28**

NOTE 28: OTHER INCOME

(₹ in million)

	31 March 2023	31 March 2022
Net gain on sale of investment in an associate and units of India Grid Trust	-	297.50
Income on investment in India Grid Trust	-	11.47
Claim received from vendor	74.00	-
Reversal of impairment allowance for trade receivables	31.74	-
Guarantee commission charges (refer note 50)	17.95	21.93
Miscellaneous income	65.29	40.95
Total	**188.98**	**371.85**

NOTE 29: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	31 March 2023	31 March 2022
Inventory at the beginning of the year	809.56	1,871.70
Add: Purchases during the year	18,628.35	10,941.21
	19,437.91	12,812.91
Less: Inventory at the end of the year	2,053.91	809.56
Cost of raw material and components consumed	**17,384.00**	**12,003.35**

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

NOTE 30: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	31 March 2023	31 March 2022
Construction material consumed		
Inventory at the beginning of the year	309.98	412.72
Add: Purchases during the year	9,060.74	12,392.14
Less: Inventory at the end of the year	(2,797.15)	(309.98)
	6,573.57	**12,494.88**
Subcontracting charges*	3,456.62	3,767.80
Total	**10,030.19**	**16,262.68**

**These charges pertain to services availed in relation to engineering, procurement and construction (EPC) contracts.*

NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	31 March 2023	31 March 2022
Opening inventories:		
Traded goods	11.20	58.22
Work-in-progress	340.83	205.64
Finished goods	497.42	762.44
	849.45	**1,026.30**
Closing inventories:		
Traded goods	9.91	11.20
Work-in-progress	533.31	340.83
Finished goods	1,593.71	497.42
	2,136.93	**849.45**
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	**(1,287.48)**	**176.85**

NOTE 32: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31 March 2023	31 March 2022
Salaries, wages and bonus	1,795.07	1,916.83
Contribution to provident fund and superannuation fund	54.03	56.61
Employee stock appreciation rights expense (refer note 52)	-	(16.37)
Share based payment expense (refer note 54)	59.06	-
Gratuity expense (refer note 39)	16.86	24.53
Staff welfare expenses	95.38	65.00
Total	**2,020.40**	**2,046.60**

NOTE 33: OTHER EXPENSES

(₹ in million)

	31 March 2023	31 March 2022
Consumption of stores and spares	138.19	91.27
Power, fuel and water	377.71	303.02
Repairs and maintenance		-
- Building	30.36	17.37
- Machinery	206.40	122.54
Service expenses and labour charges	320.66	247.53
Consumption of packing materials	489.87	324.10
Sales commission	143.78	168.53
Advertisement & sales promotion	62.85	33.72
Carriage outwards	1,325.20	814.27

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2023	31 March 2022
Rent	128.81	50.62
Insurance	72.45	72.32
Rates and taxes	20.02	121.88
Travelling and conveyance	305.37	187.60
Legal and professional fees	288.12	307.63
Loss on sale of property, plant & equipment (net)	0.24	4.48
Corporate social responsibility expenses (refer note (b) below)	20.94	30.17
Impairment allowance for trade receivables	-	103.59
Impairment on investment and loans	409.28	-
Directors sitting fees (refer note 50)	9.24	14.17
Payment to auditor (refer note (a) below)	14.43	12.20
Miscellaneous expenses	659.50	594.74
Total	**5,023.42**	**3,621.75**

(a) Payment to auditor

(₹ in million)

	31 March 2023	31 March 2022
As auditor:		
Statutory audit fee (including audit of consolidated financial statements)	9.88	9.55
Tax audit fee	1.25	1.25
Other services (fees related to certifications)	3.30	1.40
Total	**14.43**	**12.20**

(b) Corporate social responsibility expenses

Section 135 of the Companies Act, 2013 is applicable on the Company but 2% of its average net profits of the last three financial years is negative. Hence, the Company is not required to contribute towards Corporate Social Responsibility activities. Though during the current year, the Company has spent ₹ 20.94 million (31 March 2022: ₹ 30.17 million) voluntarily on non-capital related activities.

Details of CSR expenditure:

(₹ in million)

Particulars	31 March 2023	31 March 2022
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount approved by the Board to be spent during the year	22.00	40.10

(₹ in million)

Particulars	In cash	In cash
i) Construction/acquisition of any asset		
Amount spent during the year ending	-	-
ii) On purposes other than (i) above		
Amount spent during the year ending	20.94	30.17
d) Details related to spent/unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project #	1.06	9.93
- Other than ongoing project	-	-

 # Since the amount has been spent as voluntary contribution towards CSR programs, the Company is not required or has no obligation to spend or transfer unspent amount to a separate bank account as per the provisions of the Section 135 of the Companies Act, 2013.

Notes to Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	31 March 2023	31 March 2022
Depreciation of tangible assets	272.39	244.91
Depreciation of right-of-use assets	118.70	78.91
Amortisation of intangible assets	47.31	66.83
Total	**438.40**	**390.65**

NOTE 35: FINANCE COST

(₹ in million)

	31 March 2023	31 March 2022
Interest on financial liabilities measured at amortised cost	1,186.66	675.19
Bill discounting and factoring charges	270.74	78.05
Bank charges	431.18	349.48
Interest on lease liabilities	53.71	16.85
Total	**1,942.29**	**1,119.57**

NOTE 36: EXCEPTIONAL ITEMS

(₹ in million)

	31 March 2023	31 March 2022
Initial public offer related expenses*	-	117.00
Total	**-**	**117.00**

**During the previous year, the Company 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 31 March 2022. It also includes payment of ₹ 30.25 million made to auditors related to professional services rendered for special purpose audits, certification work and deliverables related to proposed initial public offer.*

NOTE 37: EARNINGS PER SHARE (EPS)

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:

(₹ in million)

	31 March 2023	31 March 2022
Profit attributable to equity shareholders for computation of basic and diluted EPS	3,220.11	2,465.78
Weighted average number of equity shares in calculating basic EPS (restated on account of issuance of bonus shares, refer note 16)	122.36	122.36
Dilutive effect on weighted average number of equity shares outstanding during the year	0.24	-
Weighted average number of equity shares in calculating diluted EPS (restated on account of issuance of bonus shares, refer note 16)	122.60	122.36
Earnings per share (₹)		
Basic (on nominal value of ₹ 2 per share)	26.32	20.15*
Diluted (on nominal value of ₹ 2 per share)	26.27	20.15*

** Previous year earning per share has been restated on account of bonus shares issued during the current year.*

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 38: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:"

i) Disposal of Khargone Transmission Limited (""KTL"")

During the year ended 31 March 2023, the Company had entered into share purchase agreement and shareholders' agreement dated 21 January 2023 ("the Agreements") among Khargone Transmission Limited ('KTL' 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 IndiGrid Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Pursuant to the Agreements, the Company had transferred 49% of equity in the SPV and for transfer of the remaining 51% equity stake, the Company 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 Company had also given the following rights to the buying shareholder:

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 meetings 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.

Basis the above rights and the fact that full non-refundable consideration was received in advance by the Company from the buying shareholder, the Company has derecognised entire investment in the SPV and recognised a loss of ₹ 32.86 million on sale of the SPV during the current year through other comprehensive income.

During the year ended 31 March 2022, the Company had classified Khargone Transmission Limited as 'Asset classified as held for sale' at recoverable value based on the judgement that sale transaction was highly probable. "

ii) Accounting for Merger of Sterlite Grid 4 Limited ("SG4L")

The Scheme of Amalgamation of Sterlite Grid 4 Limited ('SGL4') being a wholly owned subsidiary of the Company with the Company has sanctioned by National Company Law Tribunal ('NCLT') vide its order dated 17 February 2022. The Company received certified copy of the order which is filed with Registrar of Companies on 14 March 2022 ('Effective date').

Management has assessed that the amalgamation of SGL4 (including project SPVs) with the Company as an asset acquisition since it doesn't fulfil/meet the definition of business as per Ind AS 103, Business Combinations. Therefore, the amalgamation of SGL4 with the Company accounted from the Effective date when all substantial conditions for the transfer of assets and liabilities are completed. Also, the amalgamation of SGL4 with the Company has not considered as a common control transaction under Appendix C to Ind AS 103, the comparative periods are not restated."

B. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

i) **Impairment of non-financial assets**
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

ii) **Revenue recognition for construction contracts- EPC contracts**
As described in note 2.2, revenue and costs in respect of construction contracts are recognised by reference to stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Company estimates the total cost of the project at each period end. These estimates are based on the rates agreed with vendors/sub contractors and management's best estimates of the costs that would be incurred for the completion of project based on past experience and/or industry data. These estimates are re-assessed at each period end. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.
Further details about gratuity obligations are given in Note 39.

iv) **Fair value measurement of financial instruments**
When the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 46, 47 and 48 for further disclosures.

v) **Provision for expected credit losses of trade receivables and contract assets**
The Company 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 26), hence the concentration of risk with respect to trade receivables is low.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

vi) Assumption used in Restricted Stock Units/Employee Stock Options Plan

The Company measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 54.

NOTE 39: EMPLOYEE BENEFITS

a) Defined contribution plan

The Company has defined contribution plan which are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are as under:

(₹ in million)

Particulars	31 March 2023	31 March 2022
Employer's contribution to provident fund	54.03	56.61
Total	**54.03**	**56.61**

b) Defined benefit plan

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary plus dearness allowance per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to funds. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

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

(₹ in million)

Particulars	31 March 2023	31 March 2022
Defined benefit obligation at the beginning of the year	**113.78**	**100.37**
Interest cost	6.91	5.67
Current service cost	15.28	18.87
Past service cost	(4.38)	-
Liability transferred out	(2.40)	-
Benefits paid	(18.75)	(22.48)
Actuarial (gain)/loss due to change in financial assumptions	(1.75)	6.77
Actuarial (gain)/loss on obligation due to experience adjustments	1.50	3.55
Actuarial (gain)/loss on obligation due to demographic assumptions	4.81	1.03
Present value of defined benefit obligation at the end of the year	**115.00**	**113.78**

Changes in the present value of the defined benefit plan asset:

(₹ in million)

Particulars	31 March 2023	31 March 2022
Defined benefit plan asset at the beginning of the year	**15.62**	-
Employer's contribution	33.38	24.99
Benefits paid	(7.99)	(10.33)
Return on plan assets	1.67	0.96
Present value of defined benefit plan asset at the end of the year	**42.68**	**15.62**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Details of defined benefit obligation

(₹ in million)

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation	115.00	113.78
Fair value of plan assets	42.68	15.62
Net defined benefit obligation	**72.32**	**98.16**

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

(₹ in million)

Particulars	31 March 2023	31 March 2022
Current service cost	15.28	18.87
Past service cost	(4.38)	-
Interest cost on benefit obligation	6.91	5.67
Realised return on plan assets	(0.95)	-
Net benefit expense	**16.86**	**24.54**

Expenses recognised in other comprehensive income (OCI) for current period

(₹ in million)

Particulars	31 March 2023	31 March 2022
Actuarial (gain)/loss on obligation for the year		
- changes in demographic assumption	4.81	1.03
- changes in financial assumption	(1.75)	6.77
- experience variance	1.50	3.55
- Return on plan assets excluding amounts recognised in net interest expense	(0.72)	(0.96)
Net expense for the period recognised in OCI	**3.84**	**10.39**

The net liability disclosed above related to funded plan is as follows:

(₹ in million)

Particulars	31 March 2023	31 March 2022
Defined benefit obligation	115.00	113.78
Plan assets	42.68	15.62
Surplus/(deficit)	(72.32)	(98.16)
Experience adjustments on plan liabilities	1.50	3.55
Experience adjustments on plan assets	-	-

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

(₹ in million)

Particulars	31 March 2023	31 March 2022
Discount rate	7.35%	6.10%
Expected rate of return on plan asset	NA	NA
Employee turnover	8.00%-23.00%	15.00%-22.62%
Expected rate of salary increase	10%	9%
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.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Sensitivity analysis

(₹ in million)

Particulars	31 March 2023	31 March 2022
Defined benefit obligation based on current assumptions	115.00	113.78
Delta effect of +1% change in rate of discounting	(7.11)	(5.73)
Delta effect of -1% change in rate of discounting	7.98	5.46
Delta effect of +1% change in rate of salary increase	6.04	4.82
Delta effect of -1% change in rate of salary increase	(5.84)	(5.34)
Delta effect of +1% change in rate of employee turnover	(4.50)	(4.30)
Delta effect of -1% change in rate of employee turnover	7.52	8.32

Maturity profile of defined benefit obligation (undiscounted basis)

(₹ in million)

Particulars	31 March 2023	31 March 2022
Projected benefits payable in future years from the date of reporting		
Within next 1 year	16.59	24.12
Between 2 to 5 years	54.09	60.31
Between 6 to 10 years	53.31	42.72
Beyond 10 years	82.61	33.70

NOTE 40: LEASE LIABILITY

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

Lease liabilities*

(₹ in million)

Maturity profile	Amount
Less than one year	97.16
One to two years	112.18
Two to five years	232.70
More than five years	-
Total lease liabilities at March 31, 2023	**442.04**

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

(₹ in million)

Particulars	Amount
Opening lease liabilities as at 1 April 2022	530.60
Add: Additions/(deductions)	-
Add: Interest on lease liabilities	53.71
Add: Payments	(142.27)
As at 31 March 2023	**442.04**
Current	97.16
Non-current	344.88

* Effective interest rate used for discounting of lease liabilities is 11% p.a.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 41: CAPITAL AND OTHER COMMITMENTS

(a) Commitment related to further investment in subsidiaries is ₹ 3,647.10 million (31 March 2022: ₹ 4,268.06 million)

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹ 67.65 million (31 March 2022: ₹ 26.55 million).

NOTE 42: CONTINGENT LIABILITIES

(₹ in million)

		31 March 2023	31 March 2022
1	Disputed liabilities in appeal:		
	a) Excise duty	73.56	73.56
	b) Value Added Tax (VAT), Entry Tax and Central Sales Tax (refer note i below)	41.71	38.98
	c) Income tax	3.91	-
	d) Goods and service tax (refer note iii below)	1,827.39	-
2	Performance guarantee to insurer on behalf of subsidiaries	1,669.42	2,265.27
3	**Bank guarantees given:**		
	- To long term transmission customers on behalf of its subsidiary/joint ventures companies.	1,822.10	3,261.25
	- For bidding of projects on behalf of its subsidiaries	609.70	300.00
	- On behalf of India Grid Trust ('IGT')	25.00	25.00
	- To India Grid Trust ('IGT') for various claim with respect to sale of investments	1,163.04	1,336.00
	- For advance received from customers	-	800.00
4	**Corporate guarantees given:**		
	- To India Grid Trust ('IGT') against earn-outs as mentioned in the share purchase agreement with respect to sale of ENICL	350.00	350.00
	- Given on behalf of its related party revenue contract executed	188.60	188.60
	- On behalf of its subsidiary for issuance of non-convertible debentures*	2,000.00	-

** The current outstanding of the non-convertible debentures is ₹ 1,750 millions as at 31 March 2023.*

Further, pursuant to share purchase agreement with India Grid Trust, the Company is to indemnify India Grid Trust for entry tax demand of ₹ 252.78 million (31 March 2022 ₹ 252.78 million), sales tax demands of ₹ 19.07 million (31 March 2022: ₹ 9.34 million) and income tax demands of ₹ 27.92 million (31 March 2022: 27.92 million) in relation to the Companies sold to India Grid 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 ₹ Nil (31 March 2022 ₹ 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 2022 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 2022: 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. The Company has deposited an amount of ₹ 0.56 million (31 March 2022: ₹ 0.56 million) while preferring the appeal in this matter.

(d) Value added tax (VAT) and Central sales tax (CST) demand of ₹ Nil (31 March 2022: ₹ Nil) pertains to Telangana VAT Act, 2003 on account on non-discharge of VAT liability by sub- contractor for the period December 2015 to June 2017. The Company has deposited an amount of ₹ 3.44 million (31 March 2022: ₹ 3.44 million) while preferring the appeal in this matter.

(e) Central Sales Tax demand of ₹ 1.46 million (31 March 2022: 1.46 million) pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EII

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

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 2022: ₹ 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 2022: ₹ 0.10 million) while preferring the appeal in this matter.

g) Value Added Tax demand of ₹ 18.79 million (31 March 2022: ₹ 18.79 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 period October 2015 to March 2016, April 2016 to June 2016 and April 2014 to September 2015.

The Company is contesting the demand by way of preferring appeals to the higher tax authorities and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of the operations.

(ii) During the previous year, one of the MSME vendor had 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.

(iii) During the current year, the Company has received show cause notice from Directorate General of Goods & Service Tax Intelligence, Surat Zonal Unit. The Company has received a demand for erroneous refund in respect of exports made on payment of IGST under Rule 96(10) of the CGST Rules, 2017. The Company has filed writ petition against this demand in Honourable Gujarat High Court and has received stay order against the demand. The Company doesn't expect the claim to succeed and has obtained a legal opinion for the said matter. Accordingly, no provision for contingent liability has been made in the financial statements. Further, management believes that even if the payment of GST is made, the same will be re-credited to the electronic credit ledger (excluding penalty and interest) and the same can be utilised to pay the output GST liability.

NOTE 43: HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts

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

Commodity future contracts

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

The cash flow hedges as at 31 March 2023 were assessed to be highly effective, and a net unrealised gain of ₹ 22.34 million (net of deferred tax of ₹ 7.51 million), (31 March 2022 ₹ 1,603.10 million) (net of deferred tax of ₹ 538.28 million) is included in other comprehensive income. The amounts retained in other comprehensive income at 31 March 2023 are expected to mature and affect the statement of profit and loss for the year ending 31 March 2024.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 44: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the Company, for hedge purpose, as on 31 March 2023

Purpose	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
31 March 2023				
Hedge of payables, suppliers credit and highly probable purchases	USD 183.26	15,067.06	Buy	258
Hedge of trade receivables, margin money deposits and highly probable sale	USD 125.69	10,333.65	Sell	85
Hedge of payables and highly probable purchases	EUR 1.39	124.65	Buy	1
Hedge of trade receivables and highly probable sale	EUR 15.88	1,422.59	Sell	10
31 March 2022				
Hedge of payables, suppliers credit and highly probable purchases	USD 101.33	7,681.30	Buy	141
Hedge of trade receivables, margin money deposits and highly probable sale	USD 114.05	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) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

Category	Currency type	Foreign currency (In million)	Amount (₹ in million)
31 March 2023			
Import of goods and services	EUR	0.02	1.94
Import of goods and services	USD	0.62	50.89
31 March 2022			
Import of goods and services	EUR	0.00*	0.13
Import of goods and services	USD	0.13	9.62

** Amount less than ₹ 0.01 million*

(c) Commodity future contracts to hedge against fluctuation in commodity prices:

The following are the outstanding future contracts entered into by the Company as on 31 March 2023

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2023	Aluminium	288	99,814.00	Buy
31 March 2023	Aluminium	76	49,255.00	Sell
31 March 2023	Copper	33	2,565.00	Buy
31 March 2023	Copper	19	984.00	Sell
31 March 2022	Aluminium	127	34,622.00	Buy
31 March 2022	Aluminium	19	9,345.00	Sell
31 March 2022	Copper	6	153.00	Buy
31 March 2022	Copper	4	149.00	Sell

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 45: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

(₹ in million)

Description	31 March 2023	31 March 2022
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	884.12	490.95
Interest due on above	18.24	5.34
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	24.29	6.05
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent of ₹ 24.29 million (31 March 2022: 6.05 Million) is accrued in the books of accounts.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the suppliers/information available with the Company regarding their status under MSMED Act, 2006.

NOTE 46: FAIR VALUES

Set out below is the comparison of class of the carrying amount and fair value of the Company's financial instruments that are recognized in the financial statements:

(₹ in million)

Particulars	Carrying value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets				
- **At fair value through other comprehensive income**				
Investment in equity instruments	3,706.16	5,249.51	3,706.16	5,249.51
Equity component of loan given to subsidiaries	460.09	333.78	460.09	333.78
Derivative instruments	539.42	522.69	539.42	522.69
- **At fair value through statement of profit or loss**				
Investment in Compulsorily convertible debentures	1,018.83	48.63	1,018.83	48.63
Investment in mutual funds	805.00	-	805.00	-
- **At amortised cost**				
Investment in non-convertible debentures	7,463.02	5,813.18	7,463.02	5,813.18
Loans	2,113.07	5,751.92	2,113.07	5,751.92
Trade receivables	16,772.24	13,491.50	16,772.24	13,491.50
Cash and cash equivalents	3,221.10	1,859.54	3,221.10	1,859.54
Other bank balances	978.80	465.64	978.80	465.64
Other financial assets	2,489.46	2,428.21	2,489.46	2,428.21
Total	**39,567.19**	**35,964.60**	**39,567.19**	**35,964.60**
- **At fair value through other comprehensive income**				
Derivative instruments	58.09	7.46	58.09	7.46
- **At amortised cost**				

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	Carrying value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Borrowings	4,716.09	2,513.08	4,716.09	2,513.08
Lease liabilities	442.04	530.60	442.04	530.60
Trade payables	17,260.51	12,997.56	17,260.51	12,997.56
Other financial liabilities	1,133.92	1,003.39	1,133.92	1,003.39
Total	**23,610.65**	**17,052.09**	**23,610.65**	**17,052.09**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables, other financial assets and liabilities and lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on net asset value (NAV) available as at reporting date.

- The fair values of the unquoted equity instruments and compulsorily convertible debentures 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 and compulsorily convertible debentures.

- The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporates various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The fair values of commodity futures contracts are based on price quotations on LME at the reporting date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

  The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2023 and 31 March 2022 are as shown below:

  Description of significant unobservable inputs to valuation:

  A FVTOCI assets - unquoted equity shares in subsidiaries and joint ventures and compulsorily convertible debentures of joint ventures

  The fair value of the investments in equity instruments of subsidiaries and joint ventures and and compulsorily convertible debentures of joint ventures have been determined based on the fair values of the various Indian and Brazilian transmission projects owned by the Company. Such fair values have been computed based on discounted cash flow (DCF) method during the year ended 31 March 2023 and 31 March 2022.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(a) Investment in Indian transmission projects in equity shares and compulsorily convertible debentures of joint ventures

(₹ in million)

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value 31 March 2023	Increase/(decrease) in fair value 31 March 2022
i) Cost of equity	(i) Operational projects 31 March 2023: 12.75% 31 March 2022: NA			
	(ii) New/under construction project 31 March 2023: 13.25%- 14.75% 31 March 2022: 13.50%- 15.00%	(+) 0.5% (-) 0.5%	(466.00) 509.13	(390.27) 422.89
ii) Cost of debt	31 March 2023: 7.50% - 7.75% 31 March 2022: 8.00%	(+) 0.5% (-) 0.5%	(1,971.68) 1,958.80	(2,287.14) 2,277.07
iii) Incremental tariff expected to be approved by CERC in respect of cost overruns due to force majeure/change in law (as % of non-escalable tariff)	Change in law claim has been considered in the fair valuation of Lakadia Vadodara Transmission Project Limited for the year ended 31 March 2023.	(+) 5% (of non-escalable tariff) (-) 5% (of non-escalable tariff)	120.32 (120.76)	32.89 (32.89)
iv) Project cost (for under construction assets) (note 1)		(+) 5% (-) 5%	(2,487.96) 2,483.96	(3,875.64) 1,897.67

Note 1:

(₹ in million)

Project	Project cost 31 March 2023	Project cost 31 March 2022
Goa-Tamnar Transmission Project Limited	17,685.28	13,442.00
Lakadia Vadodara Transmission Project Limited	23,088.70	20,291.00
Mumbai Urja Marg Limited	27,992.85	27,800.00
Nangalbibra-Bongaigaon Transmission Limited	5,895.84	5,560.00
Udupi Kasargode Transmission Limited	7,658.00	7,780.00

(b) Investment in Brazilian transmission projects:

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value 31 March 2023	Increase/(decrease) in fair value 31 March 2022
i) Cost of equity	(i) Operational projects- 31 March 2023: 13.00% 31 March 2022: NA	(+) 0.5%	(509.09)	(353.99)
	(ii) New/under construction project - 31 March 2023: 13.00% - 14.50% 31 March 2022: 14.75%	(-) 0.5%	554.43	326.50
ii) Cost of debt	31 March 2023: 6.10% to 10.00% 31 March 2022: 4.50% to 7.00%	(+) 0.5% (-) 0.5%	(564.32) 562.70	(647.80) 573.07
iii) Inflation	31 March 2023: 1.78% 31 March 2022: 1.23%	(+) 5% (-) 5%	185.52 (171.33)	133.68 (141.64)
iv) Project cost (for under construction assets)		(+) 5% (-) 5%	(2,302.39) 2,288.75	(1,902.05) 1,839.19

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

B. FVTOCI assets - Unquoted equity shares in Sharper Shape Group Inc.
Valuation technique: Discounted cash flow (DCF) method

(₹ in million)

Sr. No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in fair value	
				31 March 2023	31 March 2022
(i)	Discount for lack of marketability	31 March 2023: 20%	5% increase	(5.67)	(6.27)
		31 March 2022: 10%	5% decrease	6.93	6.27

C. FVTOCI assets - Unquoted equity shares in Maharashtra Transmission Communication Infrastructure Limited (MTCIL)*
Valuation technique: Discounted cash flow (DCF) method

Sr. No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Fair value 31 March 2023
(i)	Discount rate	31 March 2023: 18.87%	2% increase	(34.12)
			2% decrease	40.94
(ii)	Terminal growth rate	31 March 2023: 2.00%	1% increase	12.39
			1% decrease	(12.39)

**MTCIL was acquired on 31 March 2022 and hence valuation was not carried out during previous year.*

NOTE 47: FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2023 and 31 March 2022

(₹ in million)

	Amount	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Investment in mutual funds				
As at 31 March 2023	805.00	805.00	-	-
As at 31 March 2022	-	-	-	-
Investment in compulsorily convertible debentures				
As at 31 March 2023	1,018.83	-	-	1,018.83
As at 31 March 2022	48.63	-	-	48.63
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at 31 March 2023	3,706.16	-	-	3,706.16
As at 31 March 2022	5,249.51	-	-	5,249.51
Derivative asset/(liabilities) (net)				
As at 31 March 2023	481.33	-	481.33	-
As at 31 March 2022	515.23	-	515.23	-

There have been no transfers among Level 1, Level 2 and Level 3.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 48: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit Risk, Liquidity Risk and Market risk.

(a) Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2023.

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 as at 31 March 2023 and 31 March 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate primarily relates to the Company's long term debt obligations with floating interest rates.

The Company is exposed to the interest rate fluctuation in domestic borrowing.

Interest rate sensitivity

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

(₹ in million)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
31 March 2023		
Base Rate	+50	(11.74)
Base Rate	-50	11.74
31 March 2022		
Base Rate	+50	(9.75)
Base Rate	-50	9.75

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

Foreign currency risk

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

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

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure, the Company has hedged the exposure of 99.99% as at 31 March 2023 and 99.99% as at 31 March 2022.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows:

(₹ in million)

	Change in USD rate	Effect on profit before tax	Change in Euro rate	Effect on profit before tax
31 March 2023	+5%	(2.54)	+5%	(0.10)
	-5%	2.54	-5%	0.10
31 March 2022	+5%	(0.48)	+5%	(0.01)
	-5%	0.48	-5%	0.01

Commodity price risk

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

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on forecasted delivery plans, the Company hedges the aluminium and copper price using future commodity contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

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

Equity price risk

The Company has invested in mutual fund units, compulsory convertible debentures and unlisted equity securities which are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to mutual fund units, compulsory convertible debentures and unlisted equity securities at fair value is ₹ 5,529.99 million (31

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

March 2022: ₹ 5,298.12 million). Sensitivity analysis of these investments have been provided in note 46.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financials guarantee given by the Company on behalf of subsidiaries. The Company's maximum exposure in this regard is the maximum amount Company could have to pay if the guarantee is called on as at 31 March 2023 is ₹ 6,158.45 million (31 March 2022: ₹ 6,260.85 million). These financial guarantees have been issued to bank and long term transmission customer on behalf of its subsidiaries and joint ventures. Based on the expectations at the end of reporting period, the Company considers likelihood of any claim under guarantee is remote.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year . The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in Note 43 and the liquidity table below:

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in million)

Particulars	Payable on demand	Less than 1 year	1 year to 5 years	> 5 years	Total
As at 31 March 2023					
Borrowings #	1,990.89	2,787.16	430.00	-	5,208.05
Lease liabilities	-	97.16	344.88	-	442.04
Other financial liabilities	-	582.35	24.55	-	606.90
Trade payables	-	17,260.51	-	-	17,260.51
Payables for purchase of property, plant and equipment	-	35.06	-	-	35.06
Derivatives	-	58.09	-	-	58.09
Financial/Performance guarantee contracts*	6,158.45	-	-	-	6,158.45
Total	**8,149.34**	**20,820.33**	**799.43**	**-**	**29,769.10**
As at 31 March 2022					
Borrowings #	1,851.83	825.64	187.61	-	2,865.08
Lease liabilities	-	86.33	444.27	-	530.60
Other financial liabilities	-	437.05	149.21	-	586.26
Trade payables	-	12,997.56	-	-	12,997.56
Payables for purchase of property, plant and equipment	-	65.13	-	-	65.13
Derivatives	-	7.46	-	-	7.46
Financial/Performance guarantee contracts*	6,261.00	-	-	-	6,261.00
Total	**8,112.83**	**14,419.17**	**781.09**	**-**	**23,313.09**

 # Including short and term long term borrowings and interest accrued thereon.

** Based on the maximum amount that can be called for under the financial guarantee contract. Financial guarantee contract pertains to guarantees given to term loan lender, long term transmission customer on behalf of subsidiaries etc. These will be invoked in case of default by subsidiaries (refer note 42).*

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 49: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, borrowings, trade payables, other financial liabilities and advances received from customers less cash and short-term deposits and current investments, excluding discontinued operations, if any.

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Borrowings#	5,208.05	2,865.08
Trade payables	17,260.51	12,997.56
Other financial liabilities	700.05	658.85
Advances received from customers	12,976.72	8,116.18
Less: Cash and short-term deposits and current investments	(5,004.90)	(2,325.18)
Net debt	**31,140.43**	**22,312.49**
Equity share capital	244.72	122.36
Other equity	18,137.88	19,507.73
Total capital	**18,382.60**	**19,630.09**
Capital and net debt	**49,523.03**	**41,942.58**
Gearing ratio	**62.88%**	**53.20%**

 # Including short and term long term borrowings and interest accrued thereon.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period except those specified in note 19.

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

NOTE 50: RELATED PARTY DISCLOSURES

Related party disclosures as required by Ind AS 24, "Related Party Disclosures" :-

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

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (immediate holding company)
Volcan Investments Limited, Bahamas (ultimate holding company)

(ii) Subsidiaries

Sterlite Grid 4 Limited (till 15 March 2022, merged thereafter, refer note 56)
Sterlite Grid 5 Limited
Sterlite Grid 6 Limited
Sterlite Grid 7 Limited
Sterlite Grid 8 Limited
Sterlite Grid 9 Limited
Sterlite Grid 10 Limited
Sterlite Grid 11 Limited

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Sterlite Grid 12 Limited
Sterlite Grid 14 Limited (till 05 April 2021)
Sterlite Grid 15 Limited
Sterlite Grid 16 Limited
Sterlite Grid 17 Limited
Sterlite Grid 18 Limited (till 05 April 2021)
Sterlite Grid 19 Limited
Sterlite Grid 20 Limited
Sterlite Grid 21 Limited
Sterlite Grid 22 Limited
Sterlite Grid 23 Limited
Sterlite Grid 24 Limited
Sterlite Grid 25 Limited
Sterlite Grid 26 Limited
Sterlite Grid 27 Limited
Sterlite Grid 28 Limited
Sterlite Grid 29 Limited (till 05 April 2021)
Sterlite Grid 30 Limited
Sterlite Grid 31 Limited
Sterlite Grid 32 Limited
Sterlite Grid 33 Limited
Sterlite Grid 34 Limited
Sterlite Grid 35 Limited
Sterlite Grid 36 Limited
Sterlite Grid 37 Limited
Sterlite Grid 38 Limited
Sterlite Grid 39 Limited
Sterlite Grid 40 Limited
Sterlite EdIndia Foundation
Khargone Transmission Limited (till 01 March 2023)
Sterlite Convergence Limited
Goa-Tamnar Transmission Project Limited (till 05 April 2021)
Udupi Kasargode Transmission Limited (till 05 April 2021)
Lakadia-Vadodara Transmission Project Limited (till 05 April 2021)
Nangalbibra-Bongaigaon Transmission Limited (from 16 December 2021)
One Grid Limited
Kishwtar Transmission Limited (from 06 Decemeber 2022)
Sterlite Interlinks Limited (from 01 June 2022)
Maharashtra Transmission Communication Infrastructure Limited (from 31 March 2022)
Se Vineyards Power Transmission S.A., Brazil (till 30 Novemeber 2022)
Sterlite Brazil Participicoes, S.A., Brazil
Dunas Transmissão de Energia S.A (till 02 June 2021)
Marituba Transmissão de Energia S.A.
São Francisco Transmissão de Energia S.A.
GBS Participicoes S.A. Brazil (From 16 April 2021)
Goyas Transmissão de Energia S.A.
Borborema Transmissão de Energia S.A.
Solaris Transmissão de Energia S.A.
Vineyards Participicoes S.A. (till 30 Novemeber 2022)
Jaçanã Transmissão de Energia S.A (Erstwhile Jaçanã Energia Ltd) (from 21 February 2022)
Olindina Participaçõies S.A. (Erstwhile Jaçanã Transmissão de Energia S.A) (from 01 February 2022)
Tangará Transmissão de Energia S.A. (Erstwhile Cerrado Transmissão de Energia S.A) (from 15 June 2022)
Serra Negra Transmissão de Energia S.A (Erstwhile Veredas Transmissão de Energia S.A (from 15 June 2022)
SF 542 Participações Societárias (from 28 July 2022)

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(iii) Associate

Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (till 14 January 2022)
Sterlite Interlinks Limited (till 31 May 2022)
NER-II Transmission Limited (till 29 June 2021)

(iv) Joint Ventures

Sterlite Grid 13 Limited
Sterlite Grid 14 Limited (from 06 April 2021)
Sterlite Grid 18 Limited (from 06 April 2021)
Sterlite Grid 29 Limited (from 06 April 2021)

(v) Subsidiaries of joint ventures

Mumbai Urja Marg Limited (Erstwhile Vapi II-North Lakhimpur Transmission Limited)
Udupi Kasargode Transmission Limited (from 06 April 2021)
Lakadia-Vadodara Transmission Project Limited (from 06 April 2021)
Goa-Tamnar Transmission Project Limited (from 06 April 2021)

(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year

(i) Key Management Personnel (KMP)

Mr. Pravin Agarwal (Chairman)
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)
Mrs. Kamaljeet Kaur (Whole time Director) (from 29 June 2022)

(ii) Fellow subsidiaries

Vedanta Limited
Bharat Aluminium Company Limited
Hindustan Zinc Limited
Sterlite Technologies Limited
Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited) (till 9 March 2023)
Serentica Renewables India 1 Private Limited (till 9 March 2023)
Serentica Renewables India 4 Private Limited (till 9 March 2023)
Serentica Renewables India 9 Private Limited (till 9 March 2023)
Maharashtra Transmission Communication Infrastructure Limited (till 30 March 2022)
ESL Steels Limited (formerly know as Electrosteel Steels Limited)

(iii) Associate of immediate holding company

Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited) (from 10 March 2023)
Serentica Renewables India 1 Private Limited (from 10 March 2023)
Serentica Renewables India 4 Private Limited (from 10 March 2023)
Serentica Renewables India 9 Private Limited (from 10 March 2023)

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

(i) Key Management Personnel (KMP)

Mr. Ashok Ganesan (Company Secretary)
Mr. Arun Todarwal (Director) (till 24 July 2021)
Mr. Anoop Seth (Independent Director)
Ms. Zhao Haixia (Director) (till 31 March 2022)
Mr. A.R. Narayanswamy (Independent Director)

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(ii) Entities in which directors are interested

PTC Cables Private Limited (till 24 July 2021)
Talwndi Sabo Power Limited
Universal Floritech LLP

(iiii) Relative of key management personnel (KMP)

Mr. Navin Kumar Agarwal
Mrs. Suman Didwania

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

(₹ in million)

S. No.	Particulars	Holding Company, Subsidiaries & Fellow subsidiary		Associate, Joint Ventures and its subsidiaries, Associate of immediate holding company		KMP, Relatives of KMP and Director interested parties	
	Transactions	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Subscription/acquisition of equity shares including pending allotment	430.00	-	162.01	1,007.90	-	-
2	Loans and advances given by the Company	1,193.16	1,217.28	307.00	-	-	-
3	Investment in Non-convertible debentures (NCDs)	-	-	837.40	3,576.80	-	-
4	Investment in Compulsory-convertible debentures (CCDs)	-	-	919.70	99.13	-	-
5	Repayment of loans and advances given by the Company*	325.19	1,749.48	307.00	27.00	-	-
6	Loan taken by the Company	2,930.00	-	-	-	-	-
7	Loan repaid by the Company	750.00	-	-	-	-	-
8	Revenue from EPC contract with customer	2,196.93	429.94	7,436.52	19,945.09	-	-
9	Sale of goods (including GST)	345.19	42.23	-	-	-	-
10	Secondment fee income	-	-	3.42	3.71	-	-
11	Management fees income (excluding GST)	555.65	53.18	19.59	0.73	-	-
12	Performance bank guarantee charge recovered from subsidiary	17.95	21.93	-	-	-	-
13	Interest income accrued or interest received	5.99	7.81	708.47	562.96	-	-
14	Purchase of goods and services (including GST)	18,712.12	13,355.18	-	-	0.20	-
15	Interest cost	723.16	125.32	-	-	-	44.90
16	Purchase of power	44.44	31.33	-	-	-	-
17	Remuneration given to KMP	-	-	-	-	150.51	149.96
18	Director sitting fees	-	-	-	-	6.50	10.63
19	Director Commission	-	-	-	-	2.70	3.54
20	CSR expenditure	20.94	29.00	-	-	-	-
21	Advance received against contracts (excluding tax)	635.24	843.49	123.31	405.92	-	-
22	Reimbursement of expense paid to related parties	4.60	15.50	-	-	-	-
23	Reimbursement of expense paid on behalf of related parties	20.38	46.80	3.26	52.99	-	-

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

S. No.	Particulars	Holding Company, Subsidiaries & Fellow subsidiary		Associate, Joint Ventures and its subsidiaries, Associate of immediate holding company		KMP, Relatives of KMP and Director interested parties	
	Transactions	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
24	Bank guarantee given to related parties	-	-	-	800.00	-	-
25	Corporate guarantee given on behalf of related parties	2,000.00	-	-	-	-	-
26	Bank/performance guarantee given on behalf of related parties	1,319.00	303.90	0.21	0.20	-	-
27	Dividend paid	-	236.50	-	-	-	8.00

(₹ in million)

S. No.	Outstanding Balances	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	Loans and advances receivable*	2,744.89	6,030.52	-	-	-	-
2	Short term borrowings	2,180.00	-	-	-	-	-
3	Investment in non-convertible debentures (NCD)	-	-	7,463.02	5,917.39	-	-
4	Investment in compulsorily convertible debentures (CCD)	-	-	1,018.83	99.13	-	-
5	Trade receivables	1,136.05	196.61	7,028.20	6,610.14	-	-
6	Trade payables	7,105.27	3,423.26	-	-	-	-
7	Payable against purchase consideration	130.00	230.00	-	-	-	-
8	Amount payable against supplies, services and reimbursement of expenses (net of advance)	-	-	5.17	-	-	-
9	Amount receivable against supplies, services and reimbursement of expenses (net of payable)	58.26	83.88	36.61	52.99	-	-
10	Advances recoverable in cash from related party	28.40	-	-	28.40	-	-
11	Advance from customers	1,065.76	843.49	3,268.23	4,761.59	-	-
12	Advance to vendors	8.85	-	-	-	-	-
13	Corporate guarantee given outstanding at year end	2,188.60	188.60	-	-	-	-
14	Bank/performance guarantee given outstanding at year end	3,278.77	4,580.62	822.45	2,045.90	-	-

**During the current year, the Company has sold its investment in equity shares of its wholly owned subsidiary 'Khargone Transmission Limited (KTL)' on 2 March 2023 accordingly it ceases to be the related party of the Company. Accordingly, the loan repaid by KTL of ₹ 3,340 million post transfer of stake in KTL has not been shown as part of the related party transactions.*

(C) The major transactions with related parties during the year are as follows:

(₹ in million)

		Relationship	31 March 2023	31 March 2022
1	**Subscription/acquisition of equity shares including pending allotment**			
	Sterlite Grid 13 Limited	Joint Venture	162.01	-
	Sterlite Grid 14 Limited	Joint Venture	-	0.10

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

		Relationship	31 March 2023	31 March 2022
	Sterlite Grid 18 Limited	Joint Venture	-	618.11
	Sterlite Grid 29 Limited	Joint Venture	-	389.69
	Sterlite Grid 31 Limited	Subsidiary	1.50	-
	Sterlite Grid 32 Limited	Subsidiary	1.50	-
	Sterlite Grid 33 Limited	Subsidiary	1.50	-
	Sterlite Grid 34 Limited	Subsidiary	1.50	-
	Sterlite Grid 35 Limited	Subsidiary	1.50	-
	Sterlite Grid 36 Limited	Subsidiary	0.10	-
	Sterlite Grid 37 Limited	Subsidiary	0.10	-
	Sterlite Grid 38 Limited	Subsidiary	0.10	-
	Sterlite Grid 39 Limited	Subsidiary	0.10	-
	Sterlite Grid 40 Limited	Subsidiary	0.10	-
	Sterlite Brazil Participicoes, S.A., Brazil	Subsidiary	422.00	-
2	**Loans and advances given by the Company**			
	Khargone Transmission Limited	Subsidiary (till 1 March, 2023)	2.80	-
	Sterlite Convergence Limited	Subsidiary	-	41.70
	Sterlite Grid 5 Limited	Subsidiary	2.84	602.51
	Sterlite Grid 6 Limited	Subsidiary	0.67	1.39
	Sterlite Grid 7 Limited	Subsidiary	4.56	0.83
	Sterlite Grid 8 Limited	Subsidiary	1.23	0.80
	Sterlite Grid 9 Limited	Subsidiary	0.83	0.81
	Sterlite Grid 10 Limited	Subsidiary	0.24	0.79
	Sterlite Grid 11 Limited	Subsidiary	0.84	0.80
	Sterlite Grid 12 Limited	Subsidiary	0.82	1.41
	Sterlite Grid 15 Limited	Subsidiary	0.15	1.37
	Sterlite Grid 16 Limited	Subsidiary	185.04	-
	Sterlite Grid 17 Limited	Subsidiary	0.67	0.04
	Sterlite Grid 19 Limited	Subsidiary	0.66	0.65
	Sterlite Grid 20 Limited	Subsidiary	1.06	0.65
	Sterlite Grid 21 Limited	Subsidiary	1.52	0.65
	Sterlite Grid 22 Limited	Subsidiary	0.06	0.63
	Sterlite Grid 23 Limited	Subsidiary	0.62	0.32
	Sterlite Grid 24 Limited	Subsidiary	434.70	0.00*
	Sterlite Grid 25 Limited	Subsidiary	0.02	-
	Sterlite Grid 26 Limited	Subsidiary	367.00	525.63
	Sterlite Grid 27 Limited	Subsidiary	2.52	0.61
	Sterlite Grid 28 Limited	Subsidiary	0.02	0.61
	Sterlite Grid 30 Limited	Subsidiary	0.78	0.07
	Sterlite Grid 37 Limited	Subsidiary	0.59	-
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Fellow Subsidiary (till 9 March 2023)	182.90	35.00
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Associate of immediate holding company (from 10 March 2023)	200.00	-
	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	107.00	-
	*Amount is less than ₹ 0.01 million			
3	**Investment in Non-convertible debentures (NCDs)**			
	Sterlite Grid 13 Limited	Joint Venture	787.40	507.87
	Sterlite Grid 14 Limited	Joint Venture	50.00	228.72

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

		Relationship	31 March 2023	31 March 2022
	Sterlite Grid 18 Limited	Joint Venture	-	964.36
	Sterlite Grid 29 Limited	Joint Venture	-	1,875.86
4	**Investment in Compulsory-convertible debentures (CCDs)**			
	Sterlite Grid 18 Limited	Joint Venture	794.70	50.50
	Sterlite Grid 29 Limited	Joint Venture	125.00	48.63
5	**Repayment of loans and advances given by the Company**			
	Sterlite Grid 5 Limited	Subsidiary	-	1,157.64
	Sterlite Grid 16 Limited	Subsidiary	40.22	-
	Sterlite Grid 26 Limited	Subsidiary	67.07	-
	Sterlite Technologies Limited	Fellow Subsidiary	-	101.50
	Khargone Transmission Limited	Subsidiary (till 1 March, 2023)	-	281.40
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Fellow Subsidiary (till 9 March 2023)	217.90	208.94
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Associate of immediate holding company (from 10 March 2023)	200.00	-
	Sterlite Grid 14 Limited	Joint Venture	-	27.00
	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	107.00	-
6	**Loan taken by the Company**			
	Sterlite Grid 16 Limited	Subsidiary	2,500.00	-
	Sterlite Convergence Limited	Subsidiary	430.00	-
7	**Loan repaid by the Company**			
	Sterlite Grid 16 Limited	Subsidiary	750.00	-
8	**Revenue from EPC contract with Customer#**			
	Udupi Kasargode Transmission Limited	Subsidiary of Joint Venture	581.57	2,394.31
	Mumbai Urja Marg Limited	Subsidiary of Joint Venture	5,468.97	6,359.68
	Goa-Tamnar Transmission Project Limited	Subsidiary of Joint Venture	703.93	2,004.29
	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	682.04	9,186.81
	Khargone Transmission Limited	Subsidiary (till 1 March, 2023)	142.64	375.88
	Nangalbibra-Bongaigaon Transmission Limited	Subsidiary	1,932.90	54.06
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	121.40	-
9	**Sale of goods (including GST)**			
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	42.83	35.36
	Sterlite Convergence Limited	Subsidiary	-	6.87
	Sterlite Technologies Limited	Fellow Subsidiary	0.46	-
	Hindustan Zinc Limited	Fellow Subsidiary	71.67	-
	Bharat Aluminium Company Limited	Fellow Subsidiary	14.94	-
	Vedanta Limited	Fellow Subsidiary	215.28	-
10	**Secondment fee income**			
	Sterlite Grid 14 Limited	Joint Venture	3.42	3.07
	Sterlite Grid 29 Limited	Joint Venture	-	0.64
11	**Management fees income (excluding GST)**			
	Khargone Transmission Limited	Subsidiary (till 1 March, 2023)	10.00	8.92
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	42.63	24.99

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

		Relationship	31 March 2023	31 March 2022
	Sterlite Brazil Participicoes, S.A., Brazil	Subsidiary	0.79	19.27
	Sterlite Convergence Limited	Subsidiary	4.25	-
	Sterlite Interlinks Limited	Subsidiary w.e.f. 1 June 2022	72.82	-
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Fellow Subsidiary (till 9 March 2023)	425.17	-
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Associate of immediate holding company (from 10 March 2023)	18.80	-
	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Associate (till 14 January 2022)	-	0.73
	Mumbai Urja Marg Limited	Subsidiary of Joint Venture	0.15	-
	Goa-Tamnar Transmission Project Limited	Subsidiary of Joint Venture	0.65	-
12	**Performance bank guarantee charge**			
	Sterlite Brazil Participicoes, S.A., Brazil	Subsidiary	17.95	21.93
13	**Interest income accrued or interest received**			
	Sterlite Technologies Limited	Fellow Subsidiary	-	6.29
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Fellow Subsidiary (till 9 March 2023)	5.99	1.52
	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Associate of immediate holding company (from 10 March 2023)	0.24	-
	Sterlite Grid 13 Limited	Joint Venture	233.78	135.56
	Sterlite Grid 14 Limited	Joint Venture	65.54	45.73
	Sterlite Grid 18 Limited	Joint Venture	247.29	241.81
	Sterlite Grid 29 Limited	Joint Venture	161.62	139.87
14	**Purchase of goods and services (including GST)**			
	Vedanta Limited	Fellow Subsidiary	15,510.86	10,647.67
	Bharat Aluminium Company Limited	Fellow Subsidiary	2,350.23	2,195.46
	ESL Steels Limited (formerly know as Electrosteel Steels Limited)	Fellow Subsidiary	317.02	405.88
	Sterlite Technologies Limited	Fellow Subsidiary	140.83	105.97
	Hindustan Zinc Limited	Fellow Subsidiary	-	0.20
	Sterlite Grid 16 Limited	Subsidiary	392.63	-
	Universal Floritech LLP	Fellow Subsidiary	0.56	-
	Talwandi Sabo Power Limited	Director interested parties	0.20	-
15	**Interest cost**			
	Sterlite Grid 16 Limited	Subsidiary	308.47	-
	Sterlite Convergence Limited	Subsidiary	24.15	-
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	0.93	-
	ESL Steels Limited (formerly know as Electrosteel Steels Limited)	Fellow Subsidiary	5.51	-
	Hindustan Zinc Limited	Fellow Subsidiary	0.03	-
	Vedanta Limited	Fellow Subsidiary	344.90	104.10
	Bharat Aluminium Company Limited	Fellow Subsidiary	39.16	21.22
	PTC Cables Private Limited	Director interested parties	-	44.90

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Relationship	31 March 2023	31 March 2022
16 Purchase of power			
Vedanta Limited	Fellow Subsidiary	44.44	31.33
17 Remuneration given to KMP (refer note 2 below)			
Mr. Anuraag Srivastav	KMP	-	24.28
Mr. Pratik Agarwal	KMP	74.85	101.50
Mr. Ashok Ganesan	KMP	11.25	11.81
Mr. Sanjeev Bhatia	KMP	15.55	6.39
Mr. Manish Agrawal	KMP	35.29	5.98
Mrs. Kamaljeet Kaur	KMP	13.57	-
18 Director sitting fees			
Mr. Arun Todarwal	Director (till 24 July 2021)	-	1.40
Mr. A.R Narayanaswamy	Director	3.60	3.70
Ms. Haixia Zhao	Director (till 31 March 2022)	-	2.63
Mr. Anoop Seth	Director	2.90	2.90
19 Director commission			
Mr. Anoop Seth	Director	2.40	-
Mr. A.R Narayanaswamy	Director	0.30	0.12
Ms. Haixia Zhao	Director (till 31 March 2022)	-	3.42
20 CSR expenditure			
Sterlite EdIndia Foundation	Subsidiary	20.94	29.00
21 Advance received against contracts (excluding tax)			
Udupi Kasargode Transmission Limited	Subsidiary of Joint Venture	-	405.92
Nangalbibra-Bongaigaon Transmission Limited	Subsidiary	-	843.49
Kishtwar Transmission Limited	Subsidiary (from 06 Decemeber 2022)	602.69	-
Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	32.55	-
Serentica Renewables India 1 Private Limited	Associate of immediate holding company (from 10 March 2023)	84.96	-
Serentica Renewables India 4 Private Limited	Associate of immediate holding company (from 10 March 2023)	38.35	-
22 Reimbursement of expense paid to related parties			
Sterlite Technologies Limited	Fellow Subsidiary	4.60	15.50
23 Reimbursement of expense paid on behalf of related parties			
Goa-Tamnar Transmission Project Limited	Subsidiary of Joint Venture	0.50	11.89
Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	-	33.36
Mumbai Urja Marg Limited	Subsidiary of Joint Venture	-	7.74
Khargone Transmission Limited	Subsidiary (till 1 March, 2023)	2.73	24.01
Kishtwar Transmission Limited	Subsidiary (from 06 Decemeber 2022)	1.61	-
Sterlite Brazil Participicoes, S.A., Brazil	Subsidiary	9.65	17.66
Vedanta Limited	Fellow Subsidiary	3.00	5.13
Serentica Renewables India 9 Private Limited	Fellow Subsidiary (till 9 March 2023)	-	-
Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Fellow Subsidiary (till 9 March 2023)	3.40	-
Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Associate of immediate holding company (from 10 March 2023)	2.76	-

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

		Relationship	31 March 2023	31 March 2022
24	**Bank guarantee given to related parties**			
	Mumbai Urja Marg Limited	Subsidiary of Joint Venture	-	800.00
25	**Corporate guarantee given on behalf of related parties**			
	Sterlite Grid 16 Limited	Subsidiary	2,000.00	-
26	**Bank/performance guarantee given on behalf of related parties**			
	Sterlite Grid 7 Limited	Subsidiary	216.00	-
	Sterlite Grid 9 Limited	Subsidiary	113.70	-
	Sterlite Grid 10 Limited	Subsidiary	124.00	-
	Sterlite Grid 12 Limited	Subsidiary	392.00	-
	Sterlite Grid 15 Limited	Subsidiary	60.00	-
	Sterlite Grid 17 Limited	Subsidiary	78.00	-
	Sterlite Grid 19 Limited	Subsidiary	312.00	-
	Sterlite Grid 24 Limited	Subsidiary	23.30	-
	Sterlite Grid 26 Limited	Subsidiary	-	103.90
	Sterlite Grid 30 Limited	Subsidiary	-	200.00
	Goa-Tamnar Transmission Project Limited	Joint Venture	0.21	-
	Lakadia-Vadodara Transmission Project Limited	Joint Venture	-	0.20
27	**Dividend paid**			
	Twinstar 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	KMP	-	3.18

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

Note:

1. All the related party transactions disclosed above have been shown at their nominal values without giving effect to the impact of reclassification into equity and liability and adjustment arising on account of effective interest rate method under Ind AS.

2. **Remuneration to key management personnel:**

(₹ in million)

	31 March 2023	31 March 2022
Short-term employee benefits	150.51	149.96
Post-employment benefits*	-	-
Total	**150.51**	**149.96**

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

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 51: SEGMENT INFORMATION

Operating segment:

The Company has only one operating segment which is power product solution and power transmission infrastructure. On review of all the relevant aspects including, in particular, the system of internal financial reporting to the Board of Directors which is the Chief Operating Decision Maker ('CODM') and considering the economic characteristics of the Company's operations, the Company is of the view that it operates in a single primary segment. Hence, no separate disclosure under India Accounting Standard 108 is considered necessary. As permitted by paragraph 4 of Ind AS-108, 'Operating Segments', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements.

Geographic information:

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

(₹ in million)

Particulars	31 March 2023	31 March 2022
(1) Revenue from external customers		
- Within India	26,677.82	27,037.97
- Outside India	11,800.53	10,772.82
Total revenue per statement of profit and loss	**38,478.35**	**37,810.79**
The revenue information above is based on the locations of the customers		
(2) Non-current operating assets		
- Within India	2,557.71	2,796.33
- Outside India	-	-
Total	**2,557.71**	**2,796.33**

Non-current assets for this purpose consists of property, plant and equipment, Capital work in progress, intangible assets and right-of-use assets.

NOTE 52: EMPLOYEE STOCK APPRECIATION RIGHTS

ESAR scheme 2017

The Company has not granted any Employee Stock Appreciation Rights (ESARs) during the year ended 31 March 2023 and 31 March 2022 to employees under the Employee Stock Appreciation Rights plan 2017 ("ESAR 2017") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated 8 October 2017.

Following is the reconciliation of provision for ESARs outstanding issued in earlier years:

(₹ in million)

Particulars	31 March 2023		31 March 2022	
	Numbers	Amount	Numbers	Amount
Opening balance as at the beginning of the year	**-**	**-**	**0.63**	**304.18**
ESARs granted during the period	-	-	-	-
ESARs cancelled/waived	-	-	-	(16.37)
Payment towards ESARs vested	-	-	(0.63)	(287.80)
Closing balance as at the end of the year	**-**	**-**	**-**	**-**

During the previous year ended March 31, 2022, the Company has reversed expense of ₹ 16.37 million in statement of profit & loss account and ₹ 287.80 million was paid to employees towards ESAR vested.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 53 PERFORANCE CASH INCENTIVE PLAN FOR EMPLOYEE

Long Term Incentive Plan 2022

During the previous year, the Company 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 24 September 2021. Performance Cash Incentive Plan is designed to provide annual incentives to the employees of the company to contribute towards long term performance of the Company and achievement of the Company’s goals. It is a cash settled plan.

The Nomination and remuneration committee of the Company has approved related vesting conditions. Vesting of the benefits under Performance Cash Incentive Plan would be subject to continuous employment with the Company 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 Company during the relevant financial year. Subsequent to the first grant which was issued in Financial year 2021-22, the second grant was issued to eligible employees in current year.

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

The details of expenses and liability recognised during the year for the Performance Cash Incentive Plan are as follow:

(₹ in million)

Particulars	31 March 2023	31 March 2022
Opening balance as at the beginning of the year	114.30	-
Performance Cash Incentive Plan provision during the year	33.11	114.30
Payment towards Performance Cash Incentive Plan vested	(59.54)	-
Closing balance as at the end of the year	**87.87**	**114.30**

NOTE- 54 SHARE BASED PAYMENTS:

Details of the Employee Share Option Plan (ESOP) of the Company:

(a) The ESOP titled “Sterlite Power Transmission Limited Restricted Stock Unit Scheme 2022” (RSU 2022/Scheme) was approved by the shareholders on 6 July 2022. Total 12,23,638 RSUs/options are covered under the Scheme which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years and the options must be exercised within a period of four years from the date of vesting. The Company has granted 3,52,900 options (31 March 2022: Nil) under this scheme during the year ended 31 March 2023.

(b) During the current year, Employee benefit expenses of ₹ 59.06 million (31 March 2022: Nil) relating to the above referred RSU 2022 have been recognised in the Statement of Profit and Loss.

Fair value of share options granted during the year::

The fair value of the share options granted during the year is ₹ 463.21 per option. The Options were priced using a Black-Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years. The following assumptions were used for valuation of fair value of options granted during the year:

(₹ in million)

Particulars	Amount
Grant date share price (in ₹)	474.75
Exercise price per share (in ₹)	2.00
Expected life (in years)	3.00 to 5.01
Expected volatility (%)	40.45 to 41.06
Dividend yield (%)	0.56
Risk-free interest rate (%)	6.73 to 7.06

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

Employee stock options details as on the balance sheet date are as follows:

(₹ in million)

Particulars	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	-	-
Granted during the year:	352,900	2.00
Exercised during the year	-	-
Lapsed/cancelled during the year	29,940	-
Options outstanding at the end of the year:*	322,960	2.00
Options available for grant	**900,678**	**2.00**

** Includes options vested but not exercised as at 31 March 2023: Nil (31 March 2022: Nil)*

 # Above grants, exercise price and fair value is adjusted on account of issue of bonus shares during the year as per scheme (refer note 16).

NOTE 55: OTHER NOTES

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

NOTE 56: IMPACT OF MERGER OF STERLITE GRID 4 LIMITED

During the previous year, the Scheme of Amalgamation of Sterlite Grid 4 Limited ('SGL4') being a wholly owned subsidiary of the Company with the Company was sanctioned by National Company Law Tribunal ('NCLT') vide its order dated 17 February 2022. The Company has received certified copy of the order which is filed with Registrar of Companies on March 14, 2022 ('Effective date').

Management has assessed that the amalgamation of SGL4 (including project SPVs) with the Company is an asset acquisition since it doesn't fulfil/meet the definition of business as per Ind AS 103, Business Combinations. Therefore, the amalgamation of SGL4 with the Company was accounted from the Effective date when all substantial conditions for the transfer of assets and liabilities are completed as specified in the scheme.

(a) Balance sheet of Sterlite Grid 4 Limited as on 14 March 2022

(₹ in million)

Particulars	14 March 2022
ASSETS	
Financial assets	
i. Other financial assets	3.37
Total non-current assets	**3.37**
Financial assets	
i. Loans	10,891.86
ii. Cash and cash equivalents	81.33
iii. Bank balances other than (ii) above	1,272.81
iv. Other financial assets	853.57
Other current assets	44.40
Total current assets	**13,143.97**
TOTAL ASSETS	**13,147.34**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

Particulars	14 March 2022
EQUITY AND LIABILITIES	
Equity	
Equity share capital	0.50
Other equity	
i. Retained earnings	10,441.71
ii. Debenture Redemption Reserve	200.00
Total equity	**10,642.21**
Liabilities	
Current liabilities	
Financial liabilities	
i. Short term borrowings	2,182.32
ii. Other financial liabilities	39.78
Current tax liability (net of advance tax and tds)	283.03
Total current liabilities	**2,505.13**
TOTAL LIABILITIES	**13,147.34**

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 57: RATIO ANALYSIS AND ITS ELEMENTS

S. No.	Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance more than (+/-) 25%
1	Current ratio	Current assets	Current liabilities	1.01	1.23	-18.52%	Not applicable
2	Debt-Equity ratio	Total debt = Total long term borrowings + Short term borrowings + Current maturities of long term borrowings	Shareholder's equity = Share capital + Securities premium + Retained earnings + Other reserves	0.26	0.13	100.40%	The increase in the ratio is majorly on account of the new borrowings which were availed by the Company during the year.
3	Debt service coverage ratio	Net profit after taxes + Non-cash operating expenses like depreciation and amortization + Interest + other adjustments like profit/ loss on sale of property, plant & equipment	Debt service = Interest & lease payments + Principal repayments	2.01	2.54	-20.74%	Not applicable
4	Return on equity ratio	Profit after tax	Average shareholder's equity = (Opening shareholder's equity + Closing shareholder's equity)/2	17%	15%	14.86%	Not applicable
5	Inventory turnover ratio	Cost of goods sold = Cost of raw material and components consumed + Purchase of traded goods + Construction material and contract expense + Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	Average inventories = (Opening inventories + Closing inventories)/2	5.67	10.19	-44.34%	The decrease in inventory turnover ratio is majorly on account of increase in inventory level of the Company at the end of the current year.
6	Trade receivable turnover ratio	Revenue from operations	Average trade receivables = (Opening trade receivables + Closing trade receivables)/2	2.59	3.27	-20.63%	Not applicable
7	Trade payable turnover ratio	Net credit purchases = Purchase of raw materials and components + Purchase of traded goods + Construction material and contract expense	Average trade payables = (Opening trade payables + Closing trade payables)/2	1.94	2.09	-7.12%	Not applicable

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

S. No.	Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance more than (+/-) 25%
8	Net capital turnover ratio	Revenue from operations	Working capital = Current assets - Current liabilities	199.06	6.89	2787.63%	The increase in the ratio is majorly on account of decrease in net current asset position of the Company due to increase of short term borrowings and advances received from the customer due to increase in operations of the Company.
9	Net profit ratio	Profit/(loss) after tax	Revenue from operations	8%	6%	26.39%	The increase in the ratio is because of increase in profits due to increase in revenue from operations with better margin.
10	Return on capital employed	Earnings before interest and taxes = Earning before interest, tax, depreciation and amortisation - Depreciation and amortisation expense	Capital employed = Shareholder's equity + Total debt + Deferred tax liability (net) - Intangible assets (including under development) - Right of use assets	23%	15%	51.78%	The increase in the ratio is because of Earnings before interest and taxes due to increase in revenue from operations with better margin.
11	Return on investment	Return = Interest income on bank deposits + Gain/(loss) on sale of investments + Dividend income on investments	Investment = Average investments (excluding investments in subsidiaries, associates and joint ventures) + Average deposits with banks	3%	7%	-52.00%	The change in ratio is due to earlier redemption or lesser period of holding fixed deposits.

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 58 : 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:

(i) The Company has granted loans and made investment in its Joint ventures, associates, subsidiaries, fellow subsidiaries, subsidiaries of Joint ventures and associate of immediate holding company which have been utilised by them in ordinary course of business for further investment in their subsidiaires or for general corporate purpose. Details of the loans given and investments made during the year are as follows and refer note 8 and 7 for the terms of the loans given and investment:

31 March 2023

S. No.	Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
1	Sterlite Grid 5 Limited	Subsidiary	U29190PN2016PLC209044	4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1 Pune Pune MH 411001 IN	Loan Given	Various Dates	2.84
2	Sterlite Grid 6 Limited	Subsidiary	U29309HR2017PLC102137	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.67
3	Sterlite Grid 7 Limited	Subsidiary	U29307HR2017PLC102138	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	4.56
4	Sterlite Grid 8 Limited	Subsidiary	U29309HR2017PLC102332	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	1.23
5	Sterlite Grid 9 Limited	Subsidiary	U29309HR2017PLC101976	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.83
6	Sterlite Grid 10 Limited	Subsidiary	U29100HR2017PLC102281	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.24
7	Sterlite Grid 11 Limited	Subsidiary	U29309HR2017PLC102284	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.83
8	Sterlite Grid 12 Limited	Subsidiary	U29304HR2017PLC102285	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.82
9	Sterlite Grid 13 Limited	Joint venture	U29309HR2018PLC111970	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in non-convertible debentures	Various Dates	787.39
10	Sterlite Grid 13 Limited	Joint venture	U29309HR2018PLC111970	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	31 March 2023	162.01
11	Sterlite Grid 14 Limited	Joint venture	U29300HR2018PLC113220	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in non-convertible debentures	30 Novemeber 2022	50.00

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

S. No.	Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
12	Sterlite Grid 15 Limited	Subsidiary	U29309HR2018PLC102131	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	16 Septemeber 2022	0.15
13	Sterlite Grid 16 Limited	Subsidiary	U29249DN2019PLC005563	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	185.04
14	Sterlite Grid 17 Limited	Subsidiary	U29305DN2019PLC005568	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.67
15	Sterlite Grid 18 Limited	Joint venture	U29110DN2019PLC005565	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 compulsurly convertible debentures	Various Dates	794.70
16	Sterlite Grid 19 Limited	Subsidiary	U29307DN2019PLC005566	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.67
17	Sterlite Grid 20 Limited	Subsidiary	U29309DN2019PLC005567	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	1.06
18	Sterlite Grid 21 Limited	Subsidiary	U40108DN2019PLC005569	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	1.52
19	Sterlite Grid 22 Limited	Subsidiary	U40100DN2019PLC005572	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.06
20	Sterlite Grid 23 Limited	Subsidiary	U40106DN2019PLC005574	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.62
21	Sterlite Grid 24 Limited	Subsidiary	U40106DN2019PLC005573	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	434.70
22	Sterlite Grid 25 Limited	Subsidiary	U40200DN2019PLC005575	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.02
23	Sterlite Grid 26 Limited	Subsidiary	U40108DN2019PLC005577	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	367.00
24	Sterlite Grid 27 Limited	Subsidiary	U40200DN2019PLC005576	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	2.52

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

S. No.	Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
25	Sterlite Grid 28 Limited	Subsidiary	U40100DN2019PLC005582	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	16 September 2022	0.02
26	Sterlite Grid 29 Limited	Joint venture	U40100DN2019PLC005578	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230	Investment in compulsurly convertible debentures	Various Dates	125.00
27	Sterlite Grid 30 Limited	Subsidiary	U40106HR2017PLC101978	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.78
28	Sterlite Grid 31 Limited	Subsidiary	U40100HR2022PLC103933	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	29 June 2022	1.50
29	Sterlite Grid 32 Limited	Subsidiary	U40106HR2022PLC103798	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	29 June 2022	1.50
30	Sterlite Grid 33 Limited	Subsidiary	U40101HR2022PLC103895	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	29 June 2022	1.50
31	Sterlite Grid 34 Limited	Subsidiary	U40109HR2022PLC104146	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	29 June 2022	1.50
32	Sterlite Grid 35 Limited	Subsidiary	U40100HR2022PLC103955	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	29 June 2022	1.50
33	Sterlite Grid 36 Limited	Subsidiary	U40108HR2022PLC105281	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	31 August 2022	0.10
34	Sterlite Grid 37 Limited	Subsidiary	U40200HR2022PLC105368	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	31 August 2022	0.10
35	Sterlite Grid 37 Limited	Subsidiary	U40200HR2022PLC105368	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	31 January 2023	0.59
36	Sterlite Grid 38 Limited	Subsidiary	U40106HR2022PLC105370	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	31 August 2022	0.10
37	Sterlite Grid 39 Limited	Subsidiary	U40106HR2022PLC105369	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	31 August 2022	0.10

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

S. No.	Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
38	Sterlite Grid 40 Limited	Subsidiary	U40200HR2022PLC105371	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Investment in equity	31 August 2022	0.10
39	Sterlite Brazil Participicoes, S.A., Brazil	Subsidiary	NIRE 33300324780	Avenida Rio Branco 1 12th Floor 1201 Bairro Centro Cep 20090-907 Rio De Janeiro Brazil	Investment in equity	31 March 2023	422.55
40	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Fellow Subsidiary (till 9 March 2023)	U74110HR2014PTC101972	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	183.68
41	Serentica Renewables India Private Limited (Sterlite Power Technologies Private Limited)	Associate of immediate holding company (from 10 March 2023)	U74110HR2014PTC101972	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	18 March 2023	200.00
42	Khargone Transmission Limited	Subsidiary (till 1 March 2023)	U40300HR2015PLC104647	5th Floor, JMD Galleria, Sohna Road, Sector-48 Gurgaon-122018, Haryana Gurgaon Gurgaon Gurgaon HR 122018 IN	Loan Given	Various Dates	2.80
43	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	U40105HR2019GOI113221	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20, Gurugram HR 122008 IN	Loan Given	31 January 2023	107.00

31 March 2022

Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
Sterlite Convergence Limited	Subsidiary	U64100HR2017PLC102280	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	41.70
Sterlite Grid 10 Limited	Subsidiary	U29100HR2017PLC102281	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.79
Sterlite Grid 11 Limited	Subsidiary	U29309HR2017PLC102284	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.80
Sterlite Grid 12 Limited	Subsidiary	U29304HR2017PLC102285	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	1.41
Sterlite Grid 13 Limited	Joint venture	U29309DL2018PLC337962	F-1, The Mira Corporate Suites, Ishawar Nagar, Mathura Road, New Delhi 110065	Investment in non-convertible debentures	Various Dates	957.87
Sterlite Grid 14 Limited	Joint venture	U29300DL2018PLC339426	F-1, The Mira Corporate Suites, Ishawar Nagar, Mathura Road, New Delhi 110065	Investment in equity	Various Dates	0.10
Sterlite Grid 14 Limited	Joint venture	U29300DL2018PLC339426	F-1, The Mira Corporate Suites, Ishawar Nagar, Mathura Road, New Delhi 110065	Investment in non-convertible debentures	Various Dates	435.13

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
Sterlite Grid 15 Limited	Subsidiary	U29309HR2018PLC102131	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	1.37
Sterlite Grid 16 Limited	Subsidiary	U29249DN2019PLC005563	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.00
Sterlite Grid 17 Limited	Subsidiary	U29305DN2019PLC005568	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.04
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	301.38
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	964.28
Sterlite Grid 19 Limited	Subsidiary	U29307DN2019PLC005566	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.64
Sterlite Grid 20 Limited	Subsidiary	U29309DN2019PLC005567	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.65
Sterlite Grid 21 Limited	Subsidiary	U40108DN2019PLC005569	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.65
Sterlite Grid 22 Limited	Subsidiary	U40100DN2019PLC005572	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.64
Sterlite Grid 23 Limited	Subsidiary	U40106DN2019PLC005574	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.32
Sterlite Grid 26 Limited	Subsidiary	U40108DN2019PLC005577	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	625.63
Sterlite Grid 27 Limited	Subsidiary	U40200DN2019PLC005576	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.61

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (₹ in million)
Sterlite Grid 28 Limited	Subsidiary	U40100DN2019PLC005582	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Loan Given	Various Dates	0.01
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	706.09
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	752.06
Sterlite Grid 30 Limited	Subsidiary	U40106HR2017PLC101978	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.08
Sterlite Grid 5 Limited	Subsidiary	U29190PN2016PLC209044	4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1 Pune Pune MH 411001 IN	Loan Given	Various Dates	602.51
Sterlite Grid 6 Limited	Subsidiary	U29309HR2017PLC102137	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	1.40
Sterlite Grid 7 Limited	Subsidiary	U29307HR2017PLC102138	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.83
Sterlite Grid 8 Limited	Subsidiary	U29309HR2017PLC102332	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.81
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
Sterlite Grid 9 Limited	Subsidiary	U29309HR2017PLC101976	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN	Loan Given	Various Dates	0.81

(ii) In the current year, the Company has received funds from Sterlite Grid 16 Limited ('Funding party') for investment in joint ventures/subsidiaries ('Intermediary') and further to be invested in the project entities i.e. subsidiary of joint ventures/subsidiary ('Ultimate beneficiary') as follows;

Details of funds received

Sr No.	Name of the funding party	Relationship with funding party	CIN of funding party	Registered address	Nature of funding	Date of receipt	Amount received from funding party (₹ in million)
1.1	Sterlite Grid 16 Limited	Subsidiary	U29249DN2019PLC005563	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Non-Convertible Debentures	31 May 2022	900.00

Notes to Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million unless otherwise stated)

Sr No.	Name of the funding party	Relationship with funding party	CIN of funding party	Registered address	Nature of funding	Date of receipt	Amount received from funding party (₹ in million)
1.2	Sterlite Grid 16 Limited	Subsidiary	U29249DN2019PLC005563	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Non-Convertible Debentures	31 May 2022	900.00
1.3	Sterlite Grid 16 Limited	Subsidiary	U29249DN2019PLC005563	Survey No. 99, Madhuban Dam Road, Village Rakholi, SILVASSA DADRA & NAGAR HAVELI DN 396230 IN	Non-Convertible Debentures	31 May 2022	700.00

Details of payments

Sr No.	Name of the Intermediary	Relationship with Intermediary	CIN of the Intermediary	Registered address	Nature of payment	Date of payment	Amount paid to Intermediary (₹ in million)
1.1	Sterlite Grid 18 Limited	Joint Venture	U29110DN2019PLC005565	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 Compulsory Convertible Debentures	8 June 2022	324.70
1.2	Sterlite Grid 18 Limited	Joint Venture	U29110DN2019PLC005565	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 Compulsory Convertible Debentures	24 August 2022	470.00

Details of payments

Sr No.	Name of the Ultimate Beneficiary	Relationship with Ultimate Beneficiary	CIN of the Ultimate Beneficiary	Registered address	Nature of payment	Date of payment	Amount paid to Ultimate Beneficiary (₹ in million)
1.1	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	U40105DL2019GOI347349	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 shares	8 June 2022	293.84
1.2	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	U40105DL2019GOI347349	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 Compulsory Convertible Debentures	8 June 2022	30.86
1.3	Lakadia-Vadodara Transmission Project Limited	Subsidiary of Joint Venture	U40105DL2019GOI347349	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 Compulsory Convertible debentures	25 August 2022	470.00

Notes to Financial Statements

for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 59 : ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

The Company has availed borrowings from the banks and financial institutions on the basis of security of current assets.
The Company 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:

For the year ended March 31, 2023

1. Inventory

S.No.	Quarter	Amount as reported in the quarterly return/ statement	Reconciling Items			Amount as per books of accounts	Net difference
			Material in transit (refer note 1)	Contract asset (refer note 2)	"Others (refer note 3)"		
1	Jun-22	4,432.37	122.67	(1,613.37)	-	2,941.67	-
2	Sep-22	5,483.00	206.25	(1,282.71)	-	4,406.54	-
3	Dec-22	5,949.84	97.39	(1,624.07)	0.93	4,424.09	-
4	Mar-23	8,893.06	61.92	(2,448.90)	739.79	7,245.87	-

Note 1 Balances for material in transit were not considered in the quarterly statement submitted to the lenders.

Note 2 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 3 Balances for Project Inventory which were at site location for consumption, those were not considered in the quarterly statement submitted to the lenders.

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 for material in transit (refer note 3)	Others (refer note 4 & 5)		
1	Jun-22	8,005.25	2,325.89	985.55	122.60	(356.41)	11,082.88	-
2	Sep-22	9,347.39	1,770.38	1,167.16	206.18	(41.26)	12,449.84	-
3	Dec-22	10,793.44	1,900.38	1,397.80	97.32	(149.47)	14,039.48	-
4	Mar-23	14,254.91	1,564.92	1,452.00	588.94	(600.26)	17,260.51	-

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 for material in transit not considered in the quarterly statement submitted to the lenders.

Note 4 Balance of short term borrowings (vendor bill discounting) which is not included in the trade payable in the quarterly return submitted to the lenders.

Note 5 For March 2023 quarter, statement submitted to lenders does not include balances related to corporate payables, service related payables of product business and interunit eliminations other than mentioned in note 4.

Notes to Financial Statements

for the year ended March 31, 2023
(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)	Others (refer note 3 &4)		
1	Jun-22	2,362.23	(887.99)	9,513.81	(609.42)	10,378.63	-
2	Sep-22	3,970.32	(800.85)	9,902.95	(570.70)	12,501.72	-
3	Dec-22	4,933.50	(768.01)	9,986.68	(38.97)	14,113.21	-
4	Mar-23	10,244.32	(316.27)	8,278.78	(1,434.59)	16,772.24	-

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 and other contract liabilites 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 For March 2023 quarter, statement submitted to lenders does not include provision for doubtful debts of EPC business and interunit eliminations other than mentioned in note 3.

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

For the year ended March 31, 2022

The Company has availed borrowings from the banks and financial institutions on the basis of security of current assets. The Company 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:

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)		
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	(1,492.26)	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.

Notes to Financial Statements

for the year ended March 31, 2023
(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-21	8,249.92	898.13	852.09	3,366.90	-	13,367.04	-
2	Sep-21	9,828.56	1,164.41	833.98	3,467.43	-	15,294.38	-
3	Dec-21	9,818.01	2,567.43	1,178.89	453.50	(314.80)	13,703.03	-
4	Mar-22	9,663.60	2,960.24	923.61	-	(549.89)	12,997.56	-

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)	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	-	(1,506.86)	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, IndusInd Bank are the working capital lenders for Sterlite Power Transmission Limited to which the quarterly stock statements are submitted.*

Notes to Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ million unless otherwise stated)

NOTE 60 : ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does 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 Company against which the charge for additional security demanded by the bank has not been perfected before the end of the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) other than as disclosed in note 58(ii) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities
(Intermediaries) other than as disclosed in note 58(i) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has 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).

(viii) The Company has not revalued its property, plant and equipment, right of use assets and intangible assets during the year ended 31 March 2023.

(ix) The Company has not been declared as a wilful defaulter.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Sd/-
per Paul Alvares
Partner
Membership Number: 105754
Place: Mumbai
Date: 11 August 2023

For and on behalf of the board of directors of Sterlite Power Transmission Limited

Sd/-
Pravin Agarwal
Chairman
DIN: 00022096
Place: Mumbai
Date: 11 August 2023

Sd/-
Pratik Agarwal
Managing Director
DIN: 03040062
Place: Mumbai
Date: 11 August 2023

Sd/-
Sanjeev Bhatia
Chief Financial Officer
PAN : ACTPB6336M

Place: Mumbai
Date: 11 August 2023

Sd/-
Ashok Ganesan
Company Secretary
PAN : AHYPK5104G

Place: Mumbai
Date: 11 August 2023