Empowering Humanity

Sterlite Power's first project in Brazil: Arcoverde

Sterlite Power Transmission Limited

ANNUAL REPORT 2018-19

Inside this Report

KEY HIGHLIGHTS OF 2018-19

Total consolidated income

₹ **3,571** Cr

(US$ 510 Mn)

Total CKM

~12,500

Asset availability

99.84%

A heart-to-heart direct message from our Group CEO, highlighting last year's achievements and course of action.
Group CEO's Message / Page 08

How we have created IndiGrid (an InvIT) as a successful platform for long term infrastructure financing
Asset-Flip Model / Page 31

What we do across our Business Units of Global Infrastructure, Solutions and Convergence.
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How we overcome the trilemma of time, space, and capital in the power sectors of India and Brazil
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CAUTIONARY STATEMENT

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

EXCHANGE RATE

1 USD = 70 INR and 1 Brazilian Real = 20 INR

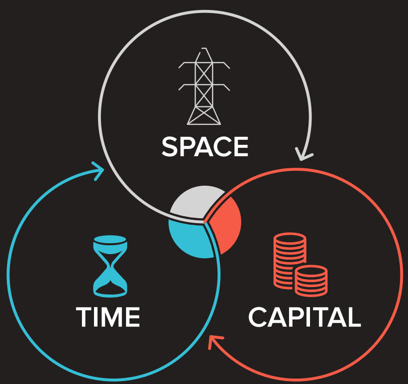
Empowering Humanity by Addressing the Toughest Challenges of Energy Delivery

The way the world receives electricity is witnessing meaningful shifts. Countries are endeavouring to ensure universal access to affordable, reliable power. At the same time, the world is concerned about impact of climate change and making a conscious shift from fossil fuel to renewable energy. Governments are stepping up efforts to scale up the pace of electrification; and to unleash the true potential of any nation, each of these efforts must be complemented by decentralised energy generation, decarbonisation of power sources, digitalisation of grid-level operations and stronger grid connectivity.

In this transformative landscape, Sterlite Power's strategy is focused on addressing complex challenges in the sector by tackling the key constraints of time, space and capital. The rapid shift towards renewable energy requires transmission projects to be commissioned in a fraction of the conventional time frame, creating a time constraint. Urbanization, environment regulations and Right of Way (ROW) issues create a space constraint for power transmission projects. The scale of investment required to build transmission capacity to meet the demand for power is significant, creating a capital constraint.

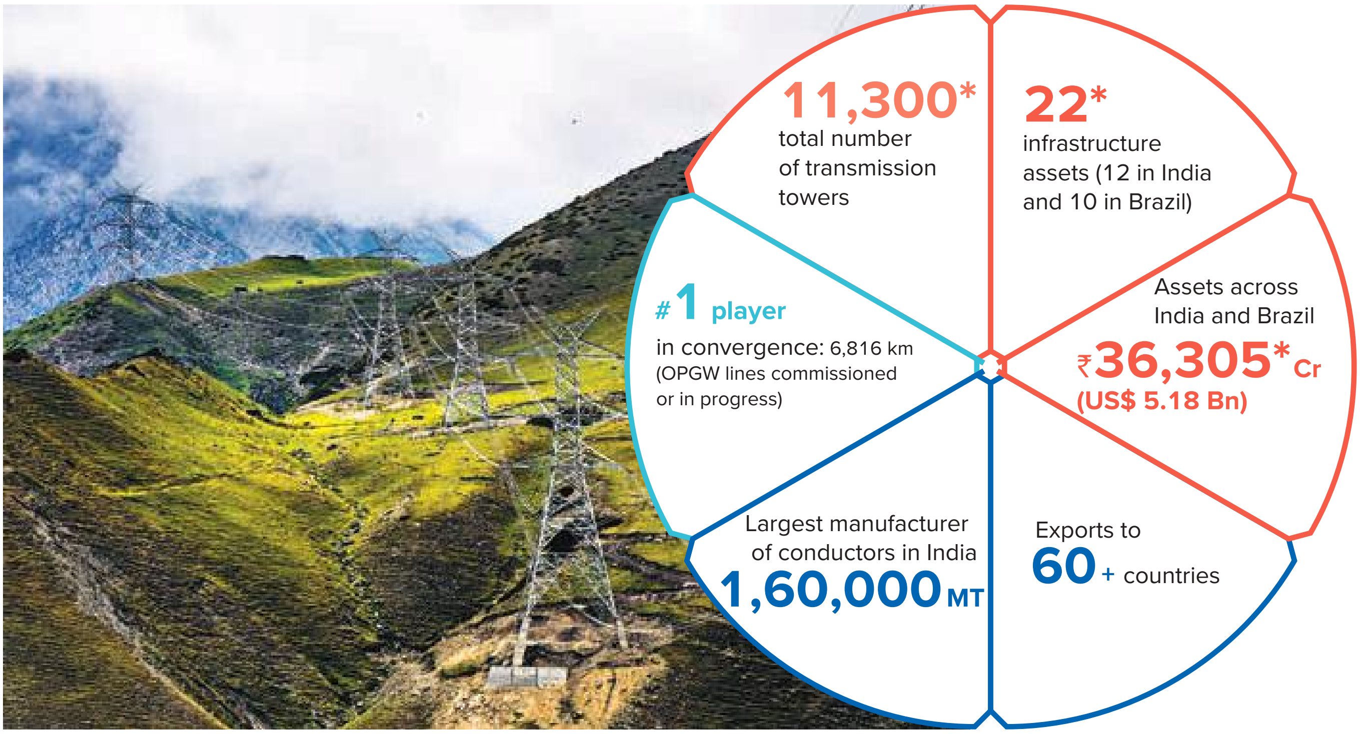
We are a leading global power transmission developer and solutions provider who is solving problems at the intersection of time, space and capital. Our Global Infrastructure Business solves challenges of time and capital by building, owning and operating power transmission assets across the world. Our Solutions Business solves challenges of time and space for power utilities by specializing in upgrading, uprating and strengthening of power delivery networks. Our Convergence Business solves the challenge of capital by optimizing the existing transmission to roll out reliable communication networks. Our asset manager, SIML (Sterlite Investment Managers Limited) manages the IndiGrid portfolio, which solves the challenge of capital by enabling monetization of operating assets.

We believe that access to reliable power transforms lives and should be a fundamental right for all. Our relentless focus on safety, innovation, world-class execution and a deep empathy for the communities, drive everything we do – empowering lives, solving critical constraints and enabling growth in a changing world.



Sterlite Power: Global Operations at a Glance

Sterlite Power is a leading global developer of power transmission infrastructure with projects of over ~12,500 circuit kms and 22,719 MVA in India and Brazil. With an industry-leading portfolio of power conductors, EHV cables and OPGW, Sterlite Power also offers solutions for upgrading, uprating and strengthening existing networks. The company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing. Sterlite Power is also the sponsor of IndiGrid, India's first power sector Infrastructure Investment Trust (InvIT), listed on the BSE and NSE.



BUSINESS DIVISIONS

Each of our business serves our core purpose of 'empowering humanity by addressing the toughest challenges of energy delivery'.

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

Read more on **Page 14**

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

Read more on **Page 20**

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

Read more on **Page 26**

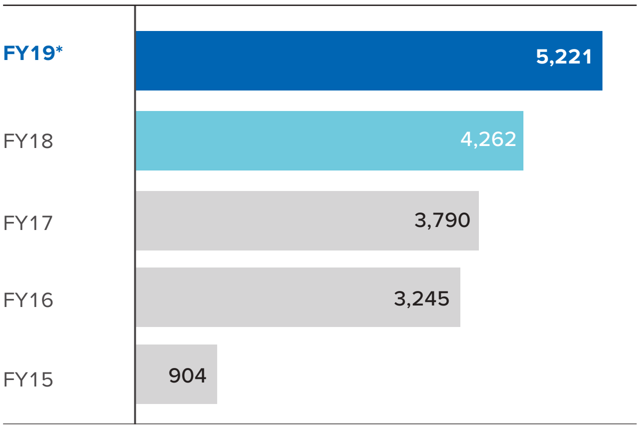
Sterlite Investment Managers Ltd. (SIML)
SIML manages India Grid Trust (IndiGrid) , the first Infrastructure Investment Trust (InvIT) in the Indian power sector.

Read more on **Page 30**

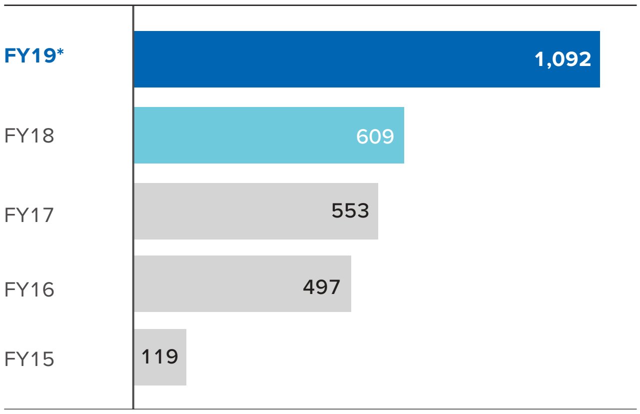
* Includes assets developed or under development

Key Performance Indicators

CIRCUIT KM
(Cumulative)

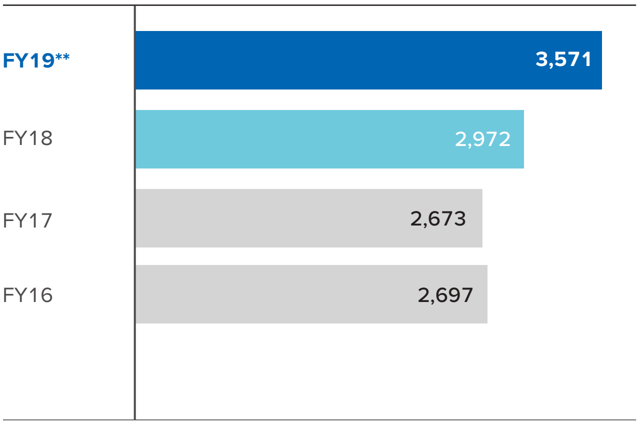


ANNUAL LEVELISED TARIFF
(₹ in crore)

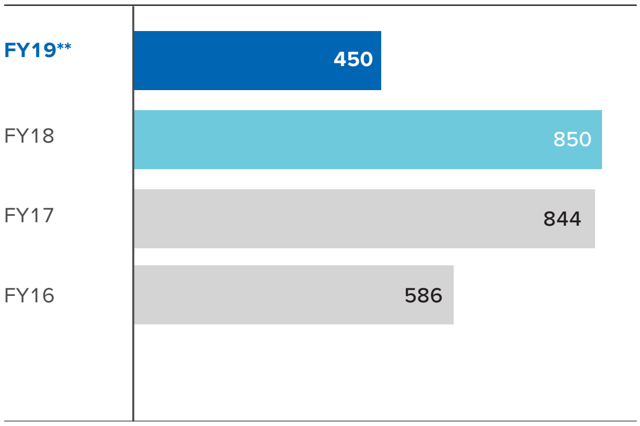


*Including assets commissioned and transferred to IndiGrid

TOTAL INCOME
(₹ in crore)



EBITDA
(₹ in crore)



**The Company has signed an agreement with India Grid Trust for the sale of its two operating assets namely, NRSS 29 and OGPTL with an asset valuation worth ₹5,039 Cr (US$ 719 Mn) on 30 April, 2019. The same transaction has been consummated in the financial statements for the quarter ending 30 June 2019.

Key Milestones

Our Core Values of Innovation, Social Impact, Respect and Fun guide us in our approach

2006-2009

Sowing Seeds

- **Acquisition of power business from Sterlite Industries Ltd.**
- **Sterlite Technologies Ltd. (STL) enters the power transmission business**
- Expanded power conductor manufacturing capacity

2010-2013

Strengthening Roots

- Sterlite Power (as a division of STL) awarded India's first Independent Power Transmission Project under Tariff Based Competitive Bidding (TBCB) regime
- Set up power cable manufacturing facility in Haridwar, Uttarakhand
- **Awarded India's first 765 kV private project - Bhopal Dhule Transmission Ltd.**
- Established Master System Integrator (MSI) service line, in Gujarat (GETCO), West Bengal (WB/PGCIL), Telangana (TSTRANSCO) & UP (UPPTCL)
- Awarded RAPP Transmission Company Ltd. (RTCL) project with 403 ckm in Madhya Pradesh and Rajasthan and PKTCL with 545 ckm in Jharkhand and West Bengal

2014-2015

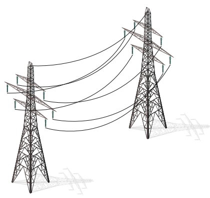
Nurturing Growth

- Attracted private equity investment of ₹5 Bn (US$ 714 Mn) from Standard Chartered Private Equity
- Commissioned our first inter-state project, ENICL (East-Northern Interconnection Company Ltd.), in Assam-Bengal-Bihar
- **Awarded NRSS 29, a project in the challenging terrain of Jammu & Kashmir (J&K) with route length of 887 ckm**
- Commissioned our second project BDTCL in Bhopal-Dhule
- Awarded MTCL project in Telangana, taking our total project count to seven
- **Became first private transmission developer to win an award from the Ministry of Power for early commissioning of 765/400 kV Dhule substation**

2016-2017

Spreading Branches

- **Became first developer to commission a TBCB project, RTCL (RAPP Transmission Company Limited), ahead of schedule**
- Commissioned the Jalandhar-Samba line - a key section of NRSS 29, the transmission corridor in Northern India 12 months ahead of schedule
- Raised India’s first AAA (SO) rated infrastructure bonds without Government guarantee for transmission projects
- Invested in Finland-based Sharper Shape for UAV-based technology
- Deployed helicranes to set up a power transmission line in the mountainous terrain of J&K in partnership with Erickson Inc.
- Demerged from STL
- Delivered India's first Smart Line (a combination of high performance conductors, optical ground wire and communication lines)
- **Won two projects in Brazil, making us the first Indian transmission infrastructure developer to enter the global market**
- **IndiGrid listed on Indian stock exchanges; Sterlite Power transferred 2 projects to IndiGrid**
- Won Novo Estado, the largest project in Brazil Transmission Auction, increasing the total Latin American transmission portfolio to US$ 1 Bn
- Awarded the largest uprate and upgrade project in Kerala



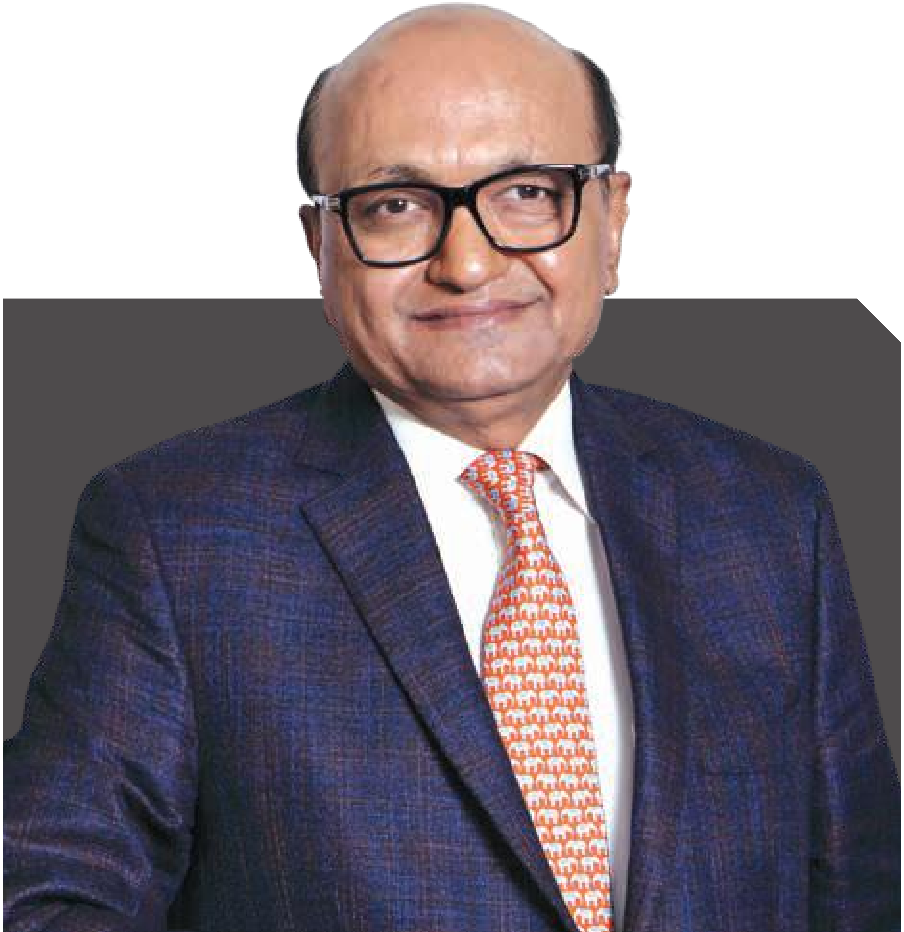
2018-now

Great Leap Forward

- Acquired 28.4% stake in the transmission infrastructure business from Standard Chartered Private Equity for ₹1,010 Cr (US$ 144 Mn)
- OPGW facility received 17025:2005 accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL)
- Received the largest global order of ~₹300 Cr (US$ 42 Mn) from GS S Korea for supply of High-Performance Conductor (ACCC)
- **Won 6 new transmission projects in Brazil to take the total capex to US$ 2 Bn**
- Commissioned NRSS 29 ahead of schedule; the project was dedicated to the people of J&K by Prime Minister Shri Narendra Modi
- Successfully heralded ‘Zero Shutdown’ capability in India, with the reconductoring of a 66 kV transmission line in ‘live line conditions’ in Bengaluru
- **Agreement with IndiGrid for sale of five transmission assets from Sterlite Power worth ₹11,500 Cr (US$ 1.64 Bn)**
- Bagged its first underground Master System Integrator (MSI) project with Geographic Information System (GIS) substation
- Completed OGPTL projects 10 months ahead of schedule
- Won Pampa project, another prestigious transmission project in Brazil; taking our Brazil project count to 10
- Successfully commissioned Arcoverde – our first project in Brazil, 28 months ahead of schedule

Commissioned NRSS 29 ahead of schedule; the project was dedicated to the people of J&K by Prime Minister Shri Narendra Modi

Chairman's Message



India is one of the fastest-growing economies of the world and is projected to continue expanding above the world average in the coming decades. Power will invariably fuel this.

DEAR STAKEHOLDERS,
IT CONTINUES TO BE A GREAT HONOUR FOR ME TO WRITE THIS LETTER TO YOU EVERY YEAR. I WILL LET PRATIK SPEAK ABOUT THE PERFORMANCE OF THE COMPANY IN THE REPORTING PERIOD, WHILE THE SUBSEQUENT PAGES WILL REVIEW IN GREATER DETAIL THE DIFFERENT ACTIVITIES UNDERTAKEN BY OUR BUSINESS VERTICALS. BUT BEFORE THAT, I WOULD LIKE TO PUT INTO PERSPECTIVE THE ENERGY STORY OF INDIA AND THE WORLD AT LARGE.

It will be no exaggeration to say that more has happened in the Indian power sector in the past 10 years than the preceding several decades. The World Bank, in the latest edition of its Energy Progress Report, counts India among the countries that have made the most progress on energy access since 2010. Having said that, power sector in India needs to transform itself to support our Prime Minister's dream of making India a five trillion dollar economy.

In 2013, Justice S. Manikumar, in an erudite judgment, ruled that lack of electricity affects education and health and is a cause of economic disparity, and consequently, inequality in society leading to poverty. The court upheld that access to electricity should be a human right. Apart from those who have no access to power, there are millions who get power intermittently. Further, closely tied to the idea of reliable power as a fundamental right is the idea of power being affordable. It is to say that when it comes to talking about power as a fundamental right for all citizens, it is as much about electrification as about the quality of power, affordability and reliability.

India is one of the fastest-growing economies of the world and is projected to grow above the world average in the coming decades. Power will invariably fuel this. The demand for electricity will grow with a large unelectrified population getting connected. To address these changes, the Government, through various programmes, is emphasising on the availability of quality power for all, stable and secure grid connectivity, and massive expansion of renewables. Development of efficient, economical and integrated transmission will be an imperative for success of these initiatives. Power planners must incentivise adequate investments and encourage competition in the transmission space.

We are in the middle of a global energy revolution. Countries all over the world are working hard to ensure global temperature rise is curtailed to below 1.5 degree Celsius. Technology is fast changing the way energy is produced and consumed. People are making eco-friendly choices about how their homes are lit and the kinds of cars they are going to drive. The focus has shifted universally on to clean energy, which will only be made possible through investments in evacuation, storage and transmission.

A SUSTAINABLE TOMORROW

Sustainability is a prime focus for Sterlite Power. And so, our sustainability efforts form the foundation of the way we do our business. From economic sustainability to social responsibility, preserving biodiversity and working towards a greener environment, a uniform sustainable approach across all our businesses, enables us to create a lasting impact on our communities, as well as the world.

As a company, we are inclined towards achieving the United Nations' Sustainable Development Goals, and so we give our best whenever we see these goals aligning with our business operations.

It has been an extraordinary journey and the greatest privilege of my life to lead Sterlite Power. I would like to extend my sincere gratitude to my fellow Board members and the Management Team of Sterlite Power. A powerhouse of talent, these people have always stood by me and have helped me in nurturing the strong foundation of our company. It is the sheer dedication and strong leadership of my fellow colleagues that has enabled us to conquer one milestone after another. Without their continuous support, this 3-year-voyage wouldn't have been possible.

With many parts across the globe still reeling under darkness, Sterlite Power continues to make relentless efforts to ensure access to reliable power to every nook and corner. Thereby all future generations can enjoy their fundamental rights to the fullest and have a sustainable livelihood.

In closing, I would like to share with you the following thoughts. The energy landscape has changed rapidly since Sterlite Power's formation. The sector has evolved and we evolved with it, thanks to a clear purpose and an unflinching focus on what will best service society's energy needs today and tomorrow.

Faced with the opportunities that are emerging through decarbonisation, electrification and the need to upgrade India's power infrastructure, our focus needs to be stronger than ever. This will mean making the most of Sterlite Power's core competencies and creating value for shareholders and society from developing, owning and operating energy and related infrastructure and services in a sustainable way. I am of the firm belief that the realisation of this strategy will depend on shared talent, skills and values of the people at Sterlite Power, and the sustenance of the progress made in recent years. I remain confident, energised and optimistic in our delivery, as we continue to partner with the Government in its mission to provide 24x7 reliable power to all citizens of the country.

Warm regards,

PRAVIN AGARWAL
Chairman

Group CEO's Message

One of our highlights this year was ahead-of-schedule delivery of the NRSS 29 transmission project in Kashmir. This project has the potential to provide 24X7 electricity to 12.5 Mn residents of the Kashmir valley, and brings tremendous prosperity to this important region.

DEAR STAKEHOLDERS,

WE BELIEVE THAT ELECTRICITY ACCESS TRANSFORMS SOCIETIES AND DELIVERS LONG-LASTING SOCIAL IMPACT. THIS BELIEF HAS SHAPED OUR JOURNEY RIGHT FROM INCEPTION AND TODAY WE ARE A LEADING GLOBAL DEVELOPER OF POWER TRANSMISSION INFRASTRUCTURE, WITH GROWING OPERATIONS IN INDIA AND BRAZIL.

Let me share with you some mega trends that are shaping the industry we are operating in. We are in the midst of an electricity revolution, driven by disruption at both ends of the value chain – Electricity Generation as well as Consumption. Today humanity is concerned about impact of climate change and making a conscious shift from fossil fuel to clean energy. The size and scale of this shift is unprecedented and the opportunity it creates for energy logistics is equally large.
The renewable revolution, electrification of transport, and a global demand for long-term yield assets, are three phenomena that are together creating an unprecedented opportunity globally for the transmission sector.

We are excited to be leading this space by addressing the toughest challenges of energy delivery. On this note, it gives me immense pleasure to share with you yet another year of strong growth and achievements.

ANOTHER EXCEPTIONAL YEAR WITH MANY FIRSTS

Over the course of last year, Sterlite Power has made significant progress towards its strategic priorities. Today our Global Infrastructure business boasts of a portfolio of 22 assets with cumulative capex of ~US$ 5.18 Bn in India and Brazil. One of our highlights this year was ahead -of-schedule delivery of the NRSS 29 transmission project in Kashmir. This project has the potential to provide 24X7 electricity to 12.5 Mn residents of the Kashmir valley, and brings tremendous prosperity to this important region. In light of this, the project was dedicated to the nation by the Honorable Prime Minister of India, Shri Narendra Modi. In Brazil, we commissioned our first project, Arcoverde – 28 months ahead of schedule, creating a new record in that market. This project enables the delivery of clean energy from the wind-rich north east belt of Brazil, into the national grid. With this, we are proud to have kept our promises on project delivery, not only in our home markets, but also in international markets.

In the Solutions Business, we continue to partner with utilities in augmenting existing power infrastructure and decongest the most important parts of their network. With increasing urbanization, we are seeing great demand for our Master System Integration (MSI) business to upgrade and uprate aging infrastructure across various states. We have successfully completed one of the largest upgrade project in Kerala, and delivered India's first live line reconductoring project in Bengaluru, Karnataka.

Our Convergence business continues to grow stronger by evolving its operating model. In a short span of time, we have attracted all top telecom operators as well as made our first foray into the Smart Cities Mission of the Government of India.

Our asset management business, under SIML continues to grow rapidly through its maiden InvIT – IndiGrid. It successfully signed a multi-asset deal to buy 5 assets from Sterlite Power worth ₹11,500 Cr (US$ 1.64 Bn) and also raised capital from two marquee institutions – KKR and GIC.

LEADING WITH INNOVATION & SUSTAINABILITY

We are leading the way with cutting edge technologies such as use of helicrane, drone stringing and monopoles. We are investing in digital and AI technologies to be at the leading edge of innovation. Our talent processes are increasingly going digital, enhancing the employee experience for recruitment, talent development and performance management. With our automated and integrated project management system, our partners are experiencing a new, seamless and transparent way of working, which is again a first in our sector.

We have successfully pioneered an innovative business model with our capital rotation strategy. Our ability to monetise our operational projects allows us to generate growth capital and keeps our parent balance sheet light. We have successfully sold 7 assets to IndiGrid and have a framework agreement for three more assets. We firmly believe this is the most efficient and prudent way for infrastructure developers to finance growth, especially in high growth markets such as India and Brazil. We look forward to pursuing a similar strategy for our Brazil business.

As a responsible corporate citizen, environmental conservation and compassion for communities is in our DNA. From translocation of trees in Madhya Pradesh to preserving local flora and fauna in Brazil, sustainability is integral to our project planning and execution.

With establishment of robust global operations, we have closed FY 19 with 20% revenue growth, EBITDA of ₹450 Cr (US$ 64 Mn) and expansion of our global portfolio. The NRSS-29 transaction which was expected to be completed in FY 19, consummated a few months later, thus resulting in realization of profits in Q1 of FY 20. As we look into the future, we are excited about bid wins in a growing transmission market, timely completion of our projects and unlocking of capital through asset flip strategy in India and Brazil. We also look forward to many of our technologies maturing into commercially viable solutions, thereby giving us more tools to solve the challenges of time, space and capital that we described earlier in this report.

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

Warm regards,

PRATIK AGARWAL
Managing Director & CEO

Board of Directors

MR. PRAVIN AGARWAL
Chairman

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

MR. PRATIK AGARWAL
Managing Director & Chief Executive Officer

Mr. Pratik Agarwal is the Managing Director and Chief Executive Officer of Sterlite Power. He has held this position since June 2016; prior to which, he was the Vice-Chairman of Sterlite Grid and also Director of the infrastructure business for the Vedanta Group. He is a Wharton graduate and an MBA from London Business School with over 10 years of experience in building core infrastructure assets in India. He founded the Group's infrastructure business in 2009 and built it to the levels where it now has significant investments in ports, power transmission and broadband networks. He is also the Chairman of the Electric Power Transmission Association and the Core Committee on Transmission of CII.

MR. A. R. NARAYANASWAMY
Non Executive & Independent Director

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

MR. ARUN TODARWAL
Non-Executive & Independent Director

Mr. Arun Todarwal is a fellow member of the Institute of Chartered Accountants of India. He is the managing partner of Arun Todarwal & Associates LLP. During his years of practice, he has handled various professional assignments in India and abroad, including audits, taxation, international taxation, joint ventures, due diligence, management consultancy, succession planning, etc. He is well versed in management issues. He is also a member of the Institute of Internal Auditors, National Centre for Quality Management, International Fiscal Association, Bombay Management Association, Bombay Chartered Accountants Society and their study group on International Taxation and Finance. He is a Director as well as Chairman/Member of Audit Committees of several large listed corporations in India.

MS. FLORA HAIXIA ZHAO
Non Executive & Independent Director

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

MS. AVAANTIKA KAKKAR
Non-Executive & Independent Director

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

Management Team

PRATIK AGARWAL
Group Chief Executive Officer

VED MANI TIWARI
Chief Executive Officer – Global Infrastructure

MANISH AGARWAL
Chief Executive Officer – Solutions

N. K. PANDA
Business Head – Convergence

ANURAAG SRIVASTAVA
Group Chief Financial Officer

ERNEST LOUIS
Director – Human Resources

MANYA RANJAN
Head – Strategy Management

MONALISA SAHOO
Chief Marketing and Communications Officer

RUI CHAMMAS
Chief Executive Officer
Sterlite Power, Brazil

Awards and Accolades

1st International ROSPA Gold Category Award in Safety for excellent track record in occupational health and safety management systems

ROSPA

Most Sustainable Organisation of the Year 2019 in the Energy Sector at the India Sustainability Summit and Awards 2019

INDIA SUSTAINABILITY SUMMIT & AWARDS 2019

Commendation for Significant Achievement in Environment Management at the CII-ITC Sustainability Awards 2018

CII-ITC Centre of Excellence for Sustainable Development

Sterlite Power is a global case study for Workplace by Facebook

Workplace by facebook

Energy and Environment Foundation Global Sustainability Award 2019 in Platinum Category

Energy And Environment Foundation GLOBAL Sustainability AWARD 2019

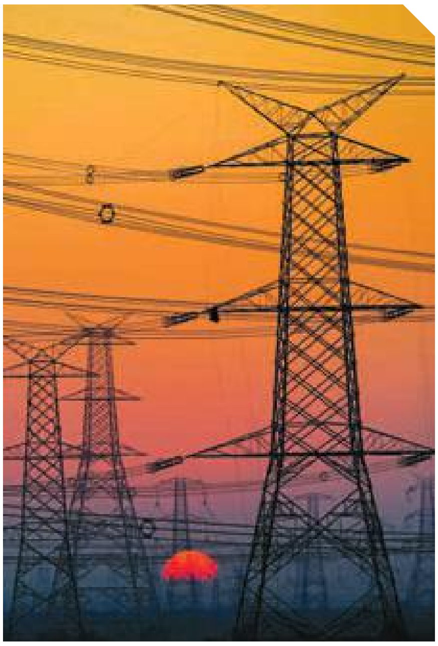
Awarded with 'Safety in Electricity' in Gold Category at the Protection Brazil Awards 2019 for the use of drones and other technologies in crossing energized transmission lines

PROTEÇÃO BRASIL

ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
Quality Management System	Environmental Management System	Occupational Health & Safety Management System

Business Overview

Global Infrastructure Business



The role that reliable supply of power plays in the development and progress of a country's commerce cannot be overemphasized. Power deficit resulting into shortage and outages has huge costs apart from the lack of amenities for people at large; these areas face slower economic development as well as business investment as a result.

As one of the leading global developers of power transmission facilities, Sterlite Power bids, designs, constructs, owns and operates power transmission assets across multiple geographies. We operate in India and Brazil with 22 projects spanning ~12,500 ckm of transmission lines. Since April 2019, seven transmission projects have been bid out in India and we have been declared as the lowest bidder for three projects - Transmission System for Lakadia-Vadodra, Transmission System for Udupi-Kasargode, and WRSS-XIX and NERSS-IX Transmission Project.

We are continually investing in and scaling up our core capabilities, which together comprise our 'Wheel of Excellence'.

WHEEL OF EXCELLENCE

Aviation

We strongly believe that innovation and sustainability go hand in hand, and when implemented strategically can enhance competitive advantage for businesses. From using heavy and medium lift helicopters to developing in-house capability for UAV technology and LIDAR surveillance activities, we have consistently made innovative use of aviation technology to deliver our best. This has not only led us to conquer challenging terrains but has also enabled us to ensure precision in construction. One effective use-case has been Project Skyhawk in NRSS 29, wherein we deployed helicranes to carry out tough tasks in the high altitudes of the Pir Panjal range of Jammu & Kashmir – a first in Asia.

System Planning and Forecasting

With each successful project commissioning, we are enriching our strong understanding of networks and transmission systems. This serves to further enrich our robust experience in implementing large-scale projects and our understanding of diverse energy infrastructure setups. Our proactive approach and technical expertise help us to put the pedal to the metal with respect to our aim to expand operations globally.

GIS Capabilities

We are at the industry vanguard in using GIS-based (Geographic Information Systems) technologies. From planning to execution and visualisation, GIS is used to guide us in every step. We are focusing on building a GIS platform towards reinforcing our value chain through its remote sensing and earth observation applications.

Policy and Permitting

We are working towards streamlining the process of permitting timelines in accordance with those of the project. To that end, we have a team of experienced permitting professionals, who expedite approvals in line with industry benchmarks. We also have in-house Standard Operating Procedures (SOPs) for permitting in place to ensure transparency and governance.

Project Management

In a first-of-a-kind endeavour in the transmission segment, we have come up with SPEX - Sterlite Planning and Execution Excellence. It is a fully automated and integrated planning and execution solution. The system enables enterprise-level planning, monitoring and execution; while involving all stakeholders at one-level. This has helped us to digitise all key stakeholder processes, including those of EPC partners, planning teams, design-engineering teams, right-of-way teams and planning-budget teams.

Diverse Talent

With employees from ~45 sectors spread across 70+ countries, we benefit from the diverse perspectives of our workforce.

Operating Model

Bid

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

Award

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

Develop

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

Build

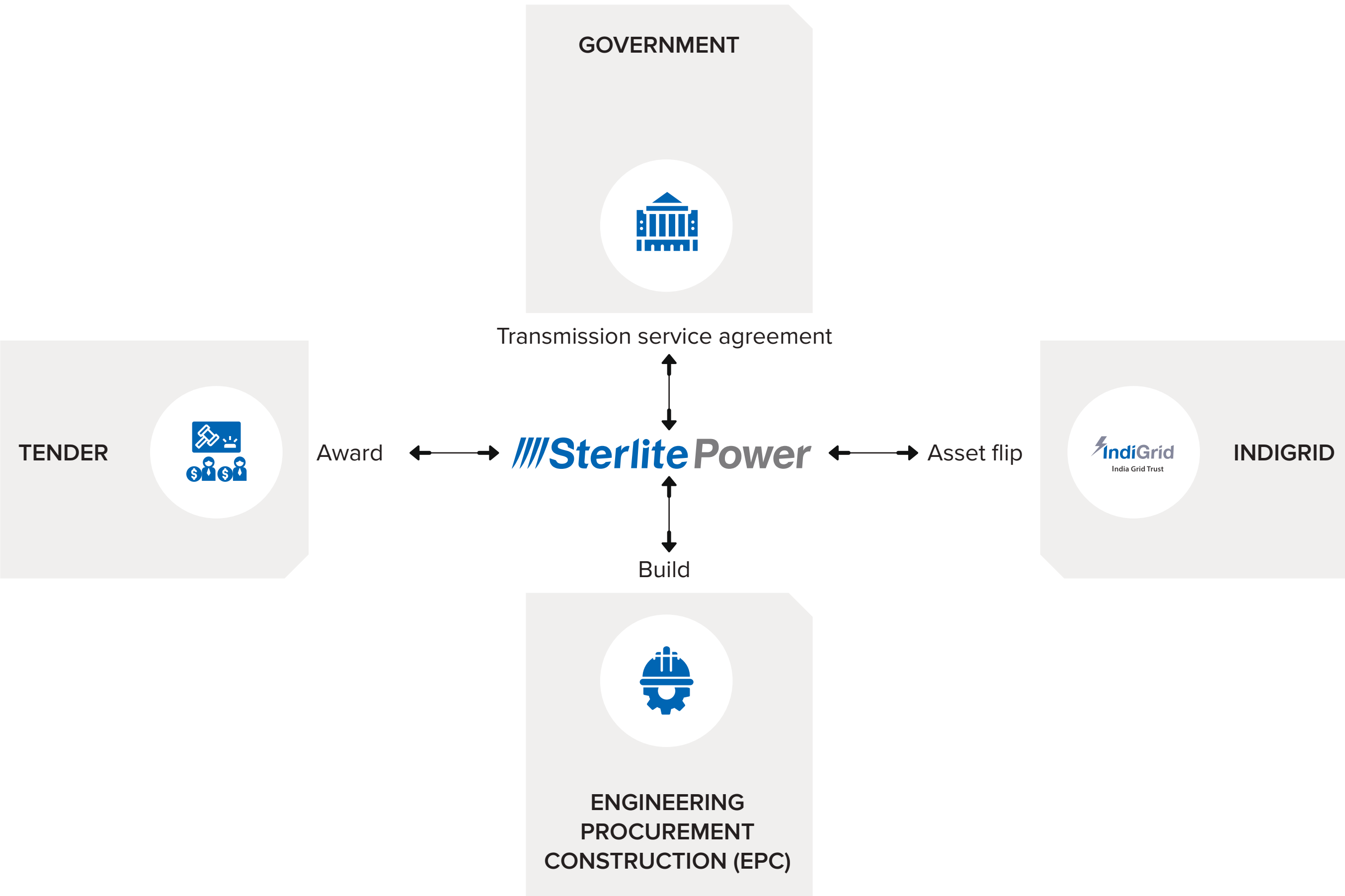
- Sub-contract to EPC partner
- Back-to-back guarantees

Manage and Refinance

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

Asset flip

- Flip assets to IndiGrid
- Recycled equity for new projects



Portfolio at a Glance

22 Power Transmission Projects won under Public-Private-Partnerships (PPP); 12 in India under TBCB and 10 in Brazil

9 Operational Assets won under PPP

₹36,305 Cr of Capital Expenditure (US$ 5.18 Bn planned and incurred)

~22,719 MVA of Transformation Capacity

56 Substations

62 EHV Lines

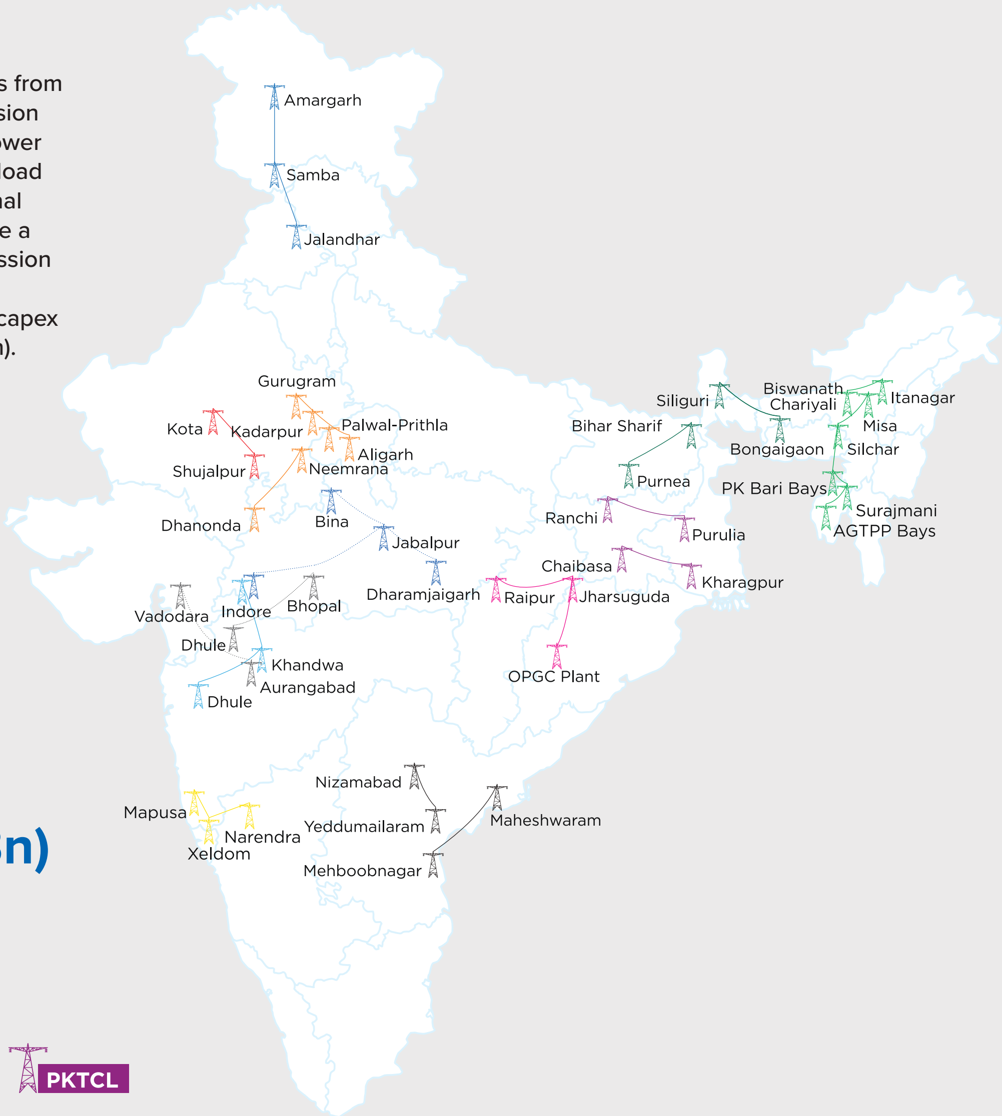
~12,500 ckm of power transmission lines commissioned or under construction

31.5% Market Share, by tariff of inter-state projects awarded under competitive bidding in India

99.84% Availability achieved across our commissioned assets in 2017-18

INDIA

Our assets are located in strategically important areas from the perspective of transmission connectivity, transferring power from generating centres to load centres to meet inter-regional power deficits. We now have a total portfolio of 12 transmission projects in India, spanning 7,991 ckm, through a total capex of ₹20,789 Cr (US$ 2.96 Bn).



Footprint in India

4,500
(KMS) ROUTE LENGTH

7,991
(CKM) LENGTH

₹20,789 Cr (US$ 2.96 Bn)
PROJECT CAPEX

JTCL BDTCL

RTCL MTL PKTCL

(Assets managed by SIML)

NRSS ENICL GPTL KTL NER-II OGPTL GTTPL

PROJECT	OVERVIEW	SCHEDULED COD	LENGTH
Jabalpur Transmission Company Limited (JTCL)	1 x 765 kV D/C lines 1 x 765 kV S/C lines	Commissioned	**994** ckm
Bhopal Dhule Transmission Company Limited (BDTCL)	4 x 765 kV S/C lines 2 x 400 kV D/C lines 4 x 1,500 MVA, 765/400 kV substations	Commissioned	**945** ckm
Rapp Transmission Company Limited (RTCL)	1 x 400/220 kV D/C line	Commissioned	**402** ckm
Maheshwaram Transmission Company Limited (MTCL)	2 x 400 kV D/C lines	Partially operational	**472** ckm
Purulia & Kharagpur Transmission Company Limited (PKTCL)	2 x 400 kV D/C lines	Commissioned	**545** ckm
NRSS XXIX Transmission Limited (NRSS 29)	3 x 400 kV D/C lines 1 x 400/220 kV D/C GIS	Commissioned	**830** ckm
East-North Interconnection Company Limited (ENICL)	2 x 400 kV D/C lines	Commissioned	**909** ckm
Gurgaon-Palwal Transmission Limited (GPTL)	5 x 400 kV D/C lines 3 x 400/220 kV substations	September 2019	**255** ckm
Khargone Transmission Limited (KTL)	2 x 765 kV D/C lines 1 x 400 kV D/C line 1 x 765/400 kV substation	July 2019	**619** ckm
NER II Transmission Limited (NER-II)	2 x 765 kV D/C lines 1 x 400 kV D/C line 1 x 765/400 kV substation	November 2020	**824** ckm
Odisha Generation Phase-II Transmission Limited (OGPTL)	1 x 765 kV D/C line 1 x 400 kV D/C line	Commissioned	**715** ckm
Goa-Tamnar Transmission Project Limited (GTTPL)	1 x 765 kV D/C line 2 x 400 kV D/C line 1 x 220 kV D/C line	November 2021	**481** ckm

BRAZIL

We commissioned our first project in Brazil in the reporting year, while also emerging as the winner in the auction of the prestigious Pampa project. In a short span of time, we have developed a portfolio of total 10 transmission projects in the fast-growing South American nation, spanning 4,416 ckm, through a total capex of ₹15,516 Cr (US$ 2.22 Bn)

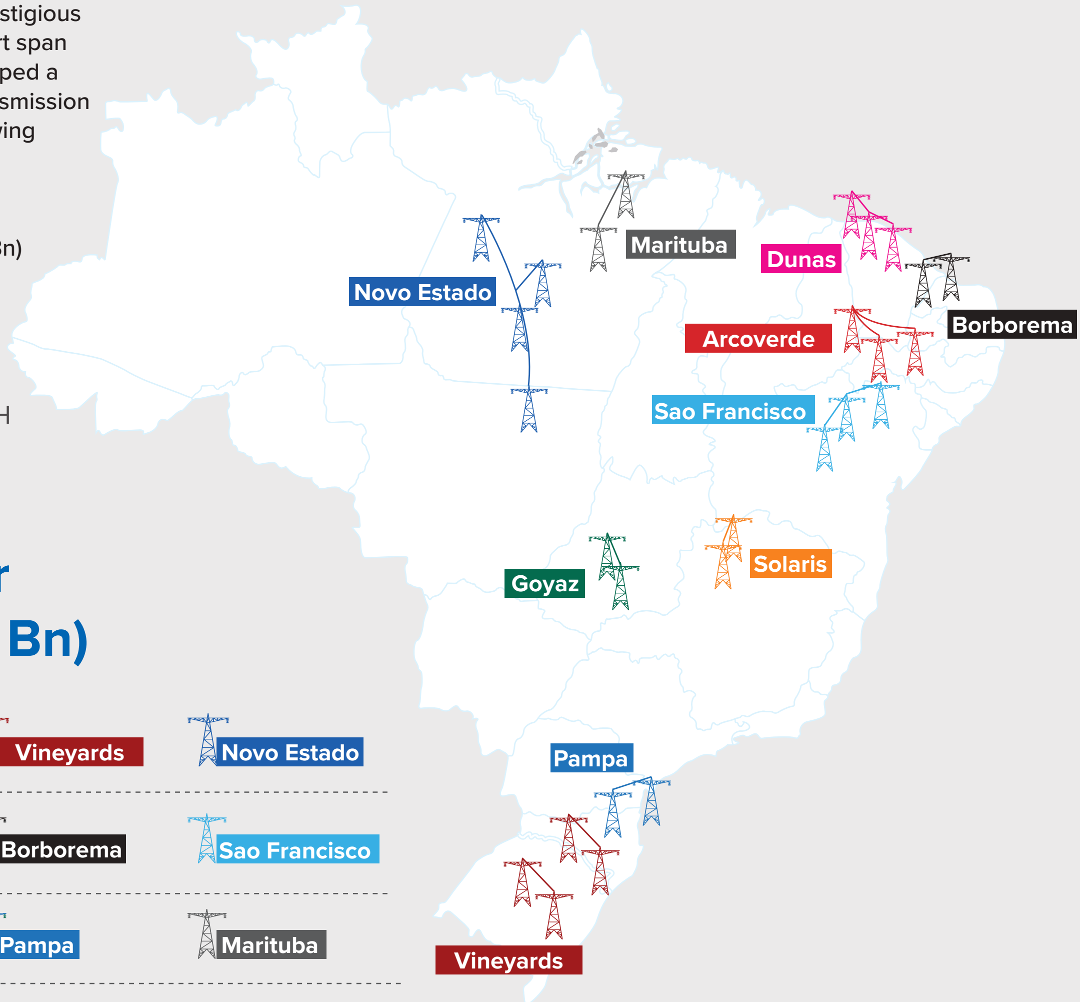
Footprint in Brazil

2,967
(KMS) ROUTE LENGTH

4,416
(CKM) LENGTH

₹15,516 Cr (US$ 2.22 Bn)
PROJECT CAPEX

Arcoverde | Vineyards | Novo Estado
Dunas | Borborema | Sao Francisco
Goyaz | Pampa | Marituba
Solaris



PROJECT	OVERVIEW	SCHEDULED COD*	LENGTH
Arcoverde	2 x 230 kV transmission lines	Commissioned	**129** ckm
Vineyards	3 x 230 kV transmission lines	August 2022	**115** ckm
Novo Estado	3 x 500 kV transmission lines	March 2023	**1,831** ckm
Dunas	2 x 500 kV transmission lines 3 x 230 kV transmission lines	September 2023	**541** ckm

PROJECT	OVERVIEW	SCHEDULED COD*	LENGTH
Borborema	1 x 500 kV transmission line	March 2023	**129** ckm
Sao Francisco	2 x 500 kV transmission lines 1 x 230 kV transmission line	September 2023	**521** ckm
Goyaz	1 x 230 kV transmission line	March 2023	**152** ckm
Pampa	2 x 525 kV transmission lines 1 x 230 kV transmission line	March 2023	**326** ckm
Marituba	1 x 500 kV transmission line	March 2023	**374** ckm
Solaris	1 x 345 kV transmission line 1 x 230 kV transmission line	January 2024	**298** ckm

*(As per ANEEL timelines)

Achievements

7 New Transmission Projects won in Brazil

Rui Chammas joined as the CEO of our Brazil business

NRSS 29 project commissioned **two months ahead of schedule**

₹3,000 Cr in (US$ 428 Mn) bonds raised through PSV

Arcoverde project in Brazil commissioned **28 months ahead of schedule**

Pampa project won in Brazil

Novo Estado project got implemented and **received environmental licenses within a year**

Special Purpose Vehicle BDTCL received the **1st International ROSPA GOLD Category Award in Safety**

Industry leading benchmarks for **Quality, Health, Safety and Environment Management** in the sector

Solutions Business

Power utilities are facing increasing pressure due to rapid urbanization, demand growth and ageing infrastructure. They have an urgent need for augmentation and upgrades to meet their needs. We help power utilities tackle their network congestion challenges by providing solutions that upgrade and uprate corridor intensity. Our strategic solutions ensure improved performance in the short and long-term through system design, engineering, procurement and construction practices

Diverse Product Portfolio with Significant Market Position across Categories

Overhead Products Business

Conductors

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

Optical Ground Wire (OPGW)

- India's only fully integrated manufacturer and solutions provider of OPGW; NABL-accredited manufacturing facility
- Capacity of 15,000 km/year
- Planning, application, design engineering and execution capabilities to meet requirements of power systems/utilities for communication, protection and commercial purposes
- First conductor and OPGW manufacturer in India to obtain a landmark assessment and certification for measurement and reporting of Greenhouse Gas Emissions, as per ISO 14064-:2006

Underground Products and Turnkey Business

Cables and Solutions

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

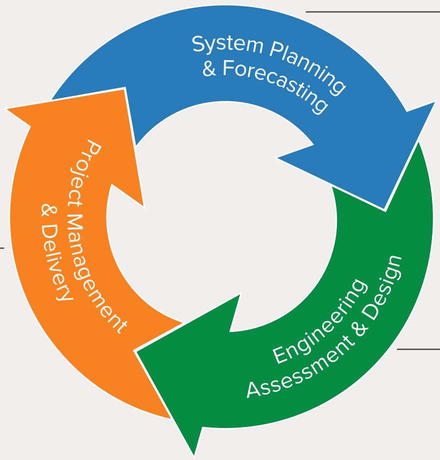
Master System Integration (MSI) Business

Sterlite Power has successfully transformed into a Master System Integrator delivering multifold increase in throughput, upgrades to existing infrastructure, uprate of Overhead Conductors, OPGW based communication system & reliable EHV underground network, in shortest possible time.

Business Model

Co-create solutions to **upgrade existing infrastructure**

Uprate and Upgrade existing infrastructure



Design solutions that **minimize corridor footprint** by using state-of-the-art technology

Capabilities

- In-house power systems study capability and simulation tools
- In-house design capability using digital tools for substations, tower conductors, cable systems and foundations
- Live line with zero shutdown reconductoring capability
- Partnership with best-in-class players globally for project execution and integration of technology

Differentiators

- Engaging deeply with customers to address their unmet needs in power transmission
- Creating bespoke solutions to address complex challenges in energy delivery
- Scouting technologies from around the world
- Delivering ahead of schedule vis-à-vis our competitors
- Practising best safety and quality standards
- Programme management of right-of-way, environment approval and statutory approvals

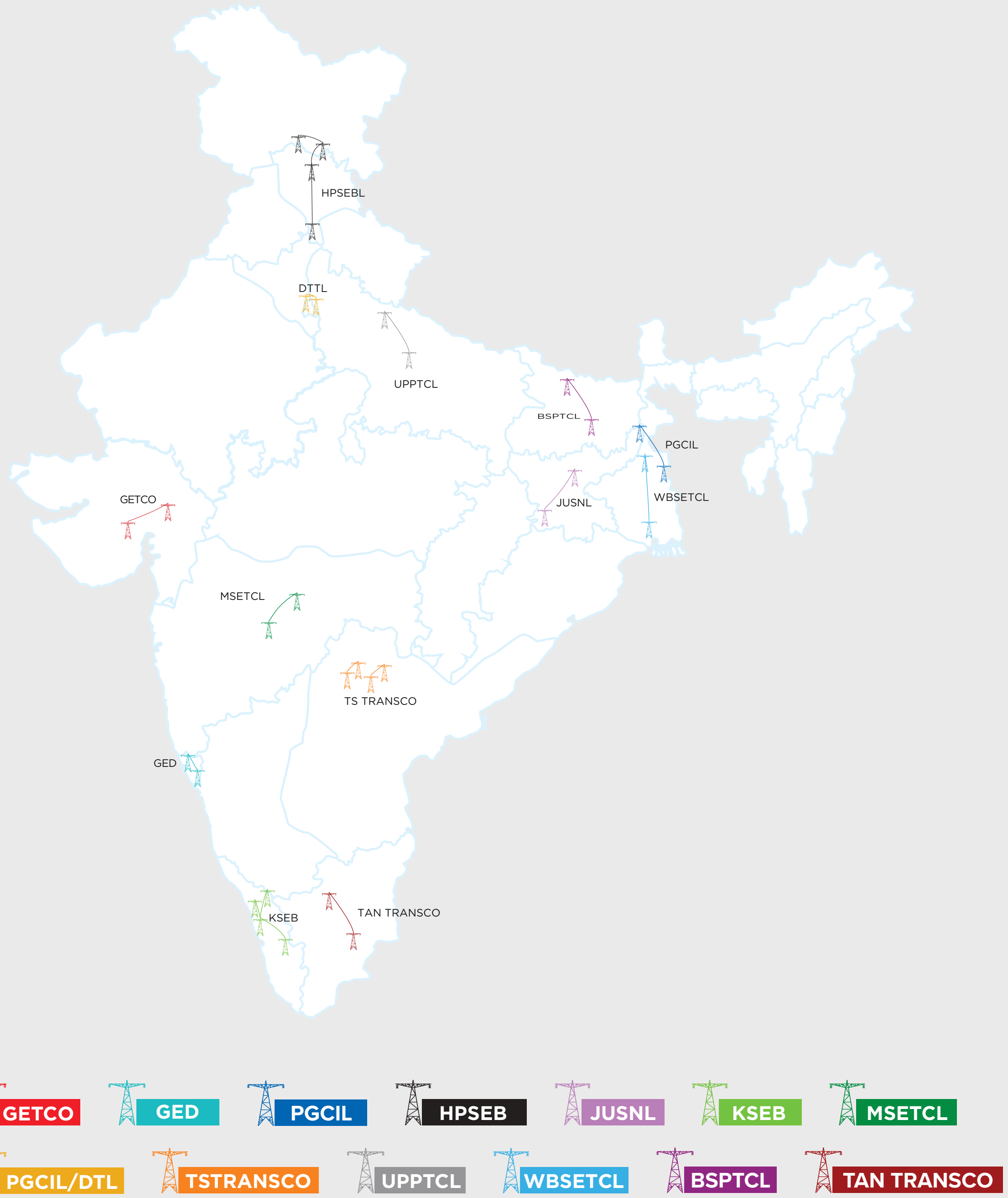
3,000+ ckm
of uprate and upgrade to existing transmission line (completed or under execution)

50+
critical corridors in 12+ states

8,500+ km
OPGW-based communication projects under live line condition

The below map shows only Uprate/Upgrade Projects or New Line with HPC projects. Sterlite Power's Solution Business also undertakes OPGW-based reliable communication projects and have delivered over 8000 KM under live line condition

INDIA



UTILITY	OVERVIEW
Gujarat Energy Transmission Corporation(GETCO)	220kV D/C Chorania - Salejada 220kV D/C Bhogat - Ranavav 400kV D/C Bhachunda - Varsana
Goa Electricity Department (GED)	110kV D/C Tivim - Ponda 110kV D/C Palsarem - Kadamba LILO
Power Grid Corporation of India (PGCIL)	400kV D/C Farakka - Malda
Himachal Pradesh State Electricity Board (HPSEBL)	66kV D/C Kotla - Ghanvi 66kV S/C Kotla - Nogli 22kV S/C Gumma to Andhra 66kV S/C Nogli - Samoli 22kV S/C Rukti - Shaung power house
Kerala State Electricity Board (KSEB)	400kV, 220kV, 110kV - MC, MCMV Madakkathara to Areekode Part - 1 MCMV (ERNAD PACKAGE A) MCMV line from Keezhisseri to Nallalam - Part2 (ERNAD PACKAGE B) 220/110kV MCMV line 110kV D/C Mallapuram - Manjeri NRHTLS PACKAGE A Kakkayam - Koduvally 110kV D/C Koduvally - Kunnamngalam 110kV D/C Kunnamngalam - Nallalam 110kV D/C Nallalam - Chevayur 110kV D/C Chevayur - Kinnalur 110kV D/C Kinnalur - Kakkayam 110kV D/C NRHTLS PACKAGE B Nallalam - Chevayur 110kV S/C to 110kV D/C Chevayur - West hill 110kV S/C to 110kV D/C West hill - Koyilandy 110kV S/C to 110kV D/C Koyilandy - Meypayur 110kV D/C Methottuthazham - Mankavu 66kV D/C to 110kV D/C Kolathanadu line package KLSP A - Kanhirode SS to Mundiyad SS (110S/C to 220 D/C) KLSP B - Mundiyad SS to Mylati (110S/C to 220/110kV MC) North Malabar Package NMLP A - Mundiyad SS to Thalasari SS (110S/C to 220/110kV MC) NMLP B - Areekode Feeder Tap point to Kunumanagalam SS) (110S/C to 220/110kV MC)
Jharkhand Urja Sancharan Nigam Limited (JUSNL)	132kV S/C Hatia - Kamdara
Maharashtra State Electricity Transmission Company (MSETCL)	132kV D/C Ambazari - Hingna line

UTILITY	OVERVIEW
Delhi Transco Limited (DTL)	220KV DC Wazirabad - Geeta colony 220KV DC Sarita Vihar Pragati IP 220 KV DC Gopalpur - Mandola Line DIAL - Mehrauli Bamnauli - DIAL BTPS - Mehrauli
Transmission Corporation of Telangana (TS TRANSCO)	132kV D/C Nagarjuna Sagar - Halia 132kV D/C Warangal - Jangon 132kV D/C Aleru - Bhongiri 132kV D/C Dichpally - Janakampet, 132kV D/C Medhchal - Medhchal 132kV D/C Janakampet - Renzal 132kV D/C Ramannapet - Narketpally, 132kV D/C Medhchal - Shapurnagar-
Uttar Pradesh Power Transmission Corporation Limited (UPPTCL)	132kV S/C Muradnagar - B.S.Road Line 132kV S/C Sikandara (Agra) - Badola Line 132kV S/C Varanasi Cantt 132kV S/C Sarnath - Manduadih line 132kV S/C Gajokhar - Manduadih 132kV S/C Vaishali - Sahababad 132 KV S.C. SAROJININAGAR - SGPGI 132 KVS.C. SGPGI - MARTINPURWA 220 kV D/C Greater Noida(400) - Noida Sec20 line 220 KV DC Greater Noida(400)- Noida Sec129 132KV SC Mohaan road - Sonik 132KV SC Mohaan road - TRT 132KV SC SGPGI - Gomtinagar 220 KV Sector 148 - Sector 129 Noida
West Bengal State Electricity Transmission Company Limited (WBSETCL)	132kV D/C Malda - Malda 132kV D/C Gokarna - Berhampore 132kV D/C Durgapur - Ukhra New Haldia - Haldia NIZ 132kV D/C Gokarna - Kuli 132kV D/C KTPS - Tamluk - 132kV D/C Kasba - Klc - Salt Lake - AL59 132kV D/C Kasba - Sonarpur 132kV D/C AL59 NTAAIII - Salt Lake GIS 132kV S/C AL59 New Chandithala - Rishra 220kV S/C Drake
Bihar State Power Holding Company Limited (BSPTCL)	132KV S/C Dehri - Banjari Transmission Line 132KV D/C Sonenagar - Dehri Transmission Line 132KV D/C Dehri - Banjari LILO Transmission Line 132KV S/C Kahalgaon - Sabour Transmission Line 132KV S/C Kahalgaon BSPTCL- Kahalgaon NTPC Transmission Line
Tamil Nadu Transmission Corporation (TAN TRANSCO)	110 KV D/C Kundha PH II - Thudiyalur

Convergence Business

India is in the midst of an unprecedented internet revolution with data consumption growing exponentially by the day. With 5G technology around the corner and IoT devices ready to connect & interact with one another (M2M), reliable optical fiber infrastructure is the need of the hour. The omnipresent utilities network present across the breadth of the country is poised to address the above need. Fiber network riding on utilities' existing network can provide unparalleled coverage along with robust and secured infrastructure.

The National Digital Communication Policy (NDCP) 2018 released by Government, outlines the vision of "Fiber First Initiative" to take fiber to home, enterprises and key development institutions. The policy emphasizes on leveraging existing assets of power sector to improve data connectivity. Aligned with the above vision, Convergence business looks at the potential of utilizing existing assets of utilities for Telecommunication purposes, and thereby delivering long-lasting social impact.

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

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

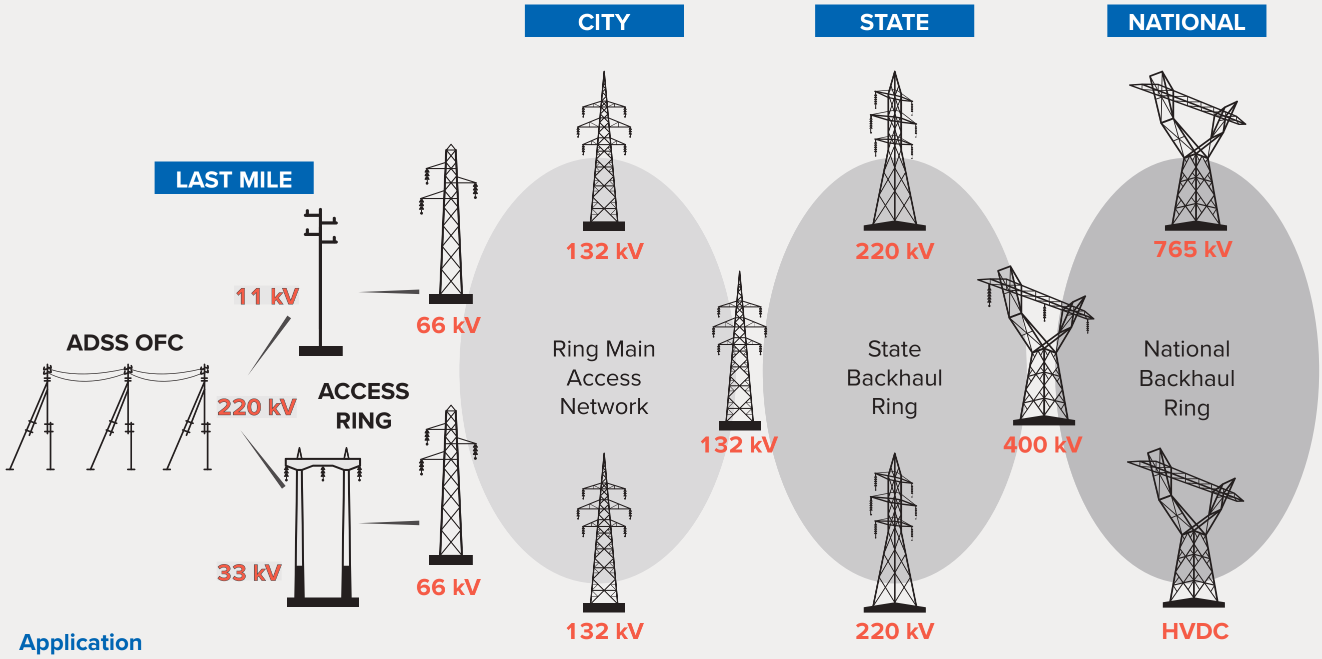
The aim of our Convergence Business is 'to be the best-in-class communications infrastructure and solutions provider by creating the most reliable network'.

Convergence Business aims to create a Pan-India Communication Infrastructure using OPGW Network

Network Features

- Robust
- High Reliability
- >99% uptime
- Quick Roll-out
- Maximum Asset Utilization
- Low Maintenance

CITY	STATE	NATIONAL
Ring Main Access Network	State Backhaul Ring	National Backhaul Ring



Application

- Tele-protection
- Real-Time Monitoring and Forecasting
- Remote monitoring/operation of sub-station/elements
- Increasing data reporting to load dispatch centre
- Leasing of Fiber bandwidth
- High Priority Backhaul

Our Offerings

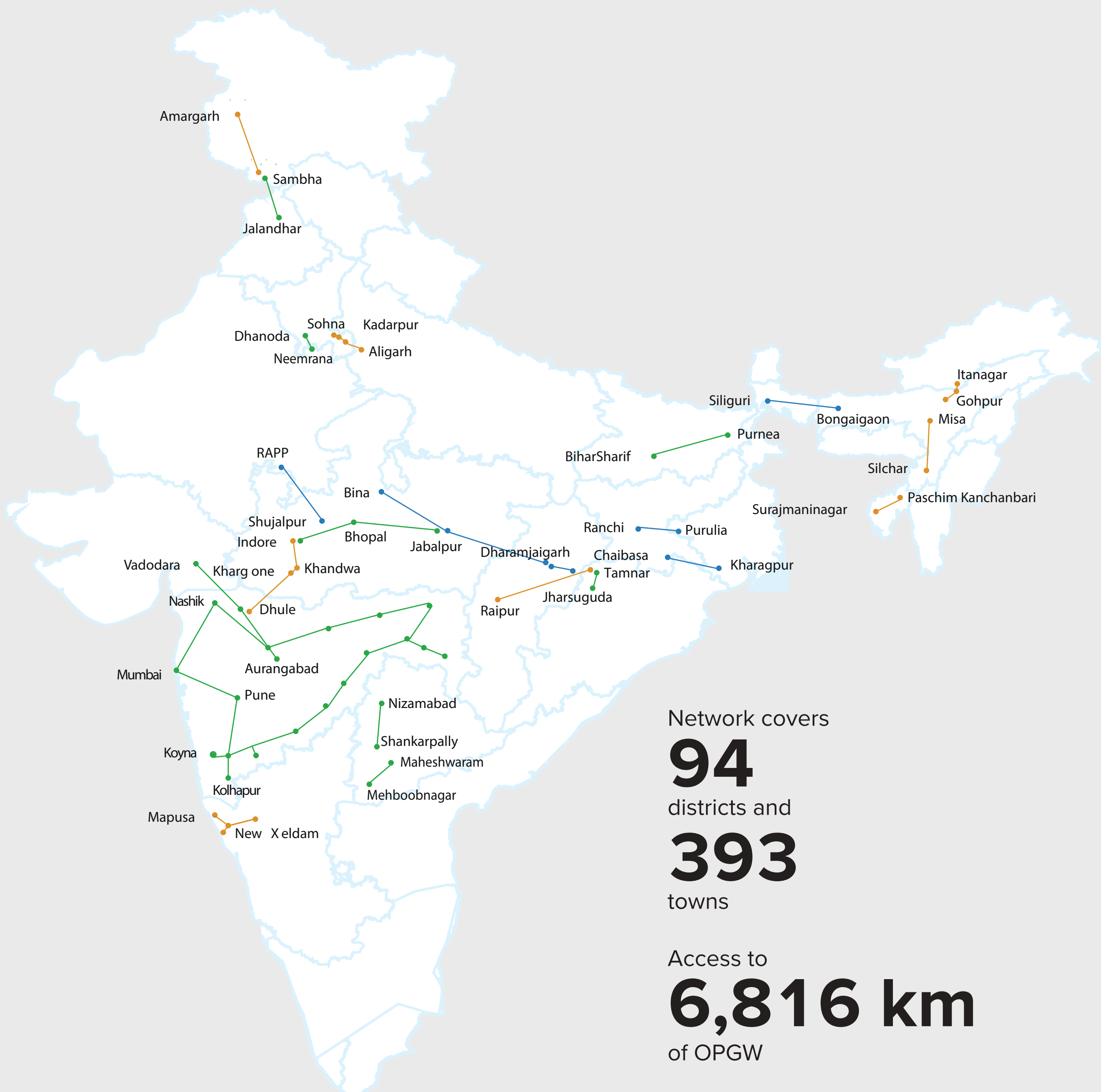
Dark fiber solutions:
Reliable, Efficient & Scalable

Colocation solutions:
Space, 24X7 support & Multiple Power backups

Proactive fiber monitoring:
Real-time notification, cost-effective

INDIA

Sterlite Power Convergence Assets



Network covers

94

districts and

393

towns

Access to

6,816 km

of OPGW

Legend

● Substation

SPTL OPGW Route

Complete | Work-in-Progress | Planned

Achievements

Unique Network Assets

- Access to 6,816 km of OPGW fiber across India covering 94 districts & 393 towns including MTCIL's OPGW fiber
- Built secured colocation facilities within power substations enabling service providers to house telecom equipment
- Intra-city fiber development through Unique PPP model with Gurugram Metropolitan Development Authority (GMDA)
- Access to ~21,000 transmission towers which can be utilized for telecommunication purposes

Customer Acquisition

- Long-term Indefeasible Rights of use (IRU) and short-term Annual rate contract (ARC) dark fiber deals with large telecom service providers, ISPs, MSOs & wholesale carrier providers in India
- Colocation rack space lease to end customers
- Presence in both urban and rural areas including tough & challenging terrains

World-class Service Uptime

- Best-in-class operational excellence and unmatched fiber uptimes leading to higher customer satisfaction
- Colocation facility with 99.9% service availability, uninterrupted power supply, remote monitoring & surveillance

Sterlite Investment Managers Limited (SIML)

India's first infrastructure Investment Trust (InvIT) in the power sector, India Grid Trust (IndiGrid) was created in 2016 by Sterlite Power Grid Ventures, in order to acquire operating power transmission assets. IndiGrid, with AUM (assets under management) worth ₹ 10,667 Cr (US$ 1.52 Bn) has eight operating power transmission projects consisting of 22 revenue-generating elements, encompassing ~4,900 circuit kilometers, and transformation capacity of 7,735 MVA. The InvIT offers investors the remarkable opportunity to own infrastructure assets in the power transmission sector hitherto inaccessible in terms of direct reach and participation. At the same time, it allows infrastructure developers to monetize their operating projects and redeploy the capital for developing new assets.

SIML is the Investment Manager for IndiGrid and takes decisions concerning the assets of IndiGrid. A subsidiary of Sterlite Power, SIML bears overall responsibility towards charting out the strategic course of action of IndiGrid and deciding on the acquisition, divestment or enhancement of assets of IndiGrid in accordance with its stated investment strategy.

KKR AND GIC INVEST IN INDIGRID

The deal

On May 4th, 2019, India Grid Trust ("IndiGrid" or the "InvIT") announced the closing of a preference unit issuance worth ₹ 2,514 Cr (US$ 359 Mn).
As part of the transaction, KKR and GIC invested ₹ 1084 Cr (US$ 154 Mn) and ₹ 980 Cr (US$140 Mn), respectively. Currently, they collectively own 42% of IndiGrid's outstanding units. KKR has also applied to become an additional Sponsor of IndiGrid and plans to acquire an additional 15% of IndiGrid's total units from Sterlite Power. Following the closing of the transactions, KKR and GIC will collectively own approximately 57% of IndiGrid's outstanding units.
In a separate transaction, KKR has additionally acquired 60% shareholding in Sterlite Investment Managers Limited, the investment manager owned by Sterlite Power. Sterlite Power established IndiGrid in 2016 and continues to be the Sponsor and its Project Manager.

The benefits

- This investment made by KKR in IndiGrid was used to buy equity stake in NRSS XXIX and OGPTL from Sterlite Power in Q1 FY 2019-20.
- The sale proceeds from NRSS XXIX and OGPTL will also enable Sterlite Power in focusing on its development portfolio while realising the best value for its portfolio upon completion in future. IndiGrid has also entered into a framework agreement for Sterlite Power's three under construction assets in GPTL, KTL and NER II to be acquired upon completion (expected to be acquired over the next two years), subject to appropriate due diligence and regulatory approvals being in place.
- The deal may also set a precedent for the infrastructure sector as investors slowly warm up to InvIT, a relatively new instrument in the country that allows promoters of projects to sell their stake in completed projects to the trust, which in turn can raise long-term funds from unit holders.
- This partnership with KKR through IndiGrid has enabled Sterlite Power, a stated developer of greenfield assets, to de-risk its growth strategy by monetising its projects into IndiGrid and thus freeing up its dry powder to invest back into global development projects in countries like India, Brazil and beyond.
- With KKR's investment into IndiGrid and acquisition of majority shareholding in the investment manager, IndiGrid will benefit from the global fund management expertise of KKR and at the same time provide visibility of capital for future growth. Similarly, IndiGrid will also benefit from the development and project management expertise of Sterlite Power as a Sponsor and project manager, by monetising its transmission assets to IndiGrid.

Sterlite Power Differentiator

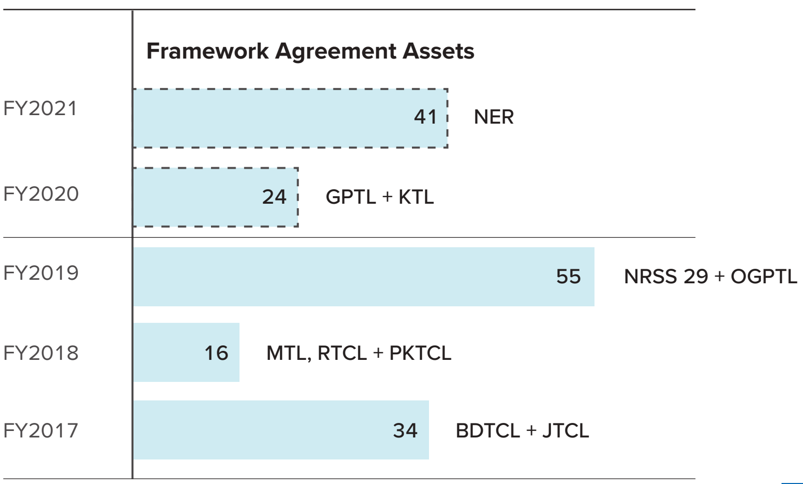
Financial Innovation: Establishing the Asset-Flip Model

Sterlite Power is the sponsor of India Grid Trust (IndiGrid), India's first power sector InvIT and SIML, a subsidiary of Sterlite Power, is the Investment Manager for IndiGrid. Through an asset flip model, Sterlite Power transfers fully operational assets to the Trust and redeploys the capital for developing new assets.

On May 4th, 2019, IndiGrid announced the closing of a preference unit issuance worth ₹2,514 Cr (US$359 Mn). As part of the transaction, KKR and GIC invested ₹ 1,084 Cr (US$154 Mn) and ₹ 980 Cr (US$140 Mn) respectively, to collectively own 42% of IndiGrid's outstanding units. KKR has also applied to become a sponsor of IndiGrid and plans to acquire an additional 15% of IndiGrid's total units from Sterlite Power. Following the closing of the transactions, KKR and GIC will collectively own approximately 57% of IndiGrid's outstanding units.

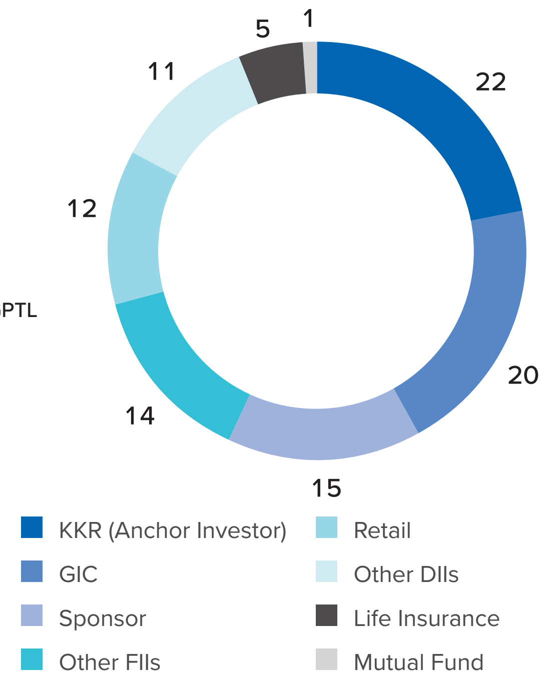
Sterlite Power aims to expand its global footprint in power transmission sector to a portfolio worth US$10 Bn by 2021-22, and the investment made by KKR in its infrastructure investment trust would play a crucial role in achieving it. With this deal, Sterlite Power aims to tap international capital to finance opportunities globally and to scale up the asset under management.

ASSETS TRANSFERRED TO INDIGRID



AUM (Assets under Management) as of March 31, 2019

UNIT HOLDING PATTERN (%) (JULY 26, 2019)



Technology Leadership

An evolving world needs revolutionary solutions. Sterlite Power has led the way in adopting globally-benchmarked, state-of-the-art practices in the legacy-driven power transmission segment.

Aerial Technology for Project Execution

- First use of helicopter stringing in India
- Helicrane-based tower erections in tough terrains
- LIDAR surveys, satellite imagery to enhance terrain information

Asset Planning and Monitoring using Drones & Robotics

- Aerial Technology for automated inspection & data analytics
- Planning services by unmanned aerial vehicles
- Robotics (Skyrob) for safe and efficient OPGW stringing
- IoT based remote monitoring for colocation assets

Zero Shutdown Capability

- Re-conductoring of transmission lines in 'live line conditions'
- India's first live line project in Bangalore

Design Engineering & Digital Platforms

- SPEX & BIM5D - Integrated planning and project management system
- TransAnalyst – In-house platform to generate most optimum transmission line route
- Subsurface Terrain Model (STeM) – Improving predictability of soil characteristics through data analytics for foundation design
- In-house power system study capability and simulation tools

Eco Innovation

- Tree translocation
- Monopoles to reduce space footprint
- Green colocation in Convergence
- Power Voltage Transformers to energise telecom equipment

Safety First

We believe in the philosophy that all injuries, incidents and occupational hazards are preventable. With a 'zero accidents' vision in mind, we consistently strive to achieve high Quality, Health, Safety and Environment (QHSE) standards for a sustainable workplace.

WORKSITE SAFETY

At Sterlite Power, safety is at the heart of every project and every individual associated with us. We are committed to meet or exceed the quality expectations of our stakeholders. Our focus on safety does not end at our employees. We make sure that the third-party employees and subcontractors associated with us also get a safe working environment.

MANDATORY BOOT CAMPS

Apart from adhering to strict safety rules and regulations, we make sure that none of our employees work at the project site without any proper training. Mandatory 'boot camps' are organized by us from time-to-time to ensure that right training is provided to all our employees. This is our way to make sure that our workforce is ready for all challenges when they step out into the field.

Safety

RECOGNITION

Sterlite Power was recognised as the Sustainable Organization of 2019 in energy sector at the India Sustainability Summit.

CULTURE

Successful HSE culture building through various safety campaigns, training sessions and Nukkad Naatak across projects.

SKILL DEVELOPMENT

We regularly organise QHSE training camps at our project sites.

SANQALP - SAFETY AND QUALITY ASSOCIATION OF LEADING PARTNER

We joined hands with the leading players in the transmission industry and formed a QHSE industry forum called SANQALP. The platform aims at standardizing and institutionalizing the safety & quality practices.

Case Studies

Bringing More Power to the J&K Valley

LOCATION
Jammu and Kashmir (J&K), India

IMPROVING QUALITY OF LIFE IN THE VALLEY OF KASHMIR

This northernmost region of India faces severe power deficit, crippling daily life and adversely impacting its path to progress. The problem gets a lot worse during the harsh winters, as less hydropower is generated. There was a need to connect the Valley with the Northern Grid via a reliable transmission corridor.

THE CHALLENGES

We tackled extreme conditions of terrain and weather. This one-of-a-kind project passed through great altitudes, including the mighty Pir Panjal range in J&K, which remains inaccessible for six months during winters. Another challenge was the distance of the project site from the nearest roadway, making movement of tonnes of materials a considerable task.

ACHIEVEMENTS

We leveraged advanced technology and superior innovation, across the life cycle of the project. Helicranes were used to deliver more than 3,500 tonnes of materials to the site safely. Drones and helicopters were used to supplement the functioning of the helicranes, with a range of activities from wire stringing to providing aerial surveillance.

With an indomitable determination to succeed even in the toughest of conditions, we completed the project two months ahead of schedule. Today, the NRSS 29 is delivering more than 1,000 MW of reliable power from Punjab to the Kashmir valley.

WHAT WE DID

We built an alternate power corridor.
The 414-km-long Northern Region Strengthening Scheme XXIX (NRSS 29) is one of the biggest private sector transmission projects. It comprises one 400/200 kV GIS substation and three 400 kV double circuit transmission lines through the states of Punjab and J&K.

Crossing Over to Brazil

LOCATION
Pernambuco, Brazil

POWERING UP THE 'GREEN ARCH' IN BRAZIL

We won the Arcoverde (literally the 'Green Arch') project, our very first on foreign soil, in an auction conducted by the Brazilian Electricity Regulatory Agency (ANEEL) in April 2017. The concession was signed in August 2017. This project was key to establishing our credibility as a trusted transmission player in the country.

THE CHALLENGES

Considering our first project on foreign lands, the Arcoverde project was faced with two major challenges - attaining financial closure for the project and obtaining the various environmental clearances for the project.

ACHIEVEMENTS

Our first foray into Brazilian territory notwithstanding, we attained financial closure for the project within a short period of time. We generated ~800 jobs through the course of the project in the region. We obtained the required environmental license in record six-and-a-half months. What's more, we successfully completed the project a whopping 28 months ahead of the schedule set by ANEEL. Not only did this exemplify our project execution capabilities, it helped us showcase how power infrastructure can serve the country's grid.

WHAT WE DID

We began the project implementation with diligent planning and carried out our work with extreme sensitivity to ensure minimum outages, on account of any overlap with the corridor. Our teams simultaneously liaised with various entities during the planning phase to overcome the right-of-way issues.

Case Studies (contd.)

Live-Line Reconductoring with Zero Shutdown

LOCATION
Bengaluru, India

DOUBLING POWER TRANSFER CAPACITY

Driven by our core values of 'innovation' and 'social impact', Sterlite Power recently heralded in a pioneering new technology in India - Zero Shutdown Reconductoring, to address transmission congestion challenges. This unique project was successfully completed with the reconductoring of a 66 kV transmission line connecting Bengaluru's Electronic City under 'Live-line conditions.'

The line from Naganathapura substation connecting to Malgudi in Bengaluru was uprated with no shutdown on the line during project execution. This ensured that it was business as usual for consumers with no loss of revenue for the utility. This was the first case of reconductoring in live-line conditions in India.

THE CHALLENGES

Rapid urban evolution has spurred exponential demand for power. Ageing infrastructure and lack of space to set up greenfield projects is a key constraint in expanding power transmission to meet this growing demand.

ACHIEVEMENTS

The project doubled power transfer capacity of the transmission line. Uninterrupted power was ensured during execution and changeover by using bypass technique on the towers, using 'bare-hand' and 'hot-stick' methods. The high-performance conductor installed in the lines provides better clearance from the ground and nearby buildings. We believe this revolutionary new solution can be scaled up and customised to address the needs of states in India with similar challenges.

WHAT WE DID

Developed a unique and innovative solution that enabled reconductoring without causing any disruption in power supply to the local population and industry. The transmission asset was upgraded without shut down. Sterlite Power has successfully completed India's first live-line reconductoring project in Electronic City, Bengaluru, for Karnataka Power Transmission Co. Ltd. (KPTCL).

Power Boost for India's Growth Hubs

LOCATION
Gurugram, India

PROVIDING POWER, CONSERVING NATURAL WEALTH IN HARYANA

Under the Gurgaon Palwal Transmission Limited (GPTL) project, we are commissioning three gas-insulated substations and two bays. It faces major concerns regarding right-of-way issues.

THE CHALLENGES

Working through heavily forested lands and constructing a fully automated gas insulated substation adds to the complexity of the project.

ACHIEVEMENTS

More than 136 km line once commissioned will deliver over 3,000 MVA to parts of Gurugram and connect other substations located at Palwal, Rangla, Rajpur and adjoining areas of Meerpur and Kurah in Haryana. The aim is to satisfy the growing demand for power in the rapidly developing cities of Gurugram and Palwal – which being the manufacturing and service hubs are key to India's economic development. Innovation in design and engineering enabled us to reduce the space footprint and preserve forested land.

WHAT WE DID

We formed a dedicated team to simultaneously coordinate and ensure that we receive timely approvals from relevant entities, during the planning phase. We overcame the space constraint vis-à-vis the forested lands, with the construction of vertical substations. Further, we used monopoles in place of the conventional towers, reducing the land footprint by ~80%. This in turn helped preserve the region's forests to a large extent. At the same time, we used micro-piling to create foundation for the monopoles, which also helped minimize the excavation impact on the soil.

Case Studies (contd.)

Improving Odisha's Power Infrastructure

LOCATION
Odisha, India

WORKING TOGETHER WITH ALL STAKEHOLDERS FOR A BETTER TOMORROW

The coastal state is undergoing fast-paced industrialisation, on account of which it experiences growing demand for power. We developed transmission systems through the Odisha Generation Phase-II (OGPTL) project, comprising a 765 kV Jharsuguda-Raipur line and a 400 kV Sundergarh-Jharsuguda line.

THE CHALLENGES

Initially, our proposed transmission line overlapped with the existing lines for an industrial urban corridor. This corridor supplied power directly to vital industries in the region. Additionally, some sections of the transmission line also had severe right-of-way issues. We encountered resistance from native communities, where the line passed through tribal regions.

ACHIEVEMENTS

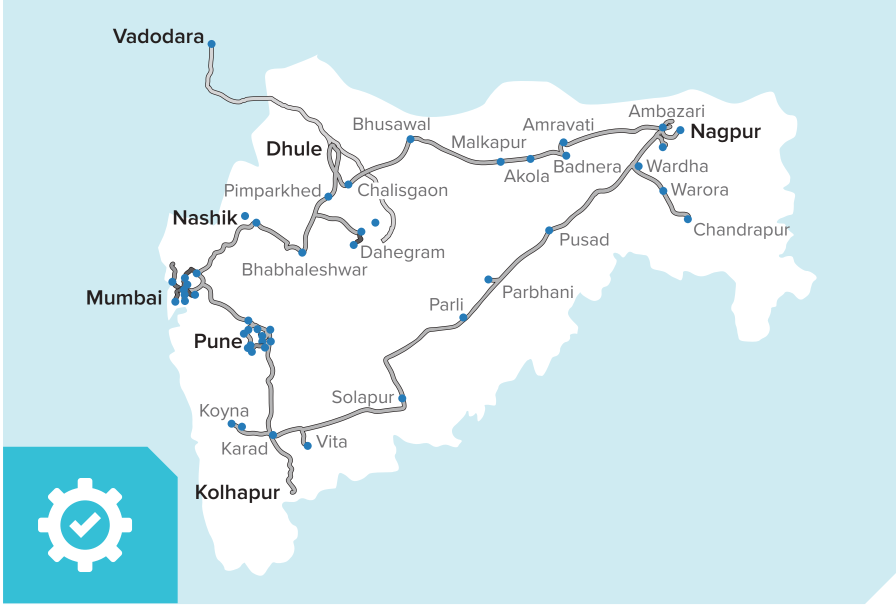
We obtained in all 86 statutory approvals, visiting 247 various government and private utility offices. This was the first time that a right-of-way compensation circular was released by the Odisha government for any transmission utility. Also, the OGPTL project was included in Project Monitoring Group of the Cabinet Committee on Infrastructure (CCI). In the end, we successfully commissioned the project in April 2019, three months ahead of its scheduled delivery date of July 2019, helping fulfil the state's critical need for power infrastructure.

WHAT WE DID

We began the project implementation with diligent planning and carried out our work with extreme sensitivity to ensure minimum outages, on account of any overlap with the corridor. Our teams simultaneously liaised with various entities during the planning phase to overcome the right-of-way issues. The issues concerning the tribal communities were handled with remarkable caution. We worked hard to spread awareness about the benefits of the transmission line and resolved conflicts.

Power Utilities Revolutionizing Telecom Connectivity

LOCATION
Maharashtra, India



ENABLING BEST-IN-CLASS DATA CONNECTIVITY IN MAHARASHTRA LEADING TO ECONOMIC GROWTH

Given the broadband boom in India, the telecom sector has a constant need for reliable world-class communication infrastructure. The Convergence business unit leverages its OPGW fiber-based utility network to meet this growing demand.

THE CHALLENGES

The existing inter-city underground fiber infrastructure in Maharashtra is along the national & state highways and are always prone to frequent cuts due to constant road expansion & maintenance activities.

ACHIEVEMENTS

MSETCL is utilizing the MTCIL OPGW network for seamless voice, data, remote monitoring, tele protection, asset management and SCADA connectivity between substations, thereby providing higher value to its end customers, i.e., Distribution Utilities. MTCIL network which rides on existing transmission corridors is highly secured, has minimum on ground RoW challenges, provides a superior alternative with unmatched uptime & service assurance.

Due to the network's inter-operability, OPGW network can be connected to other networks within and outside the state. The network has connected nine major cities in Maharashtra with 25 districts, 208 towns, and 994 gram panchayats. It has enabled service providers in the region to provide superior end customer experience by promising uninterrupted data flow.

WHAT WE DID

A joint venture between Sterlite and Maharashtra State Transco, MTCIL* was formed to address the communication needs of MSETCL** and established 3,300 route km of reliable Optical Ground Wire (OPGW) fiber network in the state of Maharashtra. This first-of-its-kind state-wide OPGW fiber network in India derives commercial value by leasing spare fiber capacities to communication service providers. The ring architecture of the massive network connects the main hubs: Mumbai-Nashik-Dhule-Nagpur-Solapur- Karad-Pune-Mumbai.

*MTCIL – Maharashtra Transmission Communication Infrastructure Ltd.

**MSETCL – Maharashtra State Energy Transmission Company Ltd.

Case Studies (contd.)

Smart City Fiber Network on PPP Model

LOCATION
Gurugram, India

STERLITE CONVERGENCE FIBER NETWORK ENABLES SMART DEVELOPMENT OF GURUGRAM

Smart cities across India are gearing up for the digital revolution by building the required infrastructure aimed at improving the lives of citizens. The foundation of such a digital infrastructure is the fiber network which serves as the backbone for all applications.

Convergence business fulfills the above need by providing a win-win partnership to design, build, finance, operate and maintain fiber infrastructure on a long-term partnership model. Gurugram is one of the first cities where Convergence business has invested and created a world-class optical fiber infrastructure for supporting current and future applications of the city.

THE CHALLENGES

Smart cities needs to have reliable data connectivity to support their smart infrastructure elements. The key challenge in front of smart city authorities is to create an ecosystem of partners who can design, build, finance, operate & maintain such infrastructure through a long term public private partnership model.

ACHIEVEMENTS

Sterlite Convergence is addressing the smart city needs with its superior fiber network design, build, operations and management skills. The smart city will benefit from the faster development of the telecom grade network, low cost of ownership, and higher uptime with a reliable network. Convergence has also created an open fiber network which can be utilized by telecom service providers, ISPs and MSOs thereby minimizing environment impact as it avoids multiple digging and laying of fibers.

WHAT WE DID

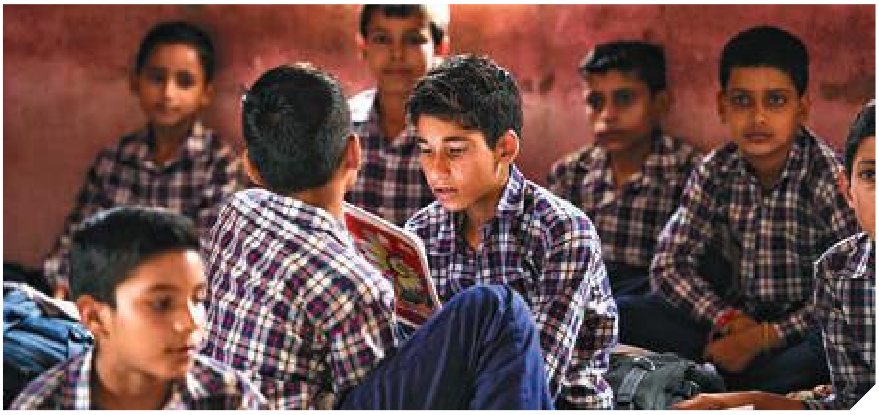
We entered into a public-private partnership with Gurugram Metropolitan Development Authority (GMDA) to develop an optical fiber cable network that will support the city’s connectivity and communication needs. We have the right to build a core network of 105 km in Gurugram as part of Phase 1 of this project. Sterlite Power will manage & maintain the network for 21 years.

The optical fiber cable network will power data-centric services across the city and will provide connectivity to government buildings, business clusters and critical applications like security, surveillance and e-governance.

Corporate Social Responsibility

Small Steps. Meaningful Impact.

For us, at Sterlite Power, communities are not merely a stakeholder, but the very reason of our existence. Apart from overcoming the toughest challenges of energy delivery, we also work towards moving past the challenges faced by the communities and bringing real change in their lives.



With our CSR initiatives, no matter how small or large they are, we want to make a meaningful contribution to the society. Our aim is simple – from a youth in Kashmir to a housewife in Jharkhand and a farmer in Odisha, we want to brighten up their life in real. From providing relief objects to Kerala flood camps to access to healthy drinking water, here are some of our ways to give back to the community.

RESTORING KERALA

- As a response to the unprecedented damage caused by the 2018 floods in Kerala, Sterlite Power, in association with SEEDS, an NGO, came forward to take charge of the damaged subcentre building. The subcentre catered to the elderly, women and children in the area. In addition, locals depended on the subcentre for antenatal checkup and immunisation for their children. Specific interventions were undertaken after a detailed assessment. The aim was to make the subcentre safe, healthy, sustainable and universally accessible. Through this restoration project, we were able to tend to the repair of water seepage in the building; repair of waiting area for patients; and inclusion of a child-friendly space in the premises as well as a comfortable and relaxing environment for the elderly.

- Located in the Malappuram district, a government-owned primary school sustained serious damage in the floods. With a 12-month programme, we carefully dismantled and reconstructed walls; identified, cleaned and unclogged blockages in the waste/water pipelines in the bathrooms; levelled the land on premises and so on. Our holistic intervention helped refurbish and upgrade the school infrastructure from ground up.

OTHER KEY HIGHLIGHTS OF 2018-19

We conduct range of CSR initiatives that are relevant for the local communities across our project and plant sites.

- We distributed umbrellas and refreshments among students and teachers of the government-owned Surajmani Primary School, near our NER II Tripura project site.

- We organised several blanket donation camps across the country, in the regions of Madhav Rao Devle Shiksha Mandir (Haridwar), Divya Bharat Shiksha Santarsa and Bahadurpur Saini.

- On January 26, 2019, when India celebrated Republic Day, we circulated sports kits and water purifiers (with reverse osmosis technology) at local government schools near BDTCL project site.

- We distributed amenities in flood relief camps for the victims of the disastrous Kerala floods of 2018.

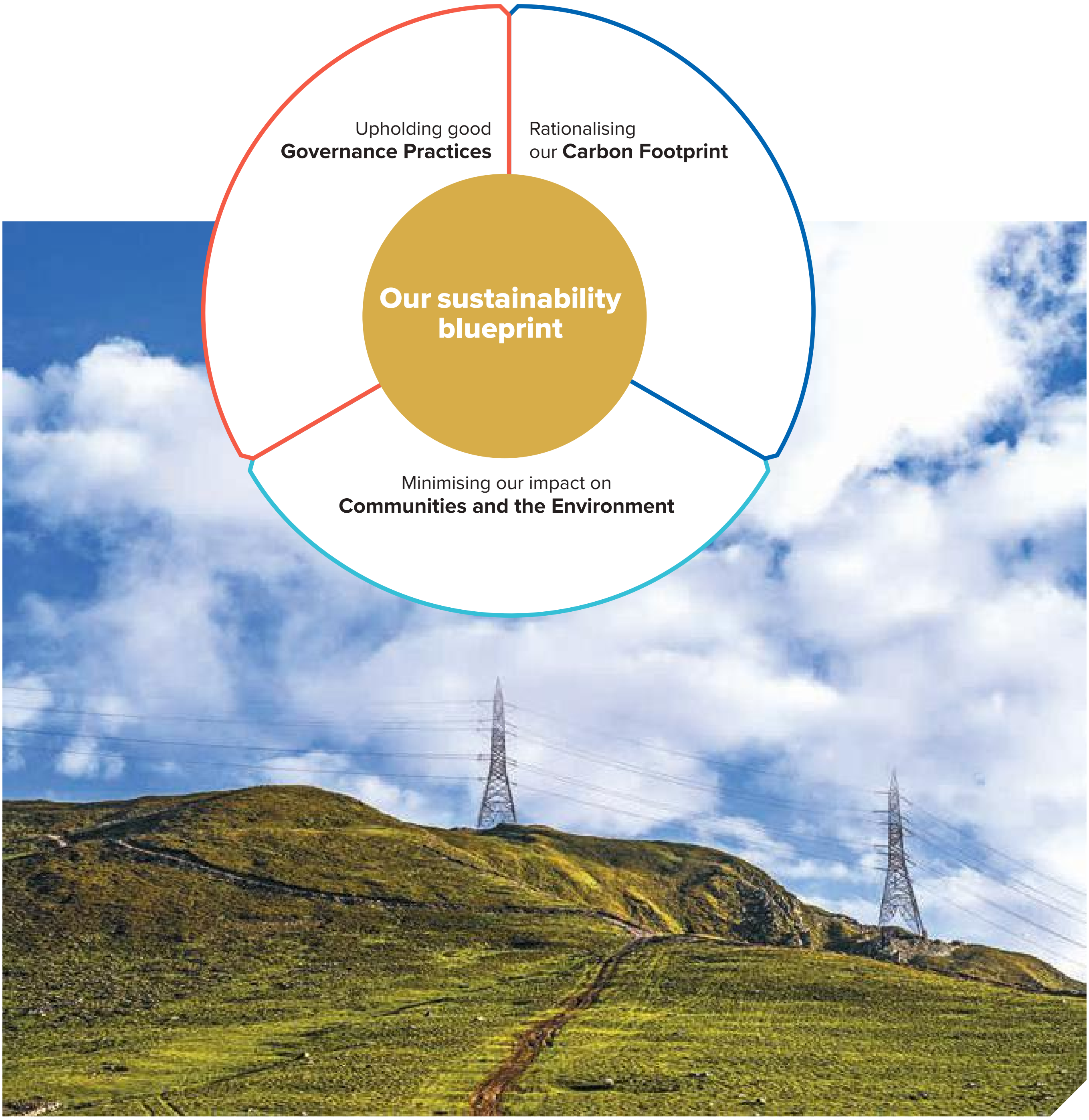
- We teamed up with Aprajita Women Council to conduct a fun-filled session at the Red Cross School for Physically and Mentally Challenged Children. We gave away drawing books, color pencils, slates and chocolates with the kids, much to their delight.

- We organise annual blood donation camps, in association with Red Cross Society Silvassa. This year, 111 donors turned up for the event, leaving us overwhelmed with the response.

- We delivered school bags and pre-owned desktops among school children near our projects in Khargone and Haridwar respectively.

Sustainability

At Sterlite Power, we address the toughest challenges of energy delivery. Innovation is the key engine of our approach, but we truly believe that the only true development is when it is sustainable. Our sustainability strategy articulates how we will deliver long-term economic, social and environmental outcomes for our large stakeholder fraternity.



MINIMISING OUR IMPACT ON COMMUNITIES AND THE ENVIRONMENT

Sustainability is an integral part of modern infrastructure projects. Infrastructure that exists in harmony with the local ecosystems creates lasting value and reinforces the positive use of financial capital. We endeavour to obtain a robust understanding of the societies in the vicinity of our projects, at the planning phase itself.

- Our Purulia-Kharagpur transmission line passed through the Sarna community. The natives work tirelessly to preserve their small tracts of land that they hold sacrosanct as a tribute to the God Sing Bonga; and, any attempt to clear the area of its trees is perceived as a disregard to the deity. Sterlite Power, in complete respect of these traditions, reformed the transmission line route and wherever it was not possible to do so, collaborated with the community leaders to develop alternatives. This also involved carrying out the necessary rituals to ensure that local sentiments were protected while delivering on the objectives of the project.

- With our NRSS 29 project amidst the high altitudes of Kashmir, we pioneered the use of helicranes and snow scooters in the transmission industry. Whether it was relocating tonnes of raw materials from the operation headquarters to the project site, or the cumbersome task of aerial fixation of metal transmission towers, the use of helicranes proved to be a successful innovation. This immense use of technology, powered by a rigorous support crew, enabled us in accomplishing the task with minimal impact on the environment.

- We undertake tree translocation initiative to promote greener outcomes in our power transmission projects. Herein, we translocate bigger and mature living trees within 500 metres and effectively reduce the felling of trees by ~40%. It helps to maintain air filtration, producing more oxygen, reducing soil erosion and conserving energy. We piloted the initiative in Indore, as part of our KTL project. The 189 km KTL project, connecting Indore to 1320 MW of thermal power from Khandwa, will benefit domestic, commercial, agricultural and industrial segments.

- In Odisha, our proposed transmission line overlapped with the existing power infrastructure for an industrial urban corridor, which supplied power to vital industries in the region directly. We could neither entertain power outages nor enter conflicts with the residents. We planned and carried out our work with extreme sensitivity and coordinated with authorities on multiple levels to get timely approvals – and help fulfil the coastal state's crucial need for greater access to power.

RATIONALISING OUR CARBON FOOTPRINT

Optimising environmental performance forms a key component of our sustainability blueprint and is essential for driving efficiencies and winning work. We have been taking steps to reduce our carbon emissions and mitigate the risks posed by climate change.

- Our Haridwar plant exemplifies sustainable manufacturing practices and has been consistently earning accolades for its performance and processes. The plant has been tracking its Greenhouse Gas (GHG) footprint year after year.

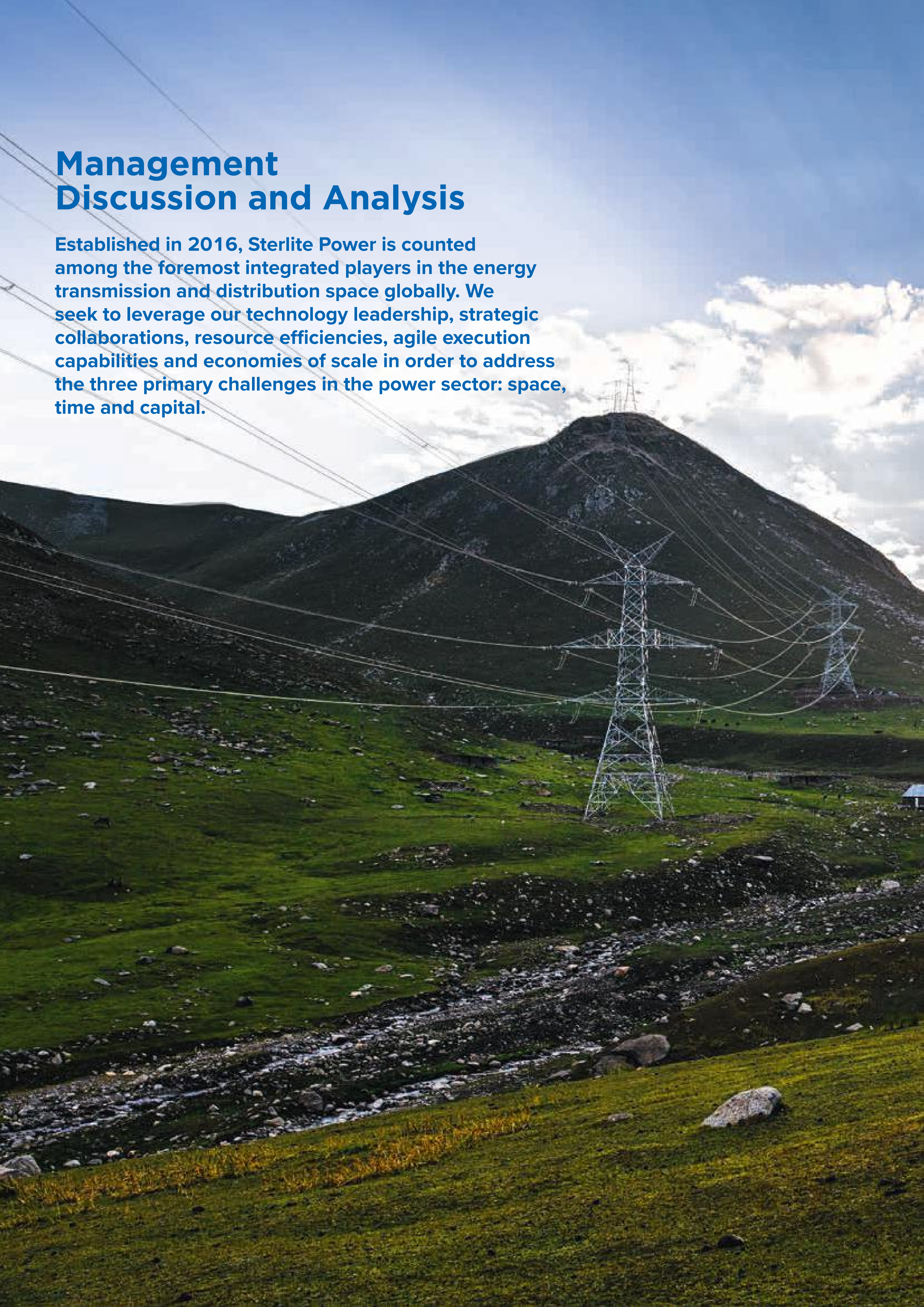
- In a bid to preserve the natural flora and fauna of the Arcoverde region in Brazil, we planted 7,200 saplings in the area during the year.

UPHOLDING GOOD GOVERNANCE PRACTICES

We continue to emphasise on robust governance processes. We encourage our people and the wider community to report any concerns about unethical conduct and immediate action is taken in respect of the reported issues. Our Whistle-blower policy, Prevention of Sexual Harassment (POSH) policy and dedicated Ethics Committee enable us in bringing a higher degree of transparency in systems and processes at Sterlite Power.

Management Discussion and Analysis

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



ECONOMIC OVERVIEW

WORLD

The global economic growth during the first half of CY 2018 maintained the momentum achieved during 2017. However, it slowed down a little in the second half of 2018. The global GDP growth rate for 2018 was 3.6%, as against 3.8% during 2017. Key reasons for this were the trade unrest between the US and China and a slowdown in the major European nations. That said, major emerging Asian economies like India and China continued to drive global growth. They are witnessing demand growth fuelled by rapid urbanisation and a younger population. Their governments continue to provide an accommodative monetary policy stance to support this growth.

As per projections, the global GDP growth is expected to come down to 3.3% in 2019, before returning to 3.6% in 2020. Over the longer term, world economic activity will depend on multilateral efforts to address climate change, repair trade conflicts, boost output and mitigate data security risks.

[Source: International Monetary Fund]

INDIA

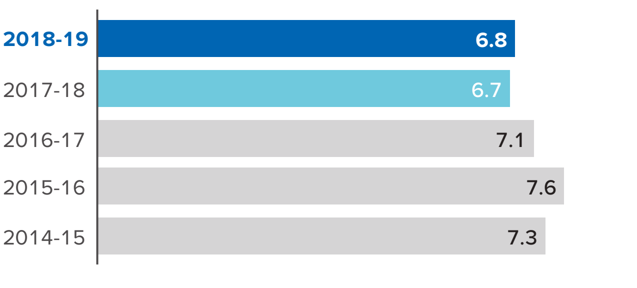
India's economy grew at 6.8% during FY 2018-19, one of the fastest among large economies in the world [Source: Central Statistics Office (CSO)]. Rapid pace of urbanisation with low inflation rates facilitating consumption growth by the expanding middle class are the key drivers of this growth. Rate cuts by the central banker have further helped ease liquidity and a stable government at the Centre has delivered consistent policy-led structural reforms. There have been sustained investments in infrastructure across sectors. The services sector too has witnessed improved credit offtake.

In 2017 and 2018, India gained 53 places to assume the 77th rank in a list of 190 countries, in the World Bank's Ease of Doing Business index. 'Getting Electricity' is one of the ten parameters, on the basis of which the World Bank decides an economy's rank in the index. With regard to this parameter, India rose from 99th place in 2015 to 29th in 2018, a leap which significantly improved its overall position. This development is likely to attract more foreign investment.

In the years to come, Indian economic progress will depend on factors such as private investment, enhanced governance, and accelerated reforms that incentivise job creation.

INDIA'S GDP GROWTH PATTERN

(%)



[Source: Central Statistics Office (CSO)]

BRAZIL

Brazil is the world's 10th largest economy and the biggest in Latin America. The country's economy contracted significantly in 2015 and 2016. The years 2017 and 2018 marked a revival with GDP growing at 1.0% and 1.1% respectively. The uncertainties surrounding the elections impacted growth numbers during 2018. However, in 2019, Brazil is expected to grow at 2.1%, a number that is projected to rise to 2.5% in 2020.

[Source: International Monetary Fund]

INDUSTRY OVERVIEW

WORLD

Consumption of power is a key marker for growth around the world. Globally, the energy sector has witnessed major changes over the past two decades, with more changes on the way. A majority of the global growth in the demand for power comes from India and China. Both the countries continue to grow their adoption of renewables, leading to significant drop in the cost of wind and solar power.

Digitalisation, decarbonisation, decentralisation and demographics are at the heart of this energy transition. In order to achieve the objectives articulated in the 2015 Paris Agreement, this transition will need to accelerate further, which in turn, implies an increased deployment of renewables as well as decarbonised power sources.

~75%

of the increase in primary energy is attributed to the power sector

[Source: BP Energy Outlook 2019]

QUICK FACTS

Global installed power generation is expected to increase over 60% between 2017 and 2040.

[Source: International Energy Agency]

Electricity will progressively become the most widely used source in final energy consumption, by 2050. It will have a share of ~50% in the total final consumption from ~20% at present [Source: International Renewable Energy Agency (IRENA)]. Global electricity demand is projected to increase from 25,000 TWh in 2017 to ~38,700 TWh by 2050.

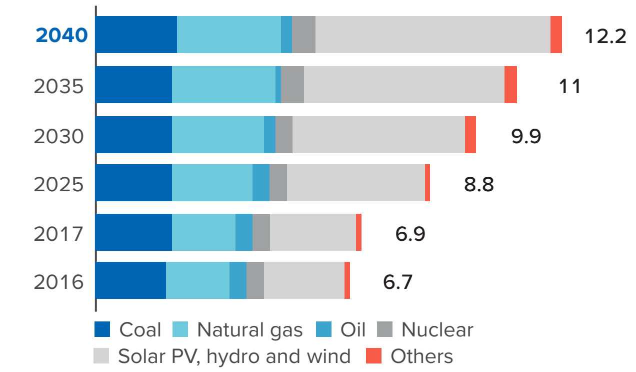
[Source: Bloomberg NEF]

- This growth will come largely from developing economies. It is brought on by population growth and rapid economic development, along with policy push towards electrification and technology advancement. As a result, the power sector will undergo a rapid expansion. Meanwhile, efficiency gains in the advanced economies will offset the increasing activity, resulting in a relatively flat movement in their growth trajectory.

- Renewable energy is the fastest-growing source of energy and is projected to become the largest source of power by 2050. Renewables are set to dominate the world market, with early signs of disruption in the transport industry. Globally, the sector will need to respond with structural changes.

GLOBAL INSTALLED CAPACITY

(TW)



[Source: International Energy Agency (IEA)]

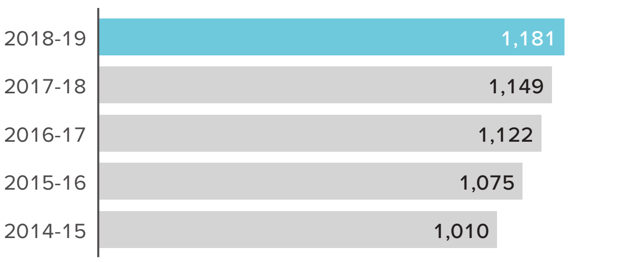
INDIA

According to World Economic Forum's global energy transition index compiled in March 2019, India ranks 76th out of 115 economies. This is a two position jump as compared to last year's ranking. The index compares 115 economies on how well they are able to balance energy security and access with environmental sustainability and affordability. This significant growth means, in the past few years, India has significantly improved in terms of energy access and its political allegiance towards energy transition is in the right direction.

Key to being future-ready is to ensure that access to power supply is made affordable and sustainable. Although India is moving towards becoming an energy surplus nation, it still lags behind in energy consumption. As per the Economic Survey of India 2018-19, India uses only ~6% of the world's primary energy; although it accounts for 18% of the world's population. As far as the average per capita electricity consumption of India is concerned, it's only 1,149 kWh. This figure is relatively low as compared to that of the United States and China, which is currently at 12,001 kWh and 4,905 kWh respectively. In quadrupling its per-capita energy consumption, India will be able to meet the rising aspirations of its citizens as well as achieve the human development status of an upper-middle-income country. This implies there is significant demand to be met.

PER CAPITA ELECTRICITY CONSUMPTION (AS ON MARCH 31, 2019)*

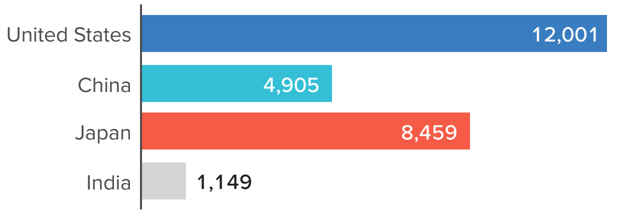
(in kWh)



[*Source: Central Electricity Authority (CEA)]

PER CAPITA ELECTRICITY CONSUMPTION IN 2017-18: A COMPARATIVE STUDY

(kWh)



There is a significant transformation in the energy mix in India. Progressively declining costs, improved efficiency and reliability have made renewable energy a viable option for fulfilling India's energy needs in a sustainable manner, while also helping it pursue its commitment to the 2015 Paris agreement. The share of renewable resources in India's generation mix has grown from 12.3% in 2013 to 21.2 % in 2018 (Installed Capacity), signalling a significant transition underway from coal fired power. Distributed solar in the form of rooftop and ground mounted modules is expected to grow rapidly.

Government of India's push towards 100% household electrification through programmes such as
The Saubhagya Scheme is now bringing electricity access to over 20 million new households. The challenge for the Government is now to grow the country's economy, so that these households can bear the expenses of buying electricity and hence, improve their standard of living.

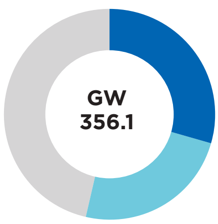
QUICK FACTS

- Recent market trends point to fewer long-term power purchase agreements (PPAs) being signed between discoms and private generators, with discoms increasing their procurement through shorter tenure PPAs or day/week ahead market.
- Private sector is playing an increasing role across the value chain, representing ~45% (Generation and Transmission) of total investments over the past 6 years.
- Electricity is expected to penetrate sectors such as transportation, with growth in electric buses, two-wheelers, fleet cars and e-rickshaws. By 2030, penetration of electric vehicles can reach upto 80% and 30% in terms of two-wheelers and private cars respectively.

[Source: Niti Aayog Report]

SECTOR-WISE INSTALLED CAPACITY IN GW (AS ON MARCH 2019)*

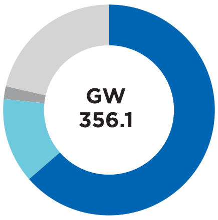
(%)



29.5	State
24.3	Central
46.2	Private

SOURCE-WISE INSTALLED CAPACITY IN GW (AS ON MARCH 2019)

(%)



	63	Thermal
	13	Hydroelectric
	2	Nuclear
	22	RES

[Source: Central Electricity Authority (CEA)| *Installed capacity in respect of RES (MNRE) as on January 31,.2019 | RES (Renewable Energy Sources) include small hydro project, biomass gasifier, biomass power, urban & industrial waste power, solar and wind energy]

The electricity generation target from conventional sources for FY2019-20 has been fixed at 1330 BU, a growth of 6.46% over the actual generation of 1249 BU achieved in FY2018-19. The outlook for power generation is promising, with potential investments worth ₹11.56 trillion (US$ 165 Bn) between 2017 and 2022 in the pipeline.

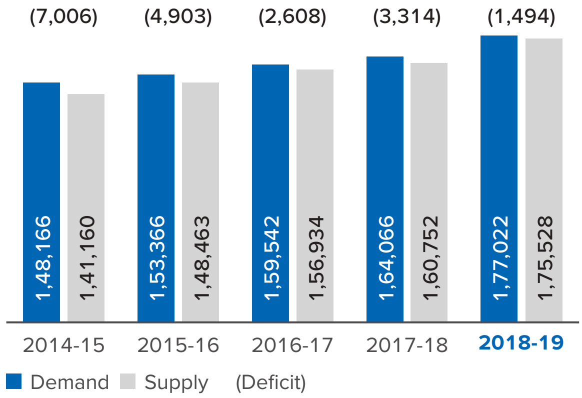
[Source: Central Electricity Authority (CEA)]

In 2018-19, the all India electricity supply deficit was 0.6% of total electricity requirement and all India peak demand deficit was 0.8%.

[Source: Central Electricity Authority]

POWER SUPPLY POSITION DURING PEAK HOURS (AS ON MARCH 2019)

(in MW)



[Source: Central Electrical Authority (CEA)]

With both supply and demand demonstrating encouraging signs, the vital link between is the availability of an adequate transmission infrastructure. India is the world's second largest market for transmission towers, contributing to more than 15% of the global market. The country's power transmission network in FY 2018-19 at 4,13,407 ckm is nearly double of that in FY 2011-12 at 2,57,481 ckm (total length of 220 kV and above transmission lines). Despite this the grid suffers from congestion at intra-state levels.

~15%

of the global market for transmission towers accounted for by India

WITH BOTH SUPPLY AND DEMAND DEMONSTRATING ENCOURAGING SIGNS, THE VITAL LINK BETWEEN IS THE AVAILABILITY OF AN ADEQUATE TRANSMISSION INFRASTRUCTURE.

TRANSMISSION MARKET DRIVERS

INDIA

There has been a radical shift towards solar and wind aided by the continuous decline in the cost of renewables. However, this growth in the country's renewable energy capacity is surpassing the grid capacity. This underlines the requirement for strengthened inter-state and intra-state transmission lines and power evacuation infrastructure across the nation. This also means, over the next 5 years, India's transmission grid needs to keep pace with the country's increasing renewable & non-renewable power generation capacity.

The transmission sector must respond to and take advantage of the shifts in the power sector and ensure that the transmission sector is well positioned to facilitate affordable energy access across the country. However, this is possible if we address the following imperatives:

- A more flexible transmission network planning which factors in the new paradigm where it now takes 12 to 18 months to construct a renewable power plant vis-à-vis a coal fired power plant which used to take 5-6 years. This would need advance planning of transmission projects coming out of an anticipatory planning exercise, well supported by an appropriate regulatory framework guaranteeing recovery of these investments.

- Project timelines need to be compressed from project notification to project commissioning. We need to adopt more efficient modalities for bidding process and forest clearance procedures, while preserving the integrity of the original process. Also, greater freedom needs to be given across the project lifecycle for the adoption of innovative means to ensure shortening of the project timelines.

- Increasing penetration of renewables induce challenges for the grid. Hence, the grid performance parameters need to be tightened. The current 15-minute cycle of scheduling, forecasting and deviation settlement is not fully capable of seamless and flexible integration of renewable energy resources in the country, as they have variability in energy injection even in the 15-minute window. India should consider tightening grid performance parameters, by moving to a 5-minute forecasting and scheduling window. Efforts are already being made in this direction.

- Grid reliability can be improved by developing contingencies in the system. The Inter State Transmission System currently operates at an average line utilization of ~30-40% which is in line with utilization levels seen at similar national grids (UK, Germany, Brazil). Although this utilization level appears low, the additional capacity is not necessarily available for contingency as the system operates at much higher utilization level in the peak hours.

- Five industrial corridor projects have been identified, planned and launched by the Government of India. These corridors are spread across India, with strategic focus on inclusive development to provide a boost to industrialization and planned urbanization. Manufacturing is a key economic driver in each of these projects. This is expected to help create new load centers besides the increase in demand expected in existing towns & villages on account of the SAUBHAGYA (rural household electrification) initiative. The expansion of transmission grid network needs to follow these varying geographical and quantum demand.

Hence, it is important for the system owners, operators and planners to review the plan for transmission expansion from pace and quantum perspective to match the RE capacity expansion. It would also be imperative to incorporate energy storage solutions as transmission system elements to meet grid operational flexibility requirements.

Moreover, with intense policy focus on capacity addition, surplus installed capacity continues to grow. Making optimum use of this capacity requires setting up of new transmission networks, upgrading the existing ones, and replacing the ageing infrastructure. A growing population and widespread urbanisation are adding to the challenges of securing right of way and negotiating new power corridors.

BRAZIL

Brazil's energy sector has grown significantly since 2001, when the country was disrupted by a wave of forced blackouts. Over the past few years, the country's energy consumption has increased by nearly 50% and its energy generation capacity has nearly doubled.

Early 2018, Brazil announced that its energy sector will require an investment of ~BRL 1.8 trillion (US$ 514 Bn) by 2027. Brazil's power sector is witnessing major changes, with state-controlled firms reducing their annual spending by ~45%. It is progressively allowing international private firms to increase their participation, indicating a competitive advantage for international private energy firms. With the country's new energy minister taking charge, more such opportunities are beginning to emerge.

Brazil's 'Ten Year Energy Plan 2026' outlines the expansion of the installed capacity of the National Interconnected System (SIN) for a 10-year horizon to 64.1 GW. Nearly 75% of this is to come from renewables and 50% from non-hydro renewable sources. The energy load is forecast to increase to 91,160 MW in 2026, from the 64,636 MW in 2016, on an average. In line with this, Brazil's total electricity consumption is estimated to jump to 741 TWh in 2026, from 516 TWh in 2016, indicating an average annual growth of 3.7%.

The Plan forecasts an increase of 6,18,000 km in transmission lines and an increase of 199.2 GVA in transformation capacity. The transmission line length is estimated to increase from 1,34,956 km in 2016 to 196,839 km in 2026; while the transmission capacity is estimated to increase from 3,33,267 MVA in 2016 to 5,32,445 MVA in 2026.

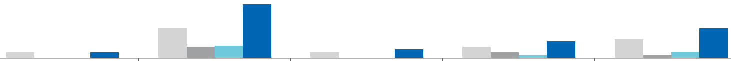
PLANNED TRANSMISSION LINES

(in km)

	800kV	750kV	600kV	500kV	440kV	345kV	230kV
2016	0	2683	12816	46569	6748	10320	55820
Addt'n in 2017-2021	9158	0	0	14778	316	802	7222
Addt'n in 2022-2026	2920	0	0	15959	123	535	10071
Estimated 2026	12078	2683	12816	77306	7187	11656	73113

PLANNED TRANSFORMATION CAPACITY

(MVA)

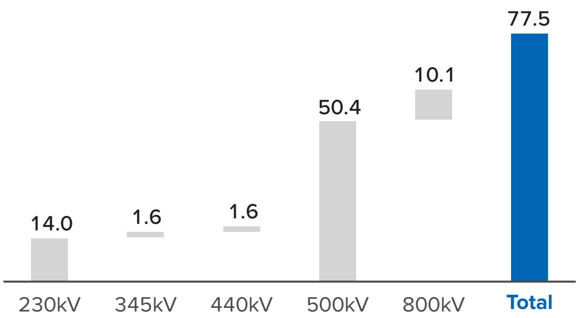


	750kV	500kV	440kV	345kV	230kV
2016	23247	142808	26352	51195	89665
Addt'n in 2017-2021	1650	51752	6749	13315	21808
Addt'n in 2022-2026	0	57898	6176	12024	27807
Estimated 2026	24897	252458	39277	76534	139280

The investment opportunity in electricity transmission is estimated to be ~R$ 119 Bn (US$ 34 Bn) in the ten-year period (2017-26). After excluding the facilities already tendered, the required investment amounts to R$ 42 Bn (US$ 12 Bn) in transmission lines and R$ 22 Bn (US$ 6.28 Bn) in substations.

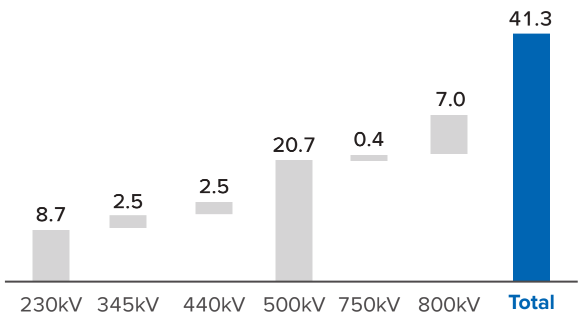
INVESTMENT IN TRANSMISSION LINES, BY VOLTAGE LEVEL

(R$ bn)



INVESTMENT IN SUBSTATION, BY VOLTAGE LEVEL

(R$ bn)



OVER THE PAST FEW YEARS, BRAZIL'S ENERGY CONSUMPTION HAS INCREASED BY NEARLY 50% AND ITS ENERGY GENERATION CAPACITY HAS NEARLY DOUBLED.

STERLITE POWER

We believe power is critical to economic progress. Sterlite Power is a leading power transmission platform developer and solutions provider with operations in India and Brazil. Both these are underpenetrated markets and have significant potential for growth. We export power products to more than 40 countries globally.

Sterlite Power has a track record of generating superior returns on projects through proven expertise in project bidding, designing, route planning, permitting, execution and monitoring by leveraging cutting-edge technology and know-how to finish projects within costs and ahead of schedule

Our Infrastructure business, which develops power transmission infrastructure on long-term 'BOOM' model, acts as the Developing Company (Dev Co) and enjoys 31.5% market share in India by tariff of all projects awarded under TBCB. In Brazil, it is one of the fastest growing power transmission developers with 10 projects in its portfolio and has recently commissioned a project 28 months ahead of schedule.

Our strengths – timely project execution and usage of innovative technology – have been instrumental in delivering social impact. This year, we saw the successful delivery of our flagship project, NRSS 29, ahead of schedule. The project was dedicated to the nation by the Honourable Prime Minister Narendra Modi himself.

Our Solutions business, a leader in the intra-state reconductoring/upgrade segment (specialized transmission EPC) with 50% market share in India, provides bespoke solutions to solve complex problems for power utilities, specialising in upgrading, uprating and strengthening delivery networks. We address the complex problems involving time, space and capital constraints for customers by leveraging our technological, design and engineering capabilities, as well as our captive sourcing and project execution skills. With multiple patented products in our portfolio, we own state of the art manufacturing facilities and we are the largest manufacturer of high performance conductors and integrated OPGW in India.

Convergence business operates at the confluence of power and telecom infrastructure. We work as an aggregator of overhead (using optical ground wire or OPGW) and underground optical fiber cable infrastructure, through strategic alliances and partnerships with power and gas utilities. Convergence is working to enable utilities to enhance the value of their existing asset by utilising it for creating a reliable optical fiber network.

Further, with India's first power Infrastructure Investment Trust (InvIT), the India Grid Trust or IndiGrid, we are at the vanguard of financial innovation in a capital-intensive industry. IndiGrid acts as the Operating company (Op Co). Thus, we have a unique asset light model by recurring asset monetization through Dev-Co Op-Co model.

Sterlite Power is running multiple long-term strategic initiatives like Aarohan & Udaan to create opportunities, building capabilities, institutionalizing processes and ensure sustainability.

HOW IS STERLITE POWER GEARED TO LEVERAGE THE TRANSMISSION OPPORTUNITY?

- Sterlite Power has the advantage of using superior technology for solving the constraints of time, space and capital
- LIDAR surveys, satellite imagery to enhance terrain information, Integrated Project Planning (BIM5D), and SPEX deployment
- TransAnalyst (Automated Routing Platform) – In-house developed application to generate most optimum transmission line route between two given points
- Subsurface Terrain Model (STeM) – Improving predictability of soil characteristics through data analytics for foundation design
- UAV & Aviation – Use of helicranes to set up transmission towers, aerial survey for route finalization, drone based construction quality and progress tracking
- Large scale transmission asset upgrade which can result in multi-fold increase in throughput on the existing corridor
- Unique Dev Co/Op Co model enables efficient asset monetization and redeployment of capital for future growth

PERFORMANCE OVERVIEW

The Year 2018-19 was significant in terms of winning multiple projects in Brazil. Sterlite Power won 7 projects, with a cumulative capex value of ₹ 7,000 Cr (US$ 1 Bn).

The company continues its track record of successful bids and ahead of schedule delivery of projects.

The global infrastructure business continues to leverage technology and its rich base of talent to deliver results. On-time project execution, leadership in innovative technology and cost competitiveness, has been instrumental in delivering social impact. This year saw the successful delivery of our flagship project, NRSS 29, well ahead of schedule. The project was dedicated to the nation by the Prime Minister Shri Narendra Modi himself.

In the first quarter of FY 19-20, Sterlite Power entered into a marquee deal with India Grid Trust for sale of its commissioned projects namely NRSS 29 and OGPTL for assets worth ₹ 5,039 Cr (US$ 720 Mn) and recorded a gain on sale for ₹ 1,500 Cr (US$ 214 Mn). Apart from this, the company also entered into a framework agreement with India Grid trust to sell its existing 3 under construction projects with an enterprise value of ₹ 6,500 Cr (US$ 928 Mn) in phase wise manner once they achieve COD. It will not only help the company to monetize the existing assets, the capital generated through these monetization activities will be used to reinvest in the business for future projects in India and abroad.

We continue to be the project manager for India's first power sector InvIT, IndiGrid where we provide project implementation and management services to IndiGrid and earn stable returns @ 12% as portfolio IRR along with annual dividend per unit amounting to ₹ 12 (US¢ 24) during the year which is a superior return compared to equity indices and comparable investments.

2018 ushered in the beginning of a slow recovery in Brazil's economy with low interest rates, improving business sentiments, robust agricultural output, and stronger dynamics in the labour market. The region remains a key market for the Company, with large expansion plans for power transmission and distribution expected over the next five years. During the year, we won the Pampa project worth ₹ 1,250 Cr (US$ 180 Mn) in December 2018 which highlights our unprecedented growth in the infrastructure business in Brazil.

The performance of our Solution and Convergence business has been in line with previous year.

Our consolidated income for FY 2018-19 was at ₹ 3,571 Cr (US$ 510 Mn) (FY 2017– 18 - ₹ 2,972 Cr (US$ 425 Mn)). The company's consolidated EBITDA was ₹ 450 Cr (US$ 64 Mn) in FY 2018-19 (₹ 850 Cr (US$ 121 Mn) in FY 2017-18). Our consolidated loss was ₹ 524 Cr (US$ 75 Mn) in FY 2018-19 (Profit of ₹ 238 Cr (US$ 34 Mn) in FY 2017-18). The reason for decrease in PAT on account of deferment of asset sale of NRSS 29 and OGPTL to Q1'FY20. Consolidated Net worth was ₹ (676) Cr (US$ 96 Mn) in FY 2018-19 ₹ (56) Cr (US$ 8 Mn) in FY 2017-18). Net worth of the Company is expected to be ₹ 300 Cr (US$ 43 Mn) post sale of NRSS 29 and OGPTL concluded in Q1 FY20.

EFFECTIVE PROCESSES

Processes are what constitute the difference between good and great performance. Highly functioning processes and systems enable our people to deliver high-quality outcomes. To that end, the major initiatives taken towards sharpening our organisation's competitive edge are listed here.

Sterlite Planning and Execution Excellence (SPEX)

In a first-of-a-kind endeavour in the transmission industry, Sterlite Power has devised a fully automated solution, known as SPEX. An integrated planning and project management system, SPEX brings out enterprise-level planning, monitoring and execution, involving all stakeholders at a single level. This has enabled us to digitise all key processes pertaining to every stakeholder, including Engineering Procurement Construction (EPC) partners and their planning teams; design and engineering teams; our right-of-way, planning and budget teams. This revolutionary product clicks in complete transparency in the system, saves time, improves productivity and drives excellence.

Arya

Arya is Sterlite Power's first digital employee and bot in the finance function. She manages all repetitive and mundane activities, ensuring consistency and accuracy. She allows all of us to focus on the other priority aspects of work, which will help us grow faster and better.

Akira

Akira, the Quality Health Safety Environment (QHSE) bot was designed and developed for score card automation through robotic process. This digital innovation takes care of all the repetitive tasks, such as auto weekly evidence collection and processing, weekly/monthly reflection reports and monthly score card compilation.

HUMAN ASSETS

996
Total Employees

22%
Female management trainees hired this year

12.06%
Diversity Ratio*

16.5%
Female employees in Brazil

Note: Updated data as on 31st March 2019 [*defined as the number of female employees to total head count]

"Attract. Nurture. Retain." –Talent is at the core of our business strategy and our three-fold framework help us stay focused. We strongly believe that one man is enough to change the world; and hence, we invest deeply in empowering every individual with the right skillset. Each employee at Sterlite Power is driven by its core purpose "Empowering humanity by addressing the toughest challenges of energy delivery". We proffer an invigorating environment which imbibes social impact, cultivates innovation, and allows us to lay the foundation of a result-oriented culture.

We thrive on diversity of thought, origin and opinion. Our flexible entrepreneurial work environment allows the workforce to ponder upon fresh and innovative perspectives and come up with the best, sustainable solution. Progressive policies such as psychological counselling sessions through Employee Assistance Program (EAP) for the well-being of employees and their family, Prevention of Sexual Harassment (POSH) at workplace to secure a harassment-free gender-neutral work environment, parenting workshops for working parents, time-to-time discussion circles to aid women employees through tough stages of life and leadership panel discussions to address the aspiration of female workforce, have worked strongly towards building a coexisting workplace.

Technology is deeply embedded in our processes and we have been able to successfully automate most of the key talent processes through Success Factors by simplifying them significantly including the compensation increment and variable pay model.

ATTRACT: TALENT ACQUISITION

We proactively map our talent needs with the market; and have achieved closure across all critical positions in the organisation. This year, we digitised the hiring process, facilitating an easier experience, along with the availability of predictive data for future use.

Our programme for management trainees continues to feed our talent pipeline. Since 2017, we have inducted 85 trainees, 19 of whom joined us this year. These trainees are being promoted to critical mid-management level positions within the organisation. We have also extended the Employee Stock Appreciation Right (ESAR) programme to a select group of employees at the next level, to reward high-performing talents, and foster a spirit of ownership and responsibility at mid-management levels.

WE MOVED TO THE 52ND PERCENTILE OF GALLUP'S GLOBAL BENCHMARKS.

NURTURE: TALENT DEVELOPMENT & CAREER MANAGEMENT

We believe in nurturing human capital. Various skill strengthening programs allow us to work constantly on self-improvement, while sticking to the highest standards. Frequent workshops and learning & development sessions within the company allow us to maintain the sheer scale of reskilling in the industry. Also, the internal job postings allow our inhouse talents explore their capabilities.

Projects 'Aarohan' and 'Udaan' devotedly invest and build on functional capabilities, as well enhance process efficiencies.

This year saw the enhanced rigour of talent review processes and critical talent development plans when we carried out the third cycle of our talent review process with a much deeper awareness that helped us articulate clear talent actions and a focus on top talent development for future growth.

RETAIN: TALENT ENGAGEMENT

Concerted efforts, through a partnership with Gallup, has helped us define our engagement agenda and significantly improve engagement scores. We moved to the 52nd percentile of Gallup's global benchmarks.

RISK MITIGATION

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

INTERNAL CONTROLS AND THEIR ADEQUACY

We have an internal control system, commensurate with the size, scale and complexity of our operations. We have documented a comprehensive internal control system for all the major processes to ensure reliability of financial reporting and timely feedback on achievement of operational and strategic goals. It also includes compliance with the policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The formalised system of control facilitates effective compliance as per relevant provisions of the Companies Act, 2013.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit function monitors and evaluates the efficacy and adequacy of our internal controls, its compliance with operating systems, accounting procedures and policies at all our locations. Based on this report, process owners undertake corrective and preventive actions in their respective areas and thereby strengthen the controls. Implementation is monitored on an ongoing basis with the help of an automated tool.

Significant audit observations, if any, and corrective actions thereon are presented to the Audit Committee of the Board. The Audit Committee also meets our Statutory Auditors to ascertain their views on the financial statements, including financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal controls and systems followed by us.

Directors' Report

To
The Members
Sterlite Power Transmission Limited

Your Directors are pleased to present their 4th Annual Report for the Financial Year 2018-19 together with the audited financial statements of the Company for the year ended March 31, 2019.

FINANCIAL SUMMARY / HIGHLIGHTS

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

(₹ Million)

Summary of Key Financial Parameters	Standalone		Consolidated	
Description	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Revenue from operations	24,469.57	23,962.35	35,550.06	25,424.91
EBITDA	1,289.85	1,380.55	4,500.97	8,496.37
Less : Finance cost (net of finance income)	2,983.38	1,937.41	5,826.47	4,169.89
Less : Depreciation/Amortization/Impairment Expense	780.09	766.24	3,825.55	1,955.87
Share of Profit of Associate	-	-	325.99	435.85
Profit / (Loss) Before Tax (PBT)	**(2,473.62)**	**(1,323.10)**	**(4825.06)**	**2,806.45**
Less :Tax expense	(324.36)	(260.58)	412.00	422.79
Profit / (Loss) After Tax (PAT) (A)	**(2,149.26)**	**(1,062.52)**	**(5,237.06)**	**2,383.66**
Other Comprehensive Income (OCI) (B)	**10,294.86**	**7,803.14**	**(955.41)**	**(370.71)**
Total Comprehensive Income (A+B)	**8,145.60**	**6,740.62**	**(6,192.47)**	**2,012.95**

DIVIDEND

In view of the losses, your directors do not recommend dividend to the shareholders of the Company for the financial year 2018-19.

CORPORATE GOVERNANCE

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

AMOUNTS TRANSFERRED TO GENERAL RESERVE

In view of the losses, your Directors do not propose to transfer any amount to the General Reserve.

CHANGES IN SHARE CAPITAL

During the year under review there was no change in Share Capital of the Company. The Company has issued and allotted 3,500 rated, secured, redeemable, Non-Convertible Debentures of ₹ 10,00,000/- each on March 29, 2019 on private placement basis to Standard Chartered Bank for refinancing its working capital. The Company has received its Listing approval on April 18, 2019. The Company has appointed Axis Trustee Services Limited to act as debenture trustee for the above-mentioned issue of debentures.

EXPANSION IN BRAZIL

Sterlite Power forayed into Brazil in April 2017, when it acquired two lots, with investments totalling around R$ 560 million. In December 2017, your company acquired Lot 3, the largest of the auction, with an estimated investment of R$ 2.8 billion. In 2018 Sterlite won 7 more lots with a total investment of ~R$ 4.2 billion. The projects are to be implemented between 2018 and 2023, while the transmission licenses awarded will be valid for 30 years. Accordingly, the Company has 10 projects in Brazil with an estimated investment of ~R$ 7.56 billion.

Further, your directors are pleased to inform that the Company has commissioned its first project 'Arcoverde Transmissao De Energia SA', in Brazil 28 months ahead of the scheduled commissioning date.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 10 (Ten) Board meetings of the Company were duly convened and held. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 (herein after also referred to as **"the Act"**) and Secretarial Standard 1 on Board meetings issued by the Institute of Company Secretaries of India. The dates on which these meetings were held are May 11, 2018, May 30, 2018, August 10, 2018, August 18, 2018, October 05, 2018, November 13, 2018, December 19, 2018, February 08, 2019, March 23, 2019 and March 27, 2019. Composition of Board and other details are provided in Corporate Governance Report which forms part of the Annual Report.

COMPOSITION OF AUDIT COMMITTEE

The Board had constituted an Audit Committee comprising of Mr. Arun Todarwal, Independent Director as the Chairman; Mr. Pravin Agarwal and Mr. Lalit Narayan Tandon as the

Members. The Board of directors has accepted all the recommendations of the Audit Committee during the Financial Year 2018-19. Further the composition and other details of the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of the Annual Report.

[Note – Mr. Lalit Narayan Tandon ceased to be a member w.e.f. May 15, 2019 and Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019.]

DIRECTORS

During the year under review Dr. Anand Agarwal, Non-Executive Director had resigned from the Directorship of the Company with effect from May 11, 2018 due to his commitments in other engagements. Your Directors placed on record their appreciation for the valuable contribution made by Dr. Anand Agarwal during his tenure as Director of the Company.

Further, pursuant to Section 149 read with Section 152 of the Companies Act, 2013, the provisions with respect to retirement of directors by rotation are not applicable to Independent Directors. Therefore, Mr. Pravin Agarwal, Director of the Company, will retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. A brief profile of Mr. Pravin Agarwal along with the requisite details as required under Secretarial Standard 2 on General meeting issued by the Institute of Company Secretaries of India is provided in the Explanatory Statement to the Notice of the AGM.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed Nomination & Remuneration policy for selection and appointment of Directors, Senior Management and their remuneration. Details about such Policy are given in the Corporate Governance Report.
The Policy can also be accessed on Company's website at www.sterlitepower.com.

[Note –

- *Mr. Lalit Narayan Tandon has resigned from the Directorship of the Company w.e.f. May 15, 2019.*
- *Mr. A. R. Narayanaswamy was appointed as Independent Director w.e.f. July 22, 2019.*
- *The Board in its meeting held on August 09, 2019 has resolved to appoint Ms. Haixia Zhao as an Independent Director w.e.f. the date of allotment of Director Identification Number to her by the Ministry of Corporate Affairs.]*

FRAMEWORK FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

As per the provisions of section 178 and Schedule IV of the Act, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. This framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

- Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
- The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - Knowledge to perform the role;
  - Time and level of participation;
  - Performance of duties and level of oversight; and
  - Professional conduct and independence.
- If required by the Chairman, the Board / Independent Directors may be asked to complete the evaluation forms and submit the same to the Chairman.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Act, and the Rules made thereunder, following are the Key Managerial Personnel of the Company as on March 31, 2019:

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

During the year under review Mr. Anuraag Srivastava has been appointed as Chief Financial Officer of the Company in place of Mr. Harsh Shah, with effect from August 10, 2018, who has moved to a new role of CEO, Sterlite Investment Managers Limited, investment manager for India Grid Trust established under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, directors of your Company hereby state and confirm that:

a. in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the loss of the company for the same period;

c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

e. they have laid down internal financial controls in the Company that are adequate and were operating effectively.

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

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards SS-1 & SS-2 issued by the Institute of Company Secretaries of India, as applicable to the Company, have been duly complied with.

RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC - 2 of Companies (Accounts) Rules, 2014 are enclosed as **Annexure - A** to the Directors' Report. Details regarding the policy, approval and review of Related Party Transactions are provided in the Corporate Governance Report. Further, the information as specified in Para A of Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, is forming part of the statement on related party transactions in the financial statements for the year under review.

CORPORATE RESTRUCTURING

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

The corporate restructuring is viewed as a potential value creator for all shareholders combined with an objective of consolidating the business activities undertaken by SPGVL and its investments in various entities into a single entity. It will essentially provide streamlining of the corporate structure and consolidation of investments at SPTL level. It also creates an opportunity for pooling of resources resulting in stronger balance sheet and net worth to meet future investment requirements.

Once the scheme is made effective, after due regulatory and other approvals (as may be required), shareholders of SPTL will become the direct holder of all the investments held by SPGVL. Since, SPGVL is a wholly owned subsidiary of the Company, no new shares shall be issued by the Company as a consideration for the proposed corporate restructuring.

MATERIAL CHANGES / EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

Post March 31, 2019, Sterlite Power entered into a marquee deal with India Grid Trust for sale of its commissioned projects thereby transferring Sterlite Grid 2 Limited along with its subsidiary and Sterlite Grid 3 Limited along with its subsidiary. In addition, the Company also entered into a framework agreement with India Grid Trust to monetize under construction projects in phased manner post commissioning.

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

Further, post March 31, 2019, the Company had entered into Share Subscription and Purchase Agreements with Electron IM Pte. Ltd. Pursuant to the said agreement the Company had diluted 60% of its stake in Sterlite Investment Managers Limited (**"SIML"**) in the following manner:

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

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

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

SUBSIDIARIES / ASSOCIATE / JOINT VENTURE COMPANIES

The Company has 50 (Fifty) subsidiaries as on March 31, 2019. The list of subsidiaries is forming part of Form MGT-9 enclosed as **Annexure - D**. In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is enclosed as **Annexure–B** to this Report. The statement also provides the details of performance and financial position of each of its subsidiaries. During the year under review, following companies have become or ceased to be Company's subsidiary companies–

A. Companies that have become subsidiaries during the financial year 2018-19: (Indian subsidiaries)

- Sterlite Grid 13 Limited
- Sterlite Grid 14 Limited
- Sterlite Grid 15 Limited
- Sterlite Grid 16 Limited
- Sterlite Grid 17 Limited
- Sterlite Grid 18 Limited
- Sterlite Grid 19 Limited

- Sterlite Grid 20 Limited
- Sterlite Grid 21 Limited
- Sterlite Grid 22 Limited
- Sterlite Grid 23 Limited
- Sterlite Grid 24 Limited
- Sterlite Grid 25 Limited
- Sterlite Grid 26 Limited
- Sterlite Grid 27 Limited
- Sterlite Grid 29 Limited

(Foreign subsidiaries in Brazil)

- Novo Estado Energia S.A
- Dunas Transmissão de Energia S.A
- Borborema Transmissão de Energia S.A.
- São Francisco Transmissão de Energia S.A.
- Goyas Transmissão de Energia S.A.
- Marituba Transmissão de Energia S.A.
- Solaris Transmissão de Energia S.A.
- Pampa Transmissão de Energia S.A. (erstwhile Sterlite Brasil Projetos De Transmissão De Energia S.A.)
- Castelo Transmissao de Energia S.A.

B. Companies which have ceased to be subsidiaries during the financial year 2018-19:

During the period under review, no company ceased to be a subsidiary of the Company.

AUDITORS AND AUDITORS' REPORT

(a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E) were appointed as Statutory Auditors of the Company from the conclusion of 1st Annual General Meeting held on August 17, 2016 for a period of 5 years upto the conclusion of 6th Annual General Meeting to be held for FY 2020-21. The appointment of the Statutory Auditor till the conclusion of the 6th Annual General Meeting was ratified by the members in the previous Annual General Meeting, as the requirement to place the matter relating to ratification of auditors at every Annual General Meeting has been done away with vide notification no. S.O. 1833(E) dated May 07, 2018 issued by the Ministry of Corporate Affairs.

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

(b) Cost Auditors

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014 as amended from time to time, the cost audit records maintained by the Company in respect of its Power Products are required to be audited by a Cost Accountant in practice. Accordingly, your Directors had, on the recommendation of the Audit Committee, reappointed M/s. Kiran Chandrakant Naik (FRN 010927), Cost Auditors, to audit the cost accounts of the Company for the FY 2019-20 at a remuneration of ₹ 2,75,000/- plus taxes, as applicable and reimbursement of actual travel and out-of-pocket expenses. M/s Kiran Chandrakant Naik has confirmed that their appointment, if made, is within the prescribed limits. As required under the Act, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Members' approval for the remuneration payable to M/s. Kiran Chandrakant Naik, Cost Auditors is included in the Notice of the AGM.

(c) Secretarial Auditors

Pursuant to Section 204 of the Act, the Board of Directors of the Company in its meeting held on November 13, 2018 appointed M/s. DMK Associates, Practising Company Secretaries, as Secretarial Auditors of the Company for the financial year 2018-19. The Report of the Secretarial Auditor is enclosed herewith as **Annexure - C** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark hence does not require any clarification or explanation of the Board.

The Board of Directors of the Company in its meeting held on May 14, 2019 has reappointed M/s. DMK Associates, Practising Company Secretaries, as Secretarial Auditors of the Company for the financial year 2019-20.

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.
The Company had documented a comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with the policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The formalized system of control facilitates effective compliance of all laws applicable to the Company.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit function monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Audit observations, if any, and corrective actions thereon are presented to the Audit

Committee of the Board. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal controls and systems followed by the Company.

BUSINESS RISK MANAGEMENT

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism and to that effect formulated the Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also posted on the website of the Company at www.sterlitepower.com.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration beyond the prescribed limit is provided as **Annexure - F** to the report.

DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT

The Company is committed to maintaining a productive environment for all its employees at various levels in the organization, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has also set up "Prevention of Sexual Harassment Committee" ('the Committee') to redress the Complaints received regarding sexual harassment which has formalized a free and fair enquiry process with clear timeline.

During the year under review, the Company had not received any complaint of harassment.

EMPLOYEE STOCK APPRECIATION SCHEME

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

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

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

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

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

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

The Company's ESAR schemes are in line with Company's philosophy of sharing benefits of growth with its key growth drivers. The total outstanding ESAR's as on March 31, 2019 were 3,60,825 Units issued to various key employees of the Company out of which pursuant to the new ESAR 2018, the Company has allotted 1,18,000 ESAR' units to Mr. Pratik Agarwal, Managing Director & CEO of the Company.

CREDIT RATING

The Company's financial discipline is reflected in the strong credit rating ascribed to it by India Ratings & Research:

Type of Facility	India Ratings & Research (Fitch Group)	
	Rating / Outlook	Rating Action
Term Loan	IND A-/Stable	Affirmed
Fund Based Limits	IND A-/Stable	Affirmed
Non-Fund Based Limits	IND A2+	Affirmed
Non-Convertible Debentures	IND A-/Stable	Affirmed

CORPORATE SOCIAL RESPONSIBILITY

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

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

[Note: Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019.]

GENERAL

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

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

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

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

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

ACKNOWLEDGEMENTS

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

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

Sd/-
Pravin Agarwal
Chairman
DIN-00022096

Date: 09.08.2019
Place: Mumbai

ANNEXURE INDEX

Annexure	Content
A	The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC - 2 of Companies (Accounts) Rules, 2014
B	Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC–1.
C	Secretarial Audit Report for the Financial year ended on March 31, 2019.
D	Extract of Annual Return as on Financial year ended on March 31, 2019 in Form No. MGT-9.
E	The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014
F	Statement showing the names and other particulars of the employees drawing remuneration in terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
G	Details of Corporate Social Responsibility.

Annexure A

FORM NO. AOC-2

Details of Related Party Transaction

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

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

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

Details of contracts or arrangements or transactions at arm's length basis

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any. (Amount in ₹ million)	Date(s) of approval by the Board	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any:
1	Vedanta Limited	Fellow Subsidiary	Purchases / Sale of Goods and Materials	N.A	10,297.27	11.05.2018	N.A since purchased in the ordinary course of business	To fulfill the raw material requirement	N.A
2	Sterlite Power Grid Ventures Limited **("SPGVL")**	Wholly owned Subsidiary	Purchases / Sale of Goods and Materials (net of indirect taxes)	N.A	1,156.49	11.05.2018	N.A since purchased in the ordinary course of business	To fulfill the raw material requirement of SPGVL.	N.A.

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

Sd/-
Pravin Agarwal
Chairman
DIN-00022096

Date: 09.08.2019
Place : Mumbai

Annexure B

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES AS PER COMPANIES ACT, 2013

FORM AOC-1 - PART A : SUBSIDIARIES

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
1	Sterlite Power Grid Ventures Limited	Building transmission lines on BOOM basis through its subsidiaries	01/04/2015*	India	INR	NA	12435.29^*	18069.93	81864.58	51359.46	35928.24	23136.74	3576.80	600.74	2976.06	Nil	100.00
2	Sterlite Grid 2 Limited	Building transmission lines on BOOM basis through its subsidiaries	01/04/2015	India	INR	NA	873	-26.19	8070.70	7233.88	1882.78	1449.35	951.39	15.33	936.06	Nil	100.00
3	Sterlite Grid 3 Limited	Building transmission lines on BOOM basis through its subsidiaries	01/04/2015	India	INR	NA	0.5	-366.55	2298.17	2664.22	449.04	0.03	-541.99	-37.56	-504.43	Nil	100.00
4	Sterlite Grid 4 Limited	Building transmission lines on BOOM basis through its subsidiaries	17/6/2015	India	INR	NA	0.5	-606.55	8719.48	9325.53	2116.59	0.03	-599.97	-	0.40	Nil	100.00
5	Sterlite Grid 5 Limited	Building transmission lines on BOOM basis through its subsidiaries	27/9/2016	India	INR	NA	0.5	-4.29	860.73	864.52	500.22	0.10	-0.88	-	-0.88	Nil	100.00
6	Sterlite Grid 6 Limited	Building transmission lines on BOOM basis through its subsidiaries	14/8/2017	India	INR	NA	0.5	-1.48	0.59	1.57	-	-	-1.36	-	-1.36	Nil	100.00
7	Sterlite Grid 7 Limited	Building transmission lines on BOOM basis through its subsidiaries	01/09/2017	India	INR	NA	0.5	-0.98	0.17	0.65	-	-	0.65	-	-0.65	Nil	100.00
8	Sterlite Grid 8 Limited	Building transmission lines on BOOM basis through its subsidiaries	11/10/2017	India	INR	NA	0.5	-1.00	0.15	0.65	-	-	-0.67	-	-0.67	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
9	Sterlite Grid 9 Limited	Building transmission lines on BOOM basis through its subsidiaries	13/10/2017	India	INR	NA	0.5	-1.00	0.15	0.65	-	-	-0.67	-	-0.67	Nil	100.00
10	Sterlite Grid 10 Limited	Building transmission lines on BOOM basis through its subsidiaries	13/10/2017	India	INR	NA	0.5	-1.00	0.45	0.95	-	-	-0.67	-	-0.67	Nil	100.00
11	Sterlite Grid 11 Limited	Building transmission lines on BOOM basis through its subsidiaries	16/10/2017	India	INR	NA	0.5	-1.71	-	1.21	-	-	-1.48	-	-1.48	Nil	100.00
12	Sterlite Grid 12 Limited	Building transmission lines on BOOM basis through its subsidiaries	16/10/2017	India	INR	NA	0.5	-0.40	0.25	0.15	-	-	-0.28	-	-0.28	Nil	100.00
13	Sterlite Grid 13 Limited	Building transmission lines on BOOM basis through its subsidiaries	29/08/2018	India	INR	NA	0.5	-0.72	0.01	0.23	-	-	-0.72	-	-0.72	Nil	100.00
14	Sterlite Grid 14 Limited	Building transmission lines on BOOM basis through its subsidiaries	25/09/2018	India	INR	NA	0.5	-0.71	0.01	0.22	-	-	-0.71	-	-0.71	Nil	100.00
15	Sterlite Grid 15 Limited	Building transmission lines on BOOM basis through its subsidiaries	25/09/2018	India	INR	NA	0.5	-0.71	-	-0.21	-	-	-0.71	-	-0.71	Nil	100.00
16	Sterlite Grid 16 Limited	Building transmission lines on BOOM basis through its subsidiaries	30/01/2019	India	INR	NA	0.5	-0.59	-	0.09	-	-	-0.59	-	-0.59	Nil	100.00
17	Sterlite Grid 17 Limited	Building transmission lines on BOOM basis through its subsidiaries	04/02/2019	India	INR	NA	0.5	-0.59	-	0.09	-	-	-0.59	-	-0.59	Nil	100.00
18	Sterlite Grid 18 Limited	Building transmission lines on BOOM basis through its subsidiaries	01/02/2019	India	INR	NA	0.5	-0.59	-	0.09	-	-	-0.59	-	-0.59	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
19	Sterlite Grid 19 Limited	Building transmission lines on BOOM basis through its subsidiaries	01/02/2019	India	INR	NA	0.5	-0.59	-	0.09	-	-	-0.59	-	-0.59	Nil	100.00
20	Sterlite Grid 20 Limited	Building transmission lines on BOOM basis through its subsidiaries	01/02/2019	India	INR	NA	0.5	-	0.50	-	-	-	-	-	-	Nil	100.00
21	Sterlite Grid 21 Limited	Building transmission lines on BOOM basis through its subsidiaries	05/02/2019	India	INR	NA	1	-0.59	0.41	-	-	-	-0.59	-	-0.59	Nil	100.00
22	Sterlite Grid 22 Limited	Building transmission lines on BOOM basis through its subsidiaries	28/2/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00
23	Sterlite Grid 23 Limited	Building transmission lines on BOOM basis through its subsidiaries	13/03/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00
24	Sterlite Grid 24 Limited	Building transmission lines on BOOM basis through its subsidiaries	12/03/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00
25	Sterlite Grid 25 Limited	Building transmission lines on BOOM basis through its subsidiaries	18/3/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00
26	Sterlite Grid 26 Limited	Building transmission lines on BOOM basis through its subsidiaries	25/03/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00
27	Sterlite Grid 27 Limited	Building transmission lines on BOOM basis through its subsidiaries	19/3/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00
28	Sterlite Grid 29 Limited	Building transmission lines on BOOM basis through its subsidiaries	26/3/2019	India	INR	NA	1	-	1.00	-	-	-	-	-	-	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
29	East-North Interconnection Company Limited	Construction and development of Power transmission lines	01/04/2015	India	INR	NA	0.5	1325.78	10465.52	9139.24	176.94	1474.50	-37.34	-48.10	10.76	Nil	100.00
30	NRSS XXIX Transmission Limited	Construction and development of Power transmission lines	01/04/2015	India	INR	NA	213.87	1736.34	34522.57	32572.36	1307.91	3006.32	676.94	297.45	379.49	Nil	100.00
31	NRSS XXIX (JS) Transmission Limited	Construction and development of Power transmission lines	07/09/2017	India	INR	NA	0.5	-0.26	0.38	0.14	-	-	-0.14	-	-0.14	Nil	100.00
32	Odisha Generation Phase-II Transmission Limited	Construction and development of Power transmission lines	08/04/2016	India	INR	NA	14.04	560.82	11842.07	11267.20	-	99.93	-415.89		-415.89	Nil	100.00
33	Gurgaon-Palwal Transmission Limited	Construction and development of Power transmission lines	14/07/2016	India	INR	NA	6.89	676.41	9420.83	8737.53	-	18.45	5.31	1.12	4.19	Nil	100.00
34	Khargone Transmission Limited	Construction and development of Power transmission lines	22/8/2016	India	INR	NA	15.6	427.48	13488.37	13045.29	-	7.33	-311.00	-	-311.00	Nil	100.00
35	NER II Transmission Limited	Construction and development of Power transmission lines	31/3/2017	India	INR	NA	20.19	1258.99	13740.93	12461.75	-		-0.78	-	-0.78	Nil	100.00
36	Goa-Tamnar Transmission Project Limited	Construction and development of Power transmission lines	14/03/2018	India	INR	NA	3.62	496.27	2756.83	2256.95	-		-0.25	-	-0.25	Nil	100.00
37	Sterlite Investment Managers Limited	Act as an Investment Manager in accordance with the provisions of the InvIT Regulations	15/9/2017	India	INR	NA	28.13	-5.57	189.60	167.04	108.38	110.62	-2.30	-2.14	-0.16	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
38	Sterlite Convergence Limited	Build, Own, Operate, Manage, Sell, and lease technology - neutral last mile access, Intra-city Aggregaton and long distance links including passive and active infrastructure and telecom networks.	16/6/2017	India	INR	NA	0.5	0.73	275.32	275.55	-	72.54	-0.55	-	-0.55	Nil	100.00
39	Arcoverde Transmissão De Energia S.A.	Construction and development of Power transmission lines	26/05/2017	Brazil	Brazilian real	17.62	1145.50	292.47	5190.45	3752.50	527.47	3711.98	447.08	-149.77	297.31	Nil	100.00
40	SE Vineyards Power Transmission S.A.	Construction and development of Power transmission lines	26/05/2017	Brazil	Brazilian real	17.62	1145.70	138.38	4020.95	2736.90	-	1379.61	208.14	-70.67	137.47	Nil	100.00
41	Sterlite Brazil Participacoes S/A	Construction and development of Power transmission lines	26/05/2017	Brazil	Brazilian real	17.62	4897.30	228.32	5194.76	69.14	4637.22	0.0	121.40	102.21	233.62	Nil	100.00
42	Sterlite Novo Estado Energia S.A.	Construction and development of Power transmission lines	03/01/2018	Brazil	Brazilian real	17.62	1608.00	173.72	2685.23	903.50	-	1643.87	274.59	-92.55	182.05	Nil	100.00
43	Dunas Transmissão de Energia S.A	Construction and development of Power transmission lines	24/07/2018	Brazil	Brazilian real	17.62	102.10	-3.90	168.35	70.20	-	126.08	-6.57	2.21	-4.35	Nil	100.00
44	Borborema Transmissão de Energia S.A.	Construction and development of Power transmission lines	24/07/2018	Brazil	Brazilian real	17.62	34.30	-13.81	66.10	45.61	-	48.51	-21.97	7.47	-14.50	Nil	100.00
45	São Francisco Transmissão de Energia S.A.	Construction and development of Power transmission lines	24/07/2018	Brazil	Brazilian real	17.62	56.90	-173.97	213.77	330.89	-	102.18	-276.64	94.07	-182.57	Nil	100.00

(₹ in million)

S. No.	Name of Subsidiary	Business Activity	The date since when subsidiary was acquired/ incorporated	Country of Incorporation	Reporting currency	Exchange rate (₹)	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Eq. Holding
46	Goyas Transmissão de Energia S.A.	Construction and development of Power transmission lines	24/07/2018	Brazil	Brazilian real	17.62	34.70	-6.10	58.121	23.99	-	48.08	0.97	0.33	-0.64	Nil	100.00
47	Marituba Transmissão de Energia S.A.	Construction and development of Power transmission lines	24/07/2018	Brazil	Brazilian real	17.62	53.08	4.63	123.14	64.68	-	94.06	7.39	-2.53	4.86	Nil	100.00
48	Solaris Transmissão de Energia S.A.	Construction and development of Power transmission lines	24/07/2018	Brazil	Brazilian real	17.62	33.00	2.60	83.08	47.49	-	68.82	4.16	-1.43	2.73	Nil	100.00
49	Pampa Transmissão de Energia S.A. (erstwhile Sterlite Brasil Projetos De Transmissão De Energia S.A.)	Construction and development of Power transmission lines	22/11/2018	Brazil	Brazilian real	17.62	4.00	-0.26	3.81	0.02	-	-	-0.41	0.14	-0.27	Nil	100.00
50	Castelo Transmissao de Energia S.A.	Construction and development of Power transmission lines	28/11/2018	Brazil	Brazilian real	17.62	-	-	-	-	-	-	-	-	-	Nil	100.00

* Appointed Date
# Date of Acquistion^Date of CNPJ registration
^*- As per Ind-AS

Names of Subsidiaries which are yet to commence operations -

NIL

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

Nil

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

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

S. No.	India Grid Trust (Associate)		Details
1	Latest audited Balance Sheet date		31st March 2019
2	Date on which the Associate or Joint Venture was associated or acquired		31st May 2017
3	Shares of Associate/Joint Ventures held by the Company on the year end		21.18%
	a	Number	6,01,29,607
	b	Amount of investment (At Issue Price)	6,01,29.61 mn
	c	% of holding	21.18%
4	Description of how there is significant influence		Due to % holding more than 20%
5	Reason why the associate / joint venture is not consolidated		NA
6	Net worth attributable to shareholding as per latest audited Balance sheet		56,69,06.00 mn
7	Profit/Loss for the year		15,39,14.00 mn
	a	Considered in consolidation	3,25,99.00 mn
	b	Not considered in consolidation	NA

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

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

Sd/-	Sd/-	Sd/-	Sd/-
Pravin Agarwal	**Pratik Agarwal**	**Anuraag Srivastava**	**Ashok Ganesan**
Chairman	Managing Director & CEO	Chief Financial Officer	Company Secretary
DIN-00022096	DIN- 03040062		FCS-5190

Date: 09.08.2019
Place : Mumbai

Annexure C

Secretarial Audit Report

Form No. MR-3

For the Financial Year Ended 31.03.2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

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

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

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

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

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

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**;

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

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

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

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**;

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

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

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not applicable to the Company during the Audit Period)**;

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

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

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

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

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

   We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. The Board of Directors of the company at its meeting held on May 30, 2018 had approved a Scheme of Amalgamation of Sterlite Power Grid Ventures Limited (Transferor company), a wholly owned subsidiary company with Sterlite Power Transmission Limited (Transferee company) under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and approval of any other statutory / regulatory authorities.

2. During the year, the Company has filed an application under Section 230 of the Companies Act, 2013 with National Company Law Tribunal, Mumbai Bench for approval of Scheme of Amalgamation. Separate meeting of Equity Shareholders of the Transferor Company was held pursuant to the order dated September 14, 2018 of Hon'ble NCLT, Mumbai Bench. The matter is currently lying pending with the Hon'ble NCLT, Mumbai Bench for final order.

3. The company has made online application to BSE Ltd. on March 25, 2019 for obtaining In-principal Approval for issue of 3500 privately placed rated, secured, Listed, Redeemable Non-Convertible Debentures of ₹ 10,00,000/- (Rupees Ten lac only) each, aggregating to ₹ 350,00,00,000/-(Rupees Three Hundred and Fifty crore only) and the BSE Ltd. vide its letter dated March 26, 2019 has granted the In Principal Approval which is valid for one year.

4. Pursuant to authority accorded by members at its Annual General Meeting held on September 27, 2018, the Board of directors passed resolution through circulation dated March 29, 2019 for allotment of 3500 rated, secured, listed, redeemable non-convertible debentures of ₹ 10,00,000/- each, aggregating to ₹ 350,00,00,000/-(Rupees Three Hundred and Fifty crore only).

   Further, pursuant to the In Principal Approval granted by BSE Ltd., the company has made an application to BSE Ltd vide its letter dated April 12, 2019 for listing of rated, secured, listed, redeemable non-convertible debentures and BSE Limited vide its Notice dated April 18, 2019 has admitted and approved the Listing of said Debentures w.e.f April 22, 2019.

For **DMK Associates**
Company Secretaries

(DEEPAK KUKREJA)
FCS, LL.B, ACIS (UK)
PARTNER
CP No.8265
FCS No. 4140

Date: 14.05.2019
Place: New Delhi

Annexure 1

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

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2019 of even date is to be read along with this letter.

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

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

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

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

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

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

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

For **DMK Associates**
Company Secretaries

(DEEPAK KUKREJA)
FCS, LL.B, ACIS (UK)
PARTNER
CP No.8265
FCS No. 4140

Date: 14.05.2019
Place: New Delhi

FORM NO. MGT - 9

Annexure D

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

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

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the company
1	Power Transmission Conductor	2610	56.26%
2	Power Cable	2732	18.80%
3	Revenue from Project (MSI Business)	2610	24.94%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Twin Star Overseas Ltd; 33, Edith Cavell Street, 11324, Port Luis, Mauritius	Not Applicable	Holding Company	71.38%	Section 2 (46)
2	Sterlite Investment Managers Limited; Add: Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra-400051	U28113MH2010PLC308857	Subsidiary Company	100%	Section 2 (87)
3	Sterlite Power Grid Ventures Limited; Add:- 4th Floor, Godrej Millennium, 9, Koregaon Road, Pune, Maharashtra – 411001	U33120PN2014PLC172393	Subsidiary Company	100%	Section 2 (87)
4	Sterlite Grid 2 Limited; Add:- E1, MIDC Industrial Area Waluj Aurangabad Maharashtra - 431136	U74999MH2005PLC153211	Subsidiary Company	100%	Section 2 (87)
5	Sterlite Grid 3 Limited; Add:- 4th Floor, Godrej Millennium, 9, Koregaon Road, Pune, Maharashtra – 411001	U29130PN2014PLC152212	Subsidiary Company	100%	Section 2 (87)
6	Sterlite Grid 4 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29253DL2015PLC281690	Subsidiary Company	100%	Section 2 (87)

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
7	Sterlite Grid 5 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29190DL2016PLC306470	Subsidiary Company	100%	Section 2 (87)
8	Sterlite Grid 6 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC322114	Subsidiary Company	100%	Section 2 (87)
9	Sterlite Grid 7 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29307DL2017PLC323080	Subsidiary Company	100%	Section 2 (87)
10	Sterlite Grid 8 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC324819	Subsidiary Company	100%	Section 2 (87)
11	Sterlite Grid 9 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC324932	Subsidiary Company	100%	Section 2 (87)
12	Sterlite Grid 10 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29100DL2017PLC324935	Subsidiary Company	100%	Section 2 (87)
13	Sterlite Grid 11 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2017PLC324944	Subsidiary Company	100%	Section 2 (87)
14	Sterlite Grid 12 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29304DL2017PLC325034	Subsidiary Company	100%	Section 2 (87)
15	Sterlite Grid 13 Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2018PLC337962	Subsidiary Company	100%	Section 2 (87)
16	Sterlite Grid 14 Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29300DL2018PLC339426	Subsidiary Company	100%	Section 2 (87)
17	Sterlite Grid 15 Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U29309DL2018PLC339442	Subsidiary Company	100%	Section 2 (87)
18	Sterlite Grid 16 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29249DN2019PLC005563	Subsidiary Company	100%	Section 2 (87)
19	Sterlite Grid 17 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29305DN2019PLC005568	Subsidiary Company	100%	Section 2 (87)
20	Sterlite Grid 18 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29110DN2019PLC005565	Subsidiary Company	100%	Section 2 (87)
21	Sterlite Grid 19 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29307DN2019PLC005566	Subsidiary Company	100%	Section 2 (87)
22	Sterlite Grid 20 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U29309DN2019PLC005567	Subsidiary Company	100%	Section 2 (87)
23	Sterlite Grid 21 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40108DN2019PLC005569	Subsidiary Company	100%	Section 2 (87)
24	Sterlite Grid 22 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40100DN2019PLC005572	Subsidiary Company	100%	Section 2 (87)
25	Sterlite Grid 23 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40106DN2019PLC005574	Subsidiary Company	100%	Section 2 (87)

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
26	Sterlite Grid 24 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40106DN2019PLC005573	Subsidiary Company	100%	Section 2 (87)
27	Sterlite Grid 25 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40200DN2019PLC005575	Subsidiary Company	100%	Section 2 (87)
28	Sterlite Grid 26 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40108DN2019PLC005577	Subsidiary Company	100%	Section 2 (87)
29	Sterlite Grid 27 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40200DN2019PLC005576	Subsidiary Company	100%	Section 2 (87)
30	Sterlite Grid 29 Limited Add: Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396230	U40100DN2019PLC005578	Subsidiary Company	100%	Section 2 (87)
31	East-North Interconnection Company Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	L40102DL2007PLC158625	Subsidiary Company	100%	Section 2 (87)
32	NRSS XXIX Transmission Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2013GOI256050	Subsidiary Company	100%	Section 2 (87)
33	NRSS XXIX (JS) Transmission Limited; Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2017PLC323351	Subsidiary Company	100%	Section 2 (87)
34	Odisha Generation Phase-II Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40300DL2015GOI279183	Subsidiary Company	100%	Section 2 (87)
35	Gurgaon-Palwal Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40300DL2015GOI286783	Subsidiary Company	100%	Section 2 (87)
36	Khargone Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40300DL2015GOI287933	Subsidiary Company	100%	Section 2 (87)
37	NER II Transmission Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2015GOI279300	Subsidiary Company	100%	Section 2 (87)
38	Goa-Tamnar Transmission Project Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U40106DL2017GOI310611	Subsidiary Company	100%	Section 2 (87)
39	Sterlite Convergence Limited Add:- F-1, The MIRA Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi- 110065	U64100DL2017PLC319310	Subsidiary Company	100%	Section 2 (87)
40	Arcoverde Transmissão De Energia S.A. Add:- Avenida Rio Branco, 1, 12th Floor, 1201, Bairro Centro, CEP: 20090-907, Rio de Janeiro, Brazil	Not Applicable	Subsidiary Company	100%	Section 2 (87)
41	SE Vineyards Power Transmission S.A. Add:- Avenida Rio Branco, 1, 12th Floor, 1201, Bairro Centro, CEP: 20090-907, Rio de Janeiro, Brazil	Not Applicable	Subsidiary Company	100%	Section 2 (87)
42	Sterlite Brazil Participacoes S.A. Add: Avenida Rio Branco, 1, 12th floor, 1201, Bairro Centro, Rio de Janeiro, Brazil CEP: 20090-907	Not Applicable	Subsidiary Company	100%	Section 2 (87)
43	Sterlite Novo Estado Energia S.A. Add: Rio Branco Avenue, No. 1, Room 1201, Downtown, City of Rio de Janeiro/RJ, ZIP Code No. 20090-907	Not Applicable	Subsidiary Company	100%	Section 2 (87)
44	Dunas Transmissão de Energia S.A Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSISIDIARY/ ASSOCIATE	% of shares held	Applicable Section
45	Borborema Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
46	São Francisco Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
47	Goyas Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
48	Marituba Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
49	Solaris Transmissão de Energia S.A. Add: Dr. Cardoso de Melo Avenue, No. 1308, 8th floor, Vila Olímpia, City of São Paulo/SP, ZIP Code No. 04548-004	Not Applicable	Subsidiary Company	100%	Section 2 (87)
50	Pampa Transmissão de Energia S.A. (erstwhile Sterlite Brasil Projetos De Transmissão De Energia S.A.) Add: City of Rio de Janeiro, State of Rio de Janeiro, at Avenida Rio Branco, 1, 12nd floor, suite 1201, Bairro Centro, ZIP 20090-907	Not Applicable	Subsidiary Company	100%	Section 2 (87)
51	Castelo Transmissao de Energia S.A.	Not Applicable	Subsidiary Company	100%	Section 2 (87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				**No. of Shares held at the end of the year [As on 31-March-2019]**				% Change during the year
	Demat	Physical	Total	% of Total Shares	**Demat**	**Physical**	**Total**	**% of Total Shares***	
A. Promoter & Promoters Group									
(1) Indian									
(a) Individual/ HUF	103248	0	103248	0.17	1947344	0	1947344	3.18	3.01
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	952859	0	952859	1.56	952859	0	952859	1.56	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any other	1755048	0	1755048	2.87	0	0	0	0	-2.87
Sub-total (A)(1):-	**2811155**	**0**	**2811155**	**4.60**	**2900203**	**0**	**2900203**	**4.74**	**0.14**
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
(b) Other-individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	43670398	0	43670398	71.38	43670398	0	43670398	71.38	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	**43670398**	**0**	**43670398**	**71.38**	**43670398**	**0**	**43670398**	**71.38**	**0**
Total shareholding of Promoter & Promoters Group (A) = (A)(1) + (A)(2)	**46481553**	**0**	**46481553**	**75.98**	**46570601**	**0**	**46570601**	**76.12**	**0.14**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3317	0	3317	0.01	3317	0	3317	0.01	0
b) Banks / FI	14504	0	14504	0.02	14504	0	14504	0.02	0
c) Central Govt	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares*	
d) State Govt(s)	100	0	100	0	100	0	100	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	31185	0	31185	0.05	31185	0	31185	0.05	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**49106**	**0**	**49106**	**0.08**	**49106**	**0**	**49106**	**0.08**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1225270	59	1225329	2.00	1192492	0	1192492	1.95	-0.05
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11395600	1206829	12602429	20.60	11393964	1124304	12518268	20.46	-0.14
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	641135	0	641135	1.05	733972	0	733972	1.20	0.15
c) Others									
(Trusts, Non Resident Indians, Clearing Members, Non Resident Indian Non Repatriable)	182350	0	182350	0.30	117463	0	117463	0.19	-0.11
Sub-total (B)(2):-	**13444355**	**1206888**	**14651243**	**23.95**	**13437891**	1124304	**14562195**	**23.80**	**-0.15**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**13493461**	**1206888**	**14700349**	**24.03**	**13486997**	**0**	**14611301**	**23.88**	**-0.15**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**59975014**	**1206888**	**61181902**	**100**	**60057598**	1124304	**61181902**	**100**	**0**

ii) Shareholding of Promoter:

SL. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Promoter								
1	Twin Star Overseas Ltd.	43670398	71.38	-	43670398	71.38	71.38	-
Promoters Group								
2	Individual/ HUF	103248	0.17	-	1947344	3.18	-	3.01
3	Bodies Corporate	952859	1.56	-	952859	1.56	-	-
4	Any other	1755048	2.87	-	-	-	-	(2.87)
	Total	**46570601**	**76.12**	**Nil**	**46570601**	**576.12**	**71.38**	**0.13**

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

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

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

SL. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
1	DADRA EXIMP PRIVATE LIMITED	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	280115	0.46	280115	0.46
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	280115	0.46	280115	0.46

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

3.	SUSHIL PATWARI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	99845	0.16	99845	0.16
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Transfer of Shares on 30/11/2018	(11967)	(0.02)	87878	0.14
	Purchase of Shares on 28/12/2018	10400	0.02	98278	0.16
	At the end of the year (or on the date of separation, if separated during the year)	98278	0.16	98278	0.16

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

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

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

7	KRISHAN GUPTA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	76300	0.12	76300	0.12
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Purchase of Shares on 01/03/2019	700	0.01	77000	0.13
	At the end of the year (or on the date of separation, if separated during the year)	77000	0.13	77000	0.13

8.	JITEN PRAVIN SHETH JOINTLY WITH NISHA JITEN SHETH	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	76022	0.12	76022	0.12
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	76022	0.12	76022	0.12

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

10.	SATISH PATWARI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	63621	0.10	63621	0.10
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	63621	0.10	63621	0.10

v) Shareholding of Directors and Key Managerial Personnel:

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

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,557.31	8,216.13	0.00	25,773.44
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	19.50	0.00	0.00	19.50
Total (i+ii+iii)	**17,576.81**	**8,216.13**	**0.00**	**25,792.94**
Change in Indebtedness during the financial year				
Addition	16,872.86	10,289.55	0.00	27,162.41
Reduction	23,381.69	0	0.00	23,381.69
Net Change	**-6,508.83**	**10,289.55**	**0.00**	**3,780.72**
Indebtedness at the end of the financial year				
i) Principal Amount	11,067.98	18,505.68	0.00	29,573.66
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	10.20	0.00	0.00	10.20
Total (i+ii+iii)	**11,078.18**	**18,505.68**	**0.00**	**29,583.86**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs. million)

SL. No.	Particulars of Remuneration	Mr. Pratik Agarwal (Managing Director & CEO)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.69#
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	00
2	Stock Option	00
3	Sweat Equity	00
4	Commission - as % of profit - others, specify...	00
5	Others, please specify	00
	Total (A)	**48.69**
	Ceiling as per the Act*	N/A

Mr. Pratik Agarwal was paid a sum of ₹ 46.24 million from Sterlite Power Grid Ventures Limited, WOS of the Company, being the cash equivalent of balance 75% of the total ESAR vested upon him as on April 01, 2018.

*As per the provisions of Rule 7(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

B. Remuneration to other directors

(Amount in Rs. million)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	Mr. Arun Todarwal	Mr. Lalit Narayan Tandon	Ms. Avaantika Kakkar*	
1	Fee for attending board / committee meetings	1.53	1.58	Nil	3.10
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	**1.53**	**1.58**	**Nil**	**3.10**
2	Other Non-Executive Directors	N.A.	N.A.	N.A.	N.A
	Fee for attending board /committee meetings	N.A.	N.A.	N.A.	N.A
	Commission	N.A.	N.A.	N.A.	N.A
	Others, please specify	N.A.	N.A.	N.A.	N.A
	Total (2)	**N.A.**	**N.A.**	**N.A.**	**N.A.**
	Total Managerial				
	Remuneration = (1+2)	1.53	1.58	Nil	3.10
	Overall Ceiling as per the Act **	N/A	N/A	N/A	N/A

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

**As per the provisions of Rule 7(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD.

(Amount in Rs. million)

S.N.	Particulars of Remuneration	Mr. Anuraag Srivastava (Chief Financial Officer)	Mr. Ashok Ganesan (Company Secretary)	Total
1	Gross salary	15.97	6.55	22.52
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00	00	00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	00	00	00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	00	00	00
2	Stock Option	00	00	00
3	Sweat Equity	00	00	00
4	Commission			
	- as % of profit	00	00	00
	- others, specify	00	00	00
5	Others, please specify	00	00	00
	Total	**15.97**	**6.55**	**22.52**

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

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

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

Sd/-
Pravin Agarwal
Chairman
DIN-00022096

Date: 09.08.2019
Place: Mumbai

Annexure E

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

POWER CABLE:

A. Conservation of energy

1. The steps taken or impact on conservation of energy

- Installing of APFC panel in power cable plant to improve PF to 0.97.
- Installed VFD in 2 Nos of Compressors.
- In Cooling tower Changed 18.5 Kw water circulation pump with 3.7Kw pump.
- Replaced OLD CFL type lights with LED lights in admin block.
- Eliminated the usage of annealing furnace.

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

- Nil

3. The capital investment on energy conservation equipment's

- Investment in VFD panels for 2 Nos. of Compressors.

B. TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption

- Elimination of annealing furnace by improving the incoming quality of EC rods by design of experiments.
- Eliminated Sio-plas process for core insulation.

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

- Online monitoring of process parameters in sheathing line and CCV lines for better control of process.
- Spares development in India instead of procuring from Maillefer -Finland (like PLC spares, Valves etc.)
- Commercial production of 1600 Sq. mm, 132Kv CU Milliken cable.
- 2000 Sq. mm, 220Kv CU Milliken cable trial manufacturing for PQ test.

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

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

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

c. **Whether the technology been fully absorbed**
   Yes

4. The expenditure incurred on Research and Development (₹ in millions)

Capital - Nil

III. Foreign Exchange Earning and outgo

The foreign exchange earned in terms of actual inflows during the year = ₹ 9,071.40 million

Foreign exchange outgo during the year in terms of actual outflows = ₹ 11,450.90 million

POWER CONDUCTORS:

A. Conservation of energy

1. The steps taken or impact on conservation of energy

- De-bottlenecking Project done at RBD, by modifying one existing Wire Drawing Machines from one wire to two wire drawing for increasing the Productivity & reduction in power consumption.
- Double side trolley arrangement provided at two Ageing Furnaces for optimal usage of Energy.
- Arrested air leakages and saved energy in running air compressors.
- Replaced the traditional Lights (Incandescent), HPMV, MH (250W & 400W) with Energy Efficient LED lights (120W & 200W) at Shop floor & office and reduced Energy Consumption.
- Layout correction done at Shop floor area which resulted in reduction of Power consumption of 9 Units / MT.

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

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

3. The capital investment on energy conservation equipment's

- 12 MT Ageing Furnace upgraded by modifying of control system with VFD & strip type Heaters in place of conventional spring type heaters with contactor control system.

- Bay Area / shed area– Investment in LED High Bay lights on shop floor / office space where ever possible

B. TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption

- Modified the ageing furnace for optimizing the energy vs output. PID Temperature control with timer in all cycle process and product aging capacity enhanced. This enhanced product ageing capacity as well reduction of ageing time to 8 hrs from 14 hrs for HPC products.

- Developing 2 block wire drawing machine for redrawing of drawn wire, which reduces power consumption by 70% for wire redrawing.

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

- ACCC Conductor productivity improved from 10 KM / Machine / Day to 15 KM / Machine / Day by Loading time optimization, speed increase of the machine.

- ACCC conversion cost reduced by ₹ 400 /MT by improving run time, speed & ageing time of the machines/furnaces.

- Optimum use of Utility (cooling tower, transformer & compressor) at Piparia, by sharing of common resources of CT, compressor & transformer by making small changes in the respective system which results 500 units/day saving for both the units.

Annexure F

Statement of Disclosure of Remuneration

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

PART-A

Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2019

(₹ In million)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employ
1	Mr. Pratik Agarwal, Managing Director & CEO	48.69	11.77%	52.20493:1
2	Mr. Anuraag Srivastava, Chief Financial Officer	15.97	Nil	NA
3	Mr. Ashok Ganesan, Company Secretary.	6.55	21.73%	NA

Details of sitting fees paid to Independent Directors are provided in the Corporate Governance Report, which forms a part of the Annual Report.

A. The percentage increase in the median remuneration of employees in the financial year is 32.44%
B. The number of permanent employees on the rolls of the Company as on March 31, 2019 is 499.
C. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY19 was 42.19%.
D. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

PART-B

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

Sr. No.	Employee Name	Designation	Gross Remuneration Paid during FY 18-19 (₹ In million)	Nature of Employment	Qualification	Total Experience	Last Employment held	Date of Joining	DOB
1	Pratik Agarwal	Managing Director & Chief Executive Officer	48.69	Full Time Employee	MBA / PGDM	14 Years	N.A.	01/06/2016	02-Dec-82
2	Manish Agarwal	CEO Solutions Business	18.81	Full Time Employee	MBA / PGDM	22 Years	C.R.R.I Greenhill Enterprise Center Univ. Drive, Ballarat Australia (Strategic Planning Plan & Formulate Marketing Strategy)	15/03/1999	28-Mar-72
3	Vithal Acharya	Group - Chief Human Resource Officer	11.80	Full Time Employee	PGDPM	18 Years	GE India Export Pvt. Ltd	06/09/2016	20-Oct-74
4	Rajat Kumar Sud	Head Product & Solution Sales O/H	11.12	Full Time Employee	PGDM	28 Years	Lumeni Const. LLP	29/06/2017	27-Oct-69
5	Anuraag Srivastava	Group Chief Financial Officer	15.97	Full Time Employee	CA	24 Years	Tata Teleservices	15/06/2018	11-Jul-70
6	Rajesh Sharda	COO - Power Cable	7.29	Full Time Employee	CA	28 Years	Rajratan Global Wire Ltd	02/07/2018	06-Oct-66
7	Arun Sharma	COO - MSI Projects	11.25	Full Time Employee	CA	29 Years	JSC KazStory Service	10/07/2018	26-Jun-69
8	Meghna Pandit	Head - Capital Raising	3.93	Full Time Employee	CA	16 Years	IDFC Bank Ltd.	30/10/2018	03-Aug-79
9	Monalisa Sahoo*	Chief Marketing and Communications Officer	3.20	Full Time Employee	MBA	24 Years	Vodafone Idea Ltd.	01/02/2019	07-Apr-74
10	Parvez Keki Umrigar*	Advisor - Corporate Finance	2.02	Full Time Employee	CA	30 Years	Brookfield	11/02/2019	02-Jun-63

*For proportionate period of there service.

Annexure G

Corporate Social Responsibility

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

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

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

i. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

ii. Rural development projects;

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

iv. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

v. Strategic CSR program around access to electricity / clean energy and creating a larger impact for socio economic development of communities;

vi. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and

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

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

3. THE COMPOSITION OF THE CSR COMMITTEE IS:

S. No.	Name of Director	Designation
1	Mr. Arun Todarwal	Chairman
2	Mr. Pravin Agarwal	Member
3	Mr. Pratik Agarwal	Member
4	Mr. A R Narayanaswamy*	Member

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

4. The Company had incurred the Profit / (loss) of ₹ (1,062.52 million), ₹ (400.92 million) and ₹ (108.82) in FY 2018, 2017 and 2016 respectively. Therefore, the Company was not required to incur any expenditure on the Corporate Social Responsibility activities.

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

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

Sd/-
Pratik Agarwal
Managing Director & CEO

Sd/-
Arun Todarwal
Chairman CSR Committee

Date: 09.08.2019
Place: Mumbai

Corporate Governance Report

1. PHILOSOPHY OF THE COMPANY ON CODE OF GOVERNANCE

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

The Company has a three-tier governance structure:

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

2. BOARD OF DIRECTORS

As on March 31, 2019, the Board of Directors comprises of 5 (five) directors, of which 3 (three) are Independent Directors, comprising of:-

S. No.	Name of the director	Designation
1.	Mr. Pravin Agarwal	Chairman
2.	Mr. Pratik Agarwal	Managing Director & CEO
3.	Mr. Arun Todarwal	Independent Director
4.	Mr. Lalit Narayan Tandon#	Independent Director
5.	Ms. Avaantika Kakkar	Independent Director

Resigned from the Directorship of the Company w.e.f. May 15, 2019.

[Note:

- Mr. A. R Narayanaswamy was appointed as Independent Director w.e.f. July 22, 2019.

- The Board in its meeting held on August 09, 2019 has resolved to appoint Ms. Haixia Zhao as an Independent Director w.e.f. the date of allotment of Director Identification Number to her by the Ministry of Corporate Affairs

- Dr. Anand Agarwal ceased to be a Director of the Company with effect from May 11, 2018, due to his resignation.]

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

3. DISCLOSURES / INTEREST IN OTHER COMPANIES

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

4. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 10 (Ten) Board meetings of the Company were duly convened and held. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard 1 on Board meeting issued by the Institute of Company Secretaries of India. The dates on which these meetings were held are May 11, 2018, May 30, 2018, August 10, 2018, August 18, 2018, October 05, 2018, November 13, 2018, December 19, 2018, February 08, 2019, March 23, 2019 and March 27, 2019.

Table of Attendance:

Sr. No.	Name of the Directors	Designation	No. of Board Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Pravin Agarwal	Chairman	10	5
2	Mr. Pratik Agarwal	Managing Director & CEO	10	7
3	Mr. Arun Todarwal	Independent Director	10	10
4	Mr. Lalit Narayan Tandon#	Independent Director	10	10
5	Ms. Avaantika Kakkar	Independent Director	10	5
6	Dr. Anand Agarwal*	Director	10	0

*Resigned from the Directorship of the Company w.e.f. May 11, 2018

Resigned from the Directorship of the Company w.e.f. May 15, 2019

5. COMMITTEES OF THE BOARD

a) Audit Committee

The Audit Committee comprising of following members was constituted on July 25, 2016 in terms of Section 177 of the Companies Act, 2013 and Rules made thereunder.

Sr. No.	Name of the Member	Designation
1	Mr. Arun Todarwal	Chairman
2	Mr. Pravin Agarwal	Member
3	Mr. Lalit Narayan Tandon#	Member

Ceased to be a member w.e.f. May 15, 2019

[Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019.]

The Terms of Reference of the Audit Committee are as follows:

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

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

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

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

v. Scrutiny of inter corporate loans and investments;

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

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

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

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

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

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

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

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

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

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

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

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

During the year under review, 8 (Eight) Audit Committee Meetings were duly convened and held on May 11, 2018, May 30, 2018, August 09, 2018, October 05, 2018 November 12, 2018, December 19, 2018 February 07, 2019 and March 27, 2019.

Table of Attendance:

Sr. No.	Name of the Member	Designation	No. of Audit Committee Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Arun Todarwal	Chairman	8	8
2	Mr. Lalit Narayan Tandon	Member	8	8
3	Mr. Pravin Agarwal	Member	8	3

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprising of following members was constituted on July 25, 2016 in terms of Section 178 of the Companies Act, 2013 and Rules made thereunder.

Sr. No.	Name of the Member	Designation
1	Mr. Arun Todarwal	Chairman
2	Ms. Avaantika Kakkar	Member
3	Mr. Lalit Narayan Tandon#	Member

Ceased to be a member w.e.f. May 15, 2019

[Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019.]

The Terms of Reference of the Nomination & Remuneration Committee are as follows:

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

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

iii. Devising a policy on Board diversity;

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

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

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

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

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

During the year under review, 5 (Five) Nomination & Remuneration Committee Meetings were duly convened and held on May 11, 2018, May 30, 2018, August 09, 2018, November 12, 2018 December 19, 2018.

Table of Attendance:

Sr. No.	Name of the Member	Designation	No. of Nomination & Remuneration Committee Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Arun Todarwal	Chairman	5	5
2	Ms. Avaantika Kakkar	Member	5	3
3	Mr. Lalit Narayan Tandon	Member	5	5

Policy for selection and appointment of directors and their remuneration

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

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

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

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

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

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

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

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

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

c) **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee (SRC) comprising of following members was constituted on July 25, 2016 in terms of Section 178(5) of the Act and Rules made thereunder.

Sr. No.	Name of the Member	Designation
1	Ms. Avaantika Kakkar	Chairperson
2	Mr. Pravin Agarwal	Member
3	Mr. Lalit Narayan Tandon#	Member

Ceased to be a member w.e.f. May 15, 2019

[Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019.]

The Terms of Reference of Stakeholders Relationship Committee are as follows:

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

ii. To authorize printing of Share Certificates;

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

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

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

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

During the year under review, 2 (Two) Stakeholders Relationship Committee meetings were duly convened and held on May 11, 2018 and February 08, 2019.

Table of Attendance:

Sr. No.	Name of the Member	Designation	No. of Stakeholders Relationship Committee Meetings held during FY 2018-19	
			Held	Attended
1	Ms. Avaantika Kakkar	Chairperson	2	2
2	Mr. Pravin Agarwal	Member	2	1
3	Mr. Lalit Narayan Tandon	Member	2	2

d) **Banking and Authorization Committee**

The Banking and Authorization Committee (BAC) comprising of following members was constituted on August 24, 2016:

Sr. No.	Name of the Member	Designation
1	Mr. Pravin Agarwal	Chairman
2	Dr. Anand Agarwal*	Member
3	Mr. Pratik Agarwal	Member

*Resigned from the Directorship of the Company w.e.f. May 11, 2018 and accordingly ceased to be a member of BAC.

The Terms of Reference of the Banking & Authorization Committee are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During the year under review, 3(Three) Banking and Authorization Committee meetings were duly convened and held on May 11, 2018, October 24, 2018 and March 12, 2019.

Table of Attendance:

Sr. No.	Name of the Member	Designation	No. of Banking & Authorization Committee Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Pravin Agarwal	Chairman	3	3
2	Mr. Pratik Agarwal	Member	3	3
3	Dr. Anand Agarwal*	Member	3	0

*Resigned from the Directorship of the Company w.e.f. May 11, 2018 and accordingly ceased to be a member of BAC.

e) Allotment Committee

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

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

The terms of reference of the Allotment Committee are as follows:

i) Allot Shares / Securities of the Company.

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

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

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

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

f) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprising of following members, was constituted on February 15, 2017:

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

[Mr. A. R. Narayanaswamy has been inducted as member of the Committee w.e.f. July 22, 2019.]

The terms of reference of the Committee are as follows:

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

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

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

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

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

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Act, a separate meeting of the Independent Directors of the Company was held on April 05, 2018 for the financial year 2018-19 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

7. EVALUATION OF THE BOARD, COMMITTEES, CHAIRMAN AND INDIVIDUAL DIRECTOR

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

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

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

8. INDUCTION AND TRAINING OF BOARD MEMBERS

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

9. GENERAL BODY MEETING

Particulars of Annual General Meeting:

The Company was incorporated on May 05, 2015, the details of the Third Annual General Meeting are furnished below:

Date	Venue	Time	Resolutions that were passed with requisite majority
September 27, 2018	The Westin, 36/3-B Koregaon park Annexe, Mundhwa road, Ghorpadi, Pune, Maharashtra – 411001	10.00 A.M	1a. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 1b. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 2. Re-Appointment of Mr. Pratik Agarwal as Director of the Company. 3. Ratification of the appointment of Statutory Auditors. 4. Offer or invitation for subscription of Non-Convertible Debentures on private placement basis (Special Business) 5. Approval of remuneration of the Cost Auditors' (Special Business)

Details of resolutions passed by Postal Ballot

During the year under review there was no matter was passed through Postal Ballot.

10. SUBSIDIARY COMPANIES

The Company has 50 subsidiaries as on March 31, 2019. The Annual Financial Statements of the subsidiary companies, are placed before the Audit Committee and the Board of Directors of the Company. Significant issues pertaining to all subsidiary companies are also discussed at the Audit Committee meetings. The performance of all its subsidiaries is also quarterly reviewed by the Board. The minutes of all the subsidiary companies are placed before the Board and the attention of the directors is drawn from time to time upon significant transactions and arrangements entered with the subsidiary companies. Post March 31, 2019 four companies ceased to be the subsidiary of the Company.

11. RELATED PARTY TRANSACTIONS

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

All transactions entered into with Related Parties as defined under the Act during the FY-18-19 were in the ordinary course of business and on an arm's length price. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Board has approved the policy on Related Party Transactions, and the same can be viewed on the Company's website, i.e. www.sterlitepower.com.

12. IMPLEMENTATION OF CODE OF CONDUCT

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

13. VIGIL MECHANISM

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

14. DISCLOSURES

a. The Company has not received any complaints relating to child labour, forced labour, involuntary labour during the FY 2018-19.

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

15. GENERAL SHAREHOLDER INFORMATION

Distribution of Shareholding as on March 31, 2019

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

Equity holding pattern as on March 31, 2019

Name	Total Shares	% To Equity
Promoter		
Promoter	4,36,70,398	71.38
Promoter Group	29,00,203	4.74
Total of Promoter & Promoter Group (A)	**4,65,70,601**	**76.12**
Public Shareholders		
Institutions	49,106	0.08
Non-Institutions	1,33,69,703	21.85
Body Corporates	11,92,492	1.95
Total (B)	**1,46,11,301**	**23.88**
Total (A) + (B)	**6,11,81,902**	**100**

Dematerialization of Shares and Liquidity

As on March 31, 2019, 6,00,57,598 equity shares representing 98.16% of total equity capital were held in electronic form. The Shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN allotted to the equity shares of the Company is INE110V01015.

Details of outstanding equity shares in the Unclaimed Suspense Account

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

Particulars	Total No. of Shareholders	Shares lying in Unclaimed Suspense Account
As on April 1, 2018	5,417	4,29,822
Shareholders approached for transfer/delivery during FY 19	24	1,960
Shares transferred/delivered during FY 19	24	1,960
Balance as on March 31, 2019	5,393	4,27,862

Share Transfer System

Directors and Executives of the Company have been given powers to deal with all the matters related to transfers, transmission, issuance of duplicate share/debenture certificates, split and/or consolidation requests. In addition, the Company Secretary and authorised officials of the Registrar and Transfer Agents of the Company have been given powers to endorse registration of transfers on share certificates. The Company's shares being in compulsory demat list are also transferred through the depository system. The Company has entered into agreements with both the depositories NSDL & CDSL. Karvy Fintech Private Limited, Hyderabad is the Registrar and Transfer Agent for both physical and electronic mode of transfer of shares. Transfers of shares held in the physical mode are approved on a 15 days cycle. Physical Shares sent for transfer are duly transferred within 15 days of receipt of documents, if found in order. Shares under objection are returned within 15 days of receipt of documents.

Registrar & Transfer Agents

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

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

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

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

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

Debenture Trustee

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

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

Plant Locations:

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

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FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Sterlite Power Transmission Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Sterlite Power Transmission Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 49 to the standalone Ind AS financial statements which describes that the Company had recognised goodwill on accounting for merger during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date i.e. April 1, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Honourable Bombay High Court. Our opinion is not qualified in respect of this matter.

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 Ind AS financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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 Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 to the standalone Ind AS financial statements;

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

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

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 14, 2019

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")

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

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

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

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

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

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

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, related to the manufacture of power conductors and power cables, and are of the opinion that prima facie, the prescribed 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 provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount (₹ Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	83.50	FY 2001-02	Bombay High Court
Central Excise Act, 1944	Excise Duty	2.80	FY 2005-06	Commissioner (Appeals), LTU, Mumbai
Central Excise Act 1944	Excise Duty	40.85	January 2001- February 2001	Bombay High Court
Finance Act 1994	Service Tax	1.24	FY 2013-14 & FY 2014-15	Commissioner Appeal, Surat

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

(ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans and debt instrument in nature of Secured Listed Rated Redeemable Non-Convertible Debentures were applied for the purpose for which the loans were obtained.

Further, according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer during the year.

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

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

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

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

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

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

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 14, 2019

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Sterlite Power Transmission Limited

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

We have audited the internal financial controls over financial reporting of Sterlite Power Transmission Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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 OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 14, 2019

Balance Sheet

As at 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,482.43	2,591.46
Capital work in progress	3	19.68	58.39
Goodwill	4, 5	475.96	951.93
Other intangible assets	4	73.97	42.79
Financial assets			
i. Investments	6	48,894.96	35,330.77
ii. Other financial assets	9	12.49	9.46
Other non-current assets	10	197.12	54.72
Asset classified as held for sale	10A	109.95	-
Total non-current assets		**52,266.56**	**39,039.54**
Current assets			
Inventories	11	1,941.17	2,084.68
Financial assets			
i. Investments	6	10,167.39	10,164.15
ii. Loans	7	311.35	177.93
iii. Trade receivables	8	7,384.43	9,160.44
iv. Cash and cash equivalents	12	579.54	479.73
v. Other bank balances	13	482.33	308.75
vi. Other financial assets	9	153.04	89.13
Other current assets	10	4,170.56	2,527.11
Non current asset classified as held for sale	10A	60.05	-
Total current assets		**25,249.86**	**24,991.92**
TOTAL ASSETS		**77,516.42**	**64,031.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	122.36	122.36
Other equity			
i. Securities premium	15	4,536.80	4,536.80
ii. Retained earnings	15	(2,375.28)	(219.30)
iii. Other	15	27,234.76	16,844.19
Total equity		**29,518.64**	**21,284.05**
Liabilties			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16A	13,724.06	17,616.37
ii. Other financial liabilities	18	45.89	203.90
Employee benefit obligations	19	39.82	29.51
Deferred tax liabilities (net)	20	8,962.07	5,482.50
Total non-current liabilities		**22,771.84**	**23,332.28**
Current liabilities			
Financial liabilities			
i. Borrowings	16B	13,164.21	4,856.18
ii. Trade payables	17		
- total outstanding dues of micro enterprises and small enterprises		72.83	7.52
- total outstanding dues of creditors other than micro enterprises and small enterprises		6,471.58	7,745.16
iii. Other financial liabilities	18	3,845.80	4,064.86
Employee benefit obligations	19	35.77	23.28
Other current liabilities	21	1,635.75	2,718.15
Total current liabilities		**25,225.94**	**19,415.13**
TOTAL LIABILITIES		**77,516.42**	**64,031.46**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Statement of Profit and Loss

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
INCOME			
Revenue from operations	22	24,469.57	23,962.35
Other income	24	72.90	111.76
Total income (I)		**24,542.47**	**24,074.11**
EXPENSES			
Cost of raw material and components consumed	25	14,336.56	17,205.14
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	27	(264.15)	343.39
Construction material and contract expenses	26	4,939.37	1,528.74
Excise duty on sale of goods		-	218.88
Employee benefits expense	28	1,006.77	670.12
Other expenses	29	3,234.07	2,727.30
Total expenses (II)		**23,252.62**	**22,693.56**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**1,289.85**	**1,380.55**
Depreciation and amortisation expense	30	780.09	766.24
Finance costs	31	3,054.12	2,013.25
Finance income	23	(70.74)	(75.84)
Loss before tax		**(2,473.62)**	**(1,323.10)**
Tax expense:			
(i) Current tax	20	-	-
(ii) Deferred tax	20	(324.36)	(260.58)
Income tax expense		**(324.36)**	**(260.58)**
Loss for the year		**(2,149.26)**	**(1,062.52)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges (Refer Note 41 (i))		(829.06)	(428.35)
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(829.06)**	**(428.35)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plans		(6.72)	1.64
Income tax effect		-	-
Net gain on FVTOCI equity securities (Refer Note 41(i))		14,511.92	10,766.07
Income tax effect (Refer Note 41 (i))		(3,381.28)	(2,536.22)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**11,123.92**	**8,231.49**
Other comprehensive income for the year		**10,294.86**	**7,803.14**
Total comprehensive income for the year		**8,145.60**	**6,740.62**
Earnings per equity share [nominal value of ₹ 2 (31 March 2018: ₹ 2)]	32		
Basic			
Computed on the basis of loss for the year (₹)		(35.13)	(17.37)
Diluted			
Computed on the basis of loss for the year (₹)		(35.13)	(17.37)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Cash Flow Statement

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
A. OPERATING ACTIVITIES			
Net loss as per statement of profit and loss		**(2,149.26)**	**(1,062.52)**
Adjustment for taxation		(324.36)	(260.58)
Loss before tax		(2,473.62)	(1,323.10)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation and amortisation expense	30	780.09	766.24
Provision for doubtful debts and advances	29	41.71	4.61
Profit on sale of property, plant and equipment (net)	24	(5.23)	(27.52)
Bad debts / advances written off	29	0.61	-
Insurance claim receivable written off		19.64	-
Finance costs	31	3,054.12	2,013.25
Finance income	23	(70.74)	(75.84)
Unrealised exchange difference		(4.35)	57.82
		3,815.86	**2,738.57**
Operating profit before working capital changes		**1,342.24**	**1,415.47**
Movements in working capital :			
Increase/(Decrease) in trade payables		(1,127.03)	3,945.92
Increase in employee benefit obligation		14.45	1.32
Increase/(Decrease) in other current liability		(1,082.40)	1,122.31
Increase/(Decrease) in other current financial liability		(490.77)	(171.86)
Decrease/(increase) in trade receivables		1,647.84	(4,741.03)
Decrease/(increase) in inventories		143.51	(346.25)
Decrease/(increase) in other current financial assets		(83.52)	27.85
Decrease in other non-current financial assets		(116.36)	1.62
Decrease/(increase) in other current assets		(1,643.44)	(1,952.02)
Decrease/(increase) in other non-current assets		(3.03)	12.49
Change in working capital		**(2,740.75)**	**(2,099.64)**
Cash generated (used in) operations		**(1,398.52)**	**(684.17)**
Direct taxes paid		(26.04)	(17.57)
Net cash flow (used in) operating activities (A)		**(1,424.55)**	**(701.75)**
B. INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including capital work in progress and capital advances		(189.13)	(257.40)
Proceeds from sale of property, plant and equipment		22.49	49.92
Proceeds from sale of current investments (net of acquisitions)		-	(65.00)
Investment in subsidiaries		-	(10,099.05)
Investment in bank deposits (having original maturity of more than three months)		(173.58)	83.69
Loans given to related parties		(122.38)	-
Interest received		28.18	68.99
Net cash flow from/(used in) investing activities (B)		**(434.42)**	**(10,218.86)**
C. FINANCING ACTIVITIES			
Proceeds of long term borrowings		4,745.26	19,273.98
Repayment of long term borrowings		(9,110.08)	(3,790.00)
Proceeds/(Repayment) of short term borrowings (net)		8,316.67	(710.13)
Repayment of non cumulative redeemable preference shares		-	(2,247.36)
Proceeds from issue of cumulative redeemable preference shares		-	34.74
Interest paid		(1,993.06)	(1,612.55)
Net cash flow from financing activities (C)		**1,958.78**	**10,948.68**

Cash Flow Statement

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
Net increase/(decrease) in cash and cash equivalents (A + B + C)		**99.81**	**28.07**
Cash and cash equivalents as at beginning of the year		**479.73**	**451.66**
Cash and cash equivalents as at year end		**579.54**	**479.73**
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts		579.41	479.30
Deposits with original maturity of less than 3 months		-	-
Cash in hand		0.13	0.43
Total cash and cash equivalents (refer Note 12)		**579.54**	**479.73**

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

Particulars	Long term borrowings	Short term borrowings
1 April 2017	**5,154.89**	**5,566.32**
Cash flow		
- Interest	(790.22)	(822.34)
- Proceeds/(repayments)	13,271.36	(710.13)
Non-cash changes		
- Classified as current maturities	151.52	-
- Notional interest	164.90	-
- Portion of borrowing considered as repayment of capital invested in subsidiary	(1,128.45)	-
Accrual for the period	792.37	822.34
31 March 2018	**17,616.37**	**4,856.18**
Cash flow		
- Interest	(906.15)	(1,086.91)
- Proceeds/(repayments)	(4,364.81)	8,316.67
Non-cash changes		
- Classified as current maturities	616.83	-
- Notional interest	1,074.61	-
- Portion of borrowing considered as repayment of capital invested in subsidiary	(1,209.64)	-
- Others	-	(8.65)
Accrual for the period	896.85	1,086.91
31 March 2019	**13,724.06**	**13,164.21**

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Statement of Changes in Equity

for the year ended 31 March 2019

(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 2017	**61.18**	**122.36**
Issued during the year	-	-
As at 31 March 2018	**61.18**	**122.36**
Issued during the year	-	-
As at 31 March 2019	**61.18**	**122.36**

B. OTHER EQUITY

	Securities premium	Retained earnings	FVTOCI reserve (Refer note 6 and note 41 (i))	Cash flow hedge reserve (Refer note 6 and note 41(i))
As at 1 April 2017	**6,748.37**	**(1,369.99)**	**9,042.69**	**235.44**
Loss for the year	-	(1,062.52)	-	-
Other comprehensive income/(loss)	-	1.64	8,229.85	(428.35)
Total comprehensive income/(loss)	**-**	**(1,060.88)**	**8,229.85**	**(428.35)**
Less: Amount utilised for payment of premium on redemption of preference shares during the year	(2,211.57)			
Add: Balance transferred from financial liability for redemption of preference shares no longer payable		2,211.57		
Less :Recycled to statement of profit and loss	-	-	-	(235.44)
As at 31 March 2018	**4,536.80**	**(219.30)**	**17,272.54**	**(428.35)**
Loss for the year	-	(2,149.26)	-	-
Other comprehensive income/(loss)	-	(6.72)	11,130.64	(829.06)
Total comprehensive income/(loss)	**-**	**(2,155.98)**	**11,130.64**	**(829.06)**
Recycled to statement of profit and loss	-	-	-	88.99
As at 31 March 2019	**4,536.80**	**(2,375.28)**	**28,403.18**	**(1,168.42)**

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

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Company Secretary
Place: New Delhi
Date : 14 May 2019

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

1. CORPORATE INFORMATION

Sterlite Power Transmission Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Park, Pune, Maharashtra, India. The Company is primarily engaged in the business of Power products and solutions.

Power products and solutions mainly include power transmission conductors, optical ground wire cables and power cable.

The financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on 14 May 2019.

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").

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

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

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

2.2 Summary of significant accounting policies

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

a) Goodwill

Goodwill arising on account of excess consideration paid over business value transferred under a scheme of arrangement is amortised on a straight line basis over a period of five years from the date of arrangement as per Court Order.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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.

d) **Fair value measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 33,42, 43)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Investment in mutual funds (note 42)
- Financial instruments (including those carried at amortised cost) (note 42)

e) Revenue from contracts with customers

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 33.

Sale of power products

Revenue from the sale of goods is recognised at a point in time control of the goods is transferred to the customer, generally on delivery of the equipment. The normal credit term is 60 to 180 days upon delivery.

Rendering of services

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

Revenue from Engineering, Procurement and Construction (EPC) projects

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

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

Contract modifications:

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

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.

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Contract Balance

Contract Assets

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

Trade Receivable

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

Contract Liabilities

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

f) Government grants

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

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

g) Taxes

Current income tax

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

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

Deferred tax

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

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

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

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

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

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

Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

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

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

h) Non Current Assets held for sale

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria 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.

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Non-current assets held for sale for 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 10 A for further disclosures.

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

i) Property, plant and equipment

Certain items of freehold land have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., 1 April 2015.

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

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

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Factory/ Office)	30/60 Years	30/60 Years
Plant and Machinery	3 - 20 Years*	Continuous process plant- 25 Years
Others- 15 Years		
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 6 Years *	Service and networks- 6 Years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *	8 Years

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

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

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

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

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

j) **Intangible Assets**

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

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

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

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

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

Softwares are amortised on a straight line basis over a period of five to six years. Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

k) **Borrowing Costs**

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

l) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if 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 stated in the arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2.k).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

m) **Inventories**

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

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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.

n) Impairment of non-financial assets

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would

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have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o) Provisions

General

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

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

p) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company 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

q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

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

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

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

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

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

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

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

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

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

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are 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.

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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;

b) Lease receivables under Ind AS 17

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

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

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

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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.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Note 18.

Derecognition

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

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

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

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

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

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset

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the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) **Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement

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

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

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

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

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

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

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

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

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

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

s) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months

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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.

t) Cash dividend distribution to equity holders of the Company

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

u) Presentation of EBITDA

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

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

2.3 Changes in Accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the full retrospective method of adoption. However, the application of standard does not have any impact on the recognition and measurement of revenue and related items. There is no material impact on recognition and measurement of revenue due to adoption of new standard. Refer disclosures in note 22.

2.4 Standards issued but not yet effective

The standards/amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 Leases

Ind AS 116 shall be applied for accounting of leases by lessee and lessor in their respective books. Compared to previous Standard (Ind AS 17) on leases which shall be omitted w.e.f. April 1, 2019, principles of Ind AS 116 for lessor are substantially same. However, there is significant change in the way a lessee shall account for leases in its books

It provides that an entity, being a lessee, shall treat almost all leases, except leases for short-term and leases of low value assets, as finance leases. The entity shall recognise a right-of-use asset and a lease liability

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whenever it takes any asset on lease. The right-of-use asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred by the entity and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located. The lease liability shall be measured at the present value of the lease payments due. The interest rate implicit in the lease or lessee's incremental borrowing may be used to arrive at the present value. Subsequently, at each balance sheet date, the right-of-use asset shall be depreciated and lease liability shall be increased by interest amount & decreased by amount paid. The right-of-use asset may also be measured at revalued amount under revaluation model. The Company intends to adopt these standards from 1st April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

Other Amendments to Standards, issued but not effective, which are either not applicable to the Company or the impact is not expected to be material

(a) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

(b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

(c) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

(d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

(e) Annual improvement to Ind AS (2018):

- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

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NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

DESCRIPTION	Freehold land	Buildings	Plant and machinery	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations	Data processing equipment#	Total
Cost or valuation									
As at 1 April 2017	489.06	879.20	2,836.13	25.50	9.21	16.78	256.89	48.74	4,561.50
Additions	-	84.21	463.57	1.47	2.28	2.81	15.98	2.53	572.85
Disposals	-	0.34	405.01	6.33	4.08	0.76	1.24	0.28	418.04
As at 31 March 2018	**489.06**	**963.07**	**2,894.69**	**20.64**	**7.41**	**18.83**	**271.63**	**50.99**	**4,716.32**
Additions	-	45.81	119.99	3.06	8.44	7.14	3.49	9.48	197.41
Disposals	-	0.17	113.71	0.15	3.00	0.09	0.02	-	117.14
As at 31 March 2019	**489.06**	**1,008.71**	**2,900.97**	**23.55**	**12.85**	**25.88**	**275.10**	**60.47**	**4,796.59**
Depreciation and impairment									
As at 1 April 2017	0.14	220.73	1,850.15	19.31	5.59	10.58	93.80	34.29	2,234.59
Depreciation charged during the year	0.04	40.99	215.10	1.87	0.82	2.35	17.20	7.54	285.91
Impairment reversal	-	-	10.86	-	-	-	-	-	10.86
Disposals	-	0.05	375.05	5.68	2.76	0.62	0.35	0.27	384.78
As at 31 March 2018	**0.18**	**261.67**	**1,679.34**	**15.50**	**3.65**	**12.31**	**110.65**	**41.56**	**2,124.86**
Depreciation charged during the year	0.04	43.82	209.53	3.32	1.72	6.04	17.25	7.46	289.18
Disposals	-	0.09	97.32	0.05	2.36	0.06	0.00	-	99.88
As at 31 March 2019	**0.22**	**305.40**	**1,791.55**	**18.77**	**3.01**	**18.29**	**127.90**	**49.02**	**2,314.16**
Net Book Value									
As at 31 March 2019	**488.84**	**703.31**	**1,109.42**	**4.78**	**9.84**	**7.59**	**147.20**	**11.45**	**2,482.43**
As at 31 March 2018	**488.88**	**701.40**	**1,215.35**	**5.14**	**3.76**	**6.52**	**160.98**	**9.43**	**2,591.46**

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
Capital work in progress*	19.68	58.39

* Capital work in progress mainly includes plant and machinery.

Data processing equipment includes laptops taken on finance lease:

Gross block ₹ 11.24 million (31 March 2018: ₹ 11.24 million)

Depreciation for the year ₹ 3.11 million (31 March 2018: ₹ 3.75 million)

Accumulated depreciation ₹ 10.79 million (31 March 2018: ₹ 7.68 million)

Net block ₹ 0.45 million (31 March 2018: ₹ 3.56 million)

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

(₹ in million)

DESCRIPTION	Goodwill (refer Note 5 and Note 49)	Software/ Licenses
1 April 2017	2,379.79	21.18
Additions	-	44.31
As at 31 March 2018	**2,379.79**	**65.49**
Additions	-	46.13
Disposals	-	-
As at 31 March 2019	**2,379.79**	**111.62**
Amortisation		
1 April 2017	951.90	18.33
Amortisation charge for the year	475.96	4.37
As at 31 March 2018	**1,427.86**	**22.70**
Accumulated amortisation		
Amortisation charge for the year	475.96	14.94
As at 31 March 2019	**1,903.82**	**37.64**
Net Book Value		
As at 31 March 2019	**475.96**	**73.97**
As at 31 March 2018	**951.93**	**42.79**

NOTE 5: IMPAIRMENT TESTING OF GOODWILL

Goodwill generated as a result of recording of assets and liabilities as part of the Scheme of demerger of Sterlite Technologies Limited (refer Note 49) with effect from 1 April 2015 had been allocated to power products business for impairment testing

(₹ in million)

	31 March 2019	31 March 2018
Carrying amount of goodwill	475.96	951.93

The Company performed its annual impairment test for the year ended 31 March 2019. The recoverable amount of power products business as at 31 March 2019 was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The terminal growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (31 March 2018: 3%).

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:

EBITDA margin: EBITDA margin of revenue has been considered based on average values achieved in the three years preceding the valuation date. A decrease in EBITDA margin by 2.74% (31 March 2018: 4.20%) would result in impairment.
EBITDA margins are based on the actual EBITDA of power product division for past 3 years preceding the beginning of the budget period. The EBITDA margins considered are from 6.3%-9.35% over the budget period for anticipated order flows.

Discount rate: Discount rate represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in pre-tax WACC by 24.42% (31 March 2018: 28.50%) would result in impairment.

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Growth rate: Growth rate has been considered for a period of five years based on management estimates and past trends. A decrease in growth rate by 11.69% (31 March 2018: 12.20%) during the next five year period would result in impairment.

NOTE 6: INVESTMENTS

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Investments at fair value through OCI		
Unquoted equity instruments		
1,243,529,411 (31 March 2018: 1,243,529,411) equity shares of Sterlite Power Grid Ventures Limited of ₹ 10 each fully paid up $ (Refer note 41 (i))	48,577.55	35,100.83
25,500 (31 March 2018: 25,500) equity shares of East-North Interconnection Company Limited of ₹ 10 each fully paid up	0.26	0.26
112,500,000 (31 March 2018: 112,500,000) equity shares of Sterlite Investment Managers Limited of ₹ 2 each partly paid up of ₹ 0.01 per share # (Refer Note 10 A)	204.20	25.28
26,505 (31 March 2018: 26,505) equity shares of Sharper Shape Group Inc of $ 0.01each fully paid up	112.45	112.45
50,000 (31 March 2018: 50,000) equity shares of Sterlite Convergence Limited of ₹ 10 each fully paid up	0.50	0.50
Total FVTOCI Investment	**48,894.96**	**35,239.31**
Investments at amortised cost		
Debt component of redeemable preference shares		
1,000,000 (31 March 2018: 1,000,000) Redeemable preference shares of		
Sterlite Investment Managers Limited of ₹ 10 each fully paid up (Refer Note 10 A)	-	91.46

$ Includes repayment of capital from a subsidiary of ₹ 1,521.16 million (31 March 2018: 734.17 million).

Includes ₹ 23.28 million (31 March 2018: ₹ 23.28 million) in respect of equity component of redeemable preference shares of Sterlite Investment Managers Limited (formerly known as Sterlite Infraventures Limited)

	31 March 2019	31 March 2018
Current		
Investments at amortised cost		
454,552,553 (31 March 2018: 454,552,553) redeemable preference shares of Sterlite Power Grid Ventures Limited of ₹ 10 each fully paid up *	10,098.55	10,098.55
Investment in mutual funds - Quoted (valued at fair value through profit or loss)		
68,036.35 units (31 March 2018: 64,830.78) units of L & T Liquid Fund - Regular Daily Dividend option #	68.84	65.59

*Sterlite Power Grid Ventures Limited ('SPGVL'), a subsidiary of the Company, issued 454,552,553 Optionally Convertible Redeemable Preference Shares ('OCRPS') with face value ₹ 10 per OCRPS, issued at ₹ 11 per OCRPS for a total consideration of ₹ 5,000.08 million (including premium of ₹454.55 million) out of which 409,098,008 (No.s) OCRPS were issued to Standard Chartered Financial Holdings, Mauritius ('Investor') in the financial year ended March 31, 2015 and 45,454,545 (No.s) OCRPS issued to Standard Chartered Private Equity Korea III Holdings Ltd. in the financial year ended March 31, 2016 pursuant to Subscription agreement and Shareholders' Agreement dated 7 July 2014 ('Agreements') executed among SPGVL, the Company and the Investor.

The Company purchased the entire OCRPS in two tranches – the first tranche of OCRPS was purchased for an amount of ₹ 2,000 million in November 2017 and the balance OCRPS was purchased for a consideration of ₹ 8,100 million in January 2018 based on the fair value of the OCRPS. Further, post-acquisition, the OCRPS have been converted into non-convertible redeemable preference shares.

The Company has RPS issued by SPGVL redeemable at a premium of ₹ 12.22 per share as may be permitted under the Companies Act 2013 and rules made thereunder. During the year SPGVL has amended the maturity terms from on or before 30 March 2019 to on or before 30 March 2020. The Company carries voting rights as per the provisions of section 47(2) of the Companies Act 2013. The Company is entitled to dividend on a cumulative basis at the rate of 0.01% per annum.

*The investment is held as debt service reserve account.

	31 March 2019	31 March 2018
Total	**59,062.35**	**45,494.92**
Current	10,167.39	10,164.15
Non-current	48,894.96	35,330.77
Aggregate book value of quoted investments	68.84	65.59
Aggregate value of unquoted investments	58,993.51	45,429.32

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 42 for determination of their fair values.

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 7: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	31 March 2019	31 March 2018
Current		
Loans to related party (refer Note 46)	311.35	177.93
Total	**311.35**	**177.93**

Loans are non-derivative financial assets which generate a fixed interest income for the Company

NOTE 8: TRADE RECEIVABLES

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Trade receivables	363.84	322.12
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	363.84	322.12
	363.84	**322.12**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, credit impaired receivables	363.84	322.12
	363.84	**322.12**
Total non-current trade receivables	**-**	**-**
Current		
Trade receivables	6,370.91	7,440.99
Receivables from other related parties (refer Note 46)	1,013.52	1,719.45
Total	**7,384.43**	**9,160.44**
Break-up for security details:		
- Unsecured, considered good	7,384.43	9,160.44
- Unsecured, credit impaired receivables	-	-
	7,384.43	**9,160.44**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	-	-
	7,384.43	**9,160.44**
Total current trade receivables	**7,384.43**	**9,160.44**

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

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The company has entered into an arrangement with HDFC Bank Limited for non recourse factoring pursuant to which the company has derecognised trade receivables of ₹ 750.43 million (31 March 2018: ₹ 1,043.09 million).

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 9: OTHER FINANCIAL ASSETS

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Security deposits (unsecured, considered good)	12.49	9.46
Total other non-current financials assets	**12.49**	**9.46**
Current		
Security deposits (Unsecured, considered good)	19.26	6.06
Insurance claim receivable*	-	19.64
Earnest money deposit with customer	51.96	43.76
Receivable from related parties (refer Note 46)	70.13	6.07
Other receivables	11.69	13.60
Total other current financial assets	**153.04**	**89.13**

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

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

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

* Insurance claim receivable of ₹ 19.64 million is written off during the year.

NOTE 10: OTHER ASSETS

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Balances with government authorities	114.46	-
Advance income tax, including TDS	80.76	54.72
Advances recoverable (unsecured)	1.90	-
Total other non-current assets	**197.12**	**54.72**
Current		
Vendor Advances (unsecured)	160.37	92.31
Balances with government authorities	1,110.63	1,922.96
Prepaid expenses	158.05	161.39
Contract assets related to EPC contracts (refer note 22)	2,741.50	350.44
Total other current assets	**4,170.56**	**2,527.11**

NOTE 10A : NON CURRENT ASSETS HELD FOR SALE

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

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Pursuant to “Share Subscription and Purchase Agreement” executed between Electron IM PTE. LTD and the Company on 30 April 2019, the Company shall sell 74% of its stake in its subsidiary Sterlite Investment Managers Limited (SIML) in two tranches starting from 30 June 2019 till 30 June 2021. Accordingly the investments in SIML have been disclosed as "Non-current asset classified as held for Sale" as at 31 March 2019.

(₹ in million)

	31 March 2019	31 March 2018
Investment in equity shares	69.37	-
Investment in Redeemable Preference Shares	100.63	-
Total	**170.00**	**-**
Non Current	109.95	-
Current	60.05	-

NOTE 11: INVENTORIES

(Valued at lower of cost and net realisable value)

(₹ in million)

	31 March 2019	31 March 2018
Raw materials and components [Includes stock in transit ₹ 71.05 million (31 March 2018: ₹ 328.67 million)]	1,001.96	1,486.02
Work-in-progress	391.96	287.63
Finished goods [Includes stock in transit ₹ 41.21 million (31 March 2018: ₹ 0.70 million)]	391.98	201.03
Traded goods	7.46	38.59
Stores, spares, packing materials and others	147.81	71.41
Total	**1,941.17**	**2,084.68**

NOTE 12: CASH AND CASH EQUIVALENTS

(₹ in million)

	31 March 2019	31 March 2018
Balances with banks:		
On current accounts	579.41	479.30
Cash in hand	0.13	0.43
Total	**579.54**	**479.73**

NOTE 13: OTHER BANK BALANCES

(₹ in million)

	31 March 2019	31 March 2018
Deposits with original maturity for more than 3 months but less than 12 months*	482.33	308.75
Total	**482.33**	**308.75**

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

* Includes ₹ 5.71 million (31 March 2018: ₹ 67.01 million) held as lien by banks against bank guarantees and ₹ 476.62 million (31 March 2018: ₹ 287.20 million) held in debt service reserve account.

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 14: SHARE CAPITAL

(₹ in million)

	31 March 2019	31 March 2018
Authorised shares (nos. million)		
80.00 (31 March 2018: 80.00) equity shares of ₹ 2 each	160.00	160.00
Issued, subscribed and fully paid-up shares (nos. million)		
61.18 (31 March 2018: 61.18) equity shares of ₹ 2 each fully paid - up.	122.36	122.36
Total issued, subscribed and fully paid-up share capital	**122.36**	**122.36**

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

	Nos. in million	₹ in million
At 1 April 2017	61.18	122.36
Add: Issued during the year	-	-
At 31 March 2018	**61.18**	**122.36**
Add: Issued during the year	-	-
At 31 March 2019	**61.18**	**122.36**

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

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

The Company declares and pays dividends in Indian rupees. During the year ended 31 March 2019, no dividend was proposed by the Board of Directors of the Company.

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. **Shares held by holding company and their subsidiaries/associates:**

	31 March 2019		31 March 2018	
	No. in million	% holding	No. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
[Ultimate holding company]				
Vedanta Limited	0.95	1.56%	0.95	1.56%

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

	31 March 2019		31 March 2018	
	No. in million	% holding	No. in million	% holding
Twin Star Overseas Limited, Mauritius (Immediate Holding company)	43.67	71.38%	43.67	71.38%

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 15 : OTHER EQUITY

(₹ in million)

	31 March 2019	31 March 2018
Securities premium		
Balance as per last financial statements	4,536.80	6,748.37
Less: Amount utilised for payment of premium on redemption of preference shares during the year	-	(2,211.57)
Closing balance	**4,536.80**	**4,536.80**
Retained earnings		
Balance as per last financial statements	(219.30)	(1,369.99)
Add: Balance transferred for redemption of preference shares to the extent of premium on redemption *	-	2,211.57
Loss for the year	(2,149.26)	(1,062.52)
Add/(less): Remeasurement of post employment benefit obligation, net of tax	(6.72)	1.64
Closing balance	**(2,375.28)**	**(219.30)**
Others		
FVOCI reserve		
Balance as per last financial statements (Refer note 41 (i))	17,272.54	9,042.69
Add: Fair value of investments through OCI	11,130.64	8,229.85
Closing balance	**28,403.18**	**17,272.54**
Cash flow hedge reserve		
Balance as per last financial statements (Refer note 41(i))	(428.35)	235.44
Add: Cash flow hedge reserve created on hedging contracts	(829.06)	(428.35)
Less: Amount reclassified to statement of profit and loss	(88.99)	235.44
Closing balance	**(1,168.42)**	**(428.35)**
Total other reserves	**27,234.76**	**16,844.19**

* The Company measured financial liability for redeemable preference shares at amortised cost. At the time of redemption of preference shares, as permitted by section 52(2) of the Companies Act,2013, the Company utilised balance available in securities premium towards the payment of premium on the redemption of redeemable preference shares. Thus, accumulated balance of financial liability was transferred to retained earnings.

Nature and purpose of reserves :-

15.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

15.2 FVOCI equity investments

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 within the FVOCI equity investments reserve within equity.
The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15.3 Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with receivable and payable and commodity risk associated with purchase of aluminium and copper . For hedging commodity and foreign currency, 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 Statement of profit or loss.

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 16A : NON CURRENT BORROWINGS

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Non Convertible Debentures (secured)		
3,500 (31 March 2018: Nil) 12.50% Non convertible debentures of ₹ 10,00,000 each	3,445.90	-
Term loans (secured)		
Indian rupee loans from banks	-	600.00
Indian rupee loans from financial institutions	863.12	8,764.04
Loan from related parties (refer Note 46)	9,375.00	8,216.13
Redeemable preference shares (unsecured)		
18,000,000 (31 March 2018: 18,000,000) redeemable preferences shares of ₹ 2 each	40.04	35.79
Long-term maturities of finance lease obligation		
Obligations under finance lease	-	0.41
Total non-current borrowings	**13,724.06**	**17,616.37**
Current maturities of long-term borrowing (included in Note 18) (Secured)	2,684.97	3,297.97
Indian rupee loans from banks	750.00	752.49
Indian rupee loans from financial institution	1,934.97	2,545.47
Current maturities of finance lease obligations (included in Note 18)	0.41	2.92
Interest accrued and not due on long term borrowings (Secured)	10.20	19.50
Total	**2,695.58**	**3,320.39**

a) During the year, company has issued 3,500 non convertible debentures of face value ₹ 10,00,000/- each amounting to ₹ 3,500 million carrying interest of 12.50%. The Company is in process of creation of the security of First and Exclusive Charge over all present and future Fixed Assets, Investments of SPTL in Sterlite Power Grid Ventures Limited ("SPGVL") including 51% pledge of shares of SPGVL on a fully diluted basis, any loans and advances given to and dividend and any other receivables from SPGVL and second charge on all current assets of company. First and exclusive charge over any OCPRS ,CCPS, or any other instrument by which money has been infused in SPGVL.

b) Indian rupee term loan from the bank amounting to ₹ 1,190.00 million carries interest @ Base rate + 1% p.a. Loan amount is repayable in 1 quarterly equated installments of ₹ 93.75 million and the last installment of ₹ 78.15 Cr (excluding interest). During current year the loan has being repaid and the outstanding balance is Nil. The term loan is secured by pari passu charge on below:

    a) First charge on all movable fixed assets of the Company, present & future.

    b) First charge on all immoveable fixed assets of the Company, present & future

    c) Pledge of 53.04% equity shareholding and 69.64% CCPS of SPGVL

    d) First charge on the dividends/receivables/loans and advances from SPGVL , present & future

    e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

c) Indian rupee term loan from banks outstanding amount as at 31 March 19 amounting to ₹ 750.00 million carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated installments of ₹ 150 million (excluding interest) starting from June 2017.

    The term loan is secured by pari passu charge on below:

    a) First charge on all movable fixed assets of the Company, present & future.

    b) First charge on all immoveable fixed assets of the Company, present & future.

d) Indian rupee term loan from financial institution outstanding as at 31 March 2019 amounting to ₹ 441.71 million carries interest @ MCLR +225 BPS p.a. Loan amount is repayable in 5 annual installments starting from December 2018 in 5%,10%,20%,30% & 35% of loan amount. The term loan is secured by pari passu charge on below:

    a) First charge on all movable fixed assets of the Company, present & future.

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b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL.

d) First charge all receivables, present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge

e) Indian rupee term loan from financial institution outstanding as at 31 March 2019 amounting to ₹ 462.88 million carries interest @ 11% p.a. Balance loan amount is repayable in 3 annual installments 20%, 30% & 35% of loan amount.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL

d) First charge all receivables, present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

f) Indian rupee term loan from financial institutions outstanding as at 31 March 2019 amounting to ₹ 993.50 million carries interest @ HDFC MCLR + 2.15% p.a. First tranche of the loan amount of ₹ 700.00 million is repaid in Feb 2018 and balance loan amount is repayable in 10 quarterly instalments starting from June 2018.

The term loan is secured by pari passu charge on below:

a) First Ranking and pari passu charge on the Mortgaged properties

b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets

c) First Ranking and pari passu charge by the way of hypothecation on all the Receivables

d) Second Ranking and pari passu charge by the way of hypothecation on all the Current Assets

e) First ranking and pari passu pledge over atleast 51% Pledged Securities of SPGVL held by the borrower

g) Indian rupee term loan from financial institution outstanding as at 31 March 2019 amounting to ₹ 790.00 million carries interest @ L&T infra PLR minus Spread.

The term loan is secured by pari passu charge on below:

a) A first ranking and pari passu mortgage on the Mortgaged Property , both present and future

b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets, both present and future

c) First Ranking and pari passu charge by the way of hypothecation on all the dividends, any other receivable, Loans and advances from the borrower investment in SPGVL both present and future

d) An exclusive charge by the way of hypothecation on the DSRA, The DSR term Deposit and The DSR term Instruments (if any), both present and future

e) Pledge of equity share &OCRPS /CCPS, amounting to 51% economic interest and voting right on fully diluted basis of Sterlite Power Grid Venture Limited held by SPTL.

h) The preference shares carry 0.01% non cumulative dividend. Holders of preference shares have a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. There shares carrying face value of ₹ 2 per share are to be redeemed at a premium of 8% compounded annually.

i) Indian rupee loan from subsidiary amounting to ₹ 10,500 million and carries nil rate of interest. The loan is repayable on 10 April 2020. Since the interest rate of loan is below market rate, an amount of ₹ 1,521.16 million (net of deferred tax of ₹ 787.35 million) has been classified as repayment of investment by subsidiary and same has been reduced from investments in subsidiary (refer Note 6).

j) Finance lease obligation is secured by hypothecation of laptops taken on lease. The interest rate implicit in

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for the year ended 31 March 2019
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the lease is 10% p.a. The gross investment in lease i.e. lease obligation and interest is payable in quarterly installments at approximately ₹ 0.75 million.

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness weren't met as of the date of the authorisation of the financial statements. The Company has also not satisfied some of the other debt covenants prescribed in the terms of bank loan. Accordingly, the Company has made provision for additional interest as per the agreement with lenders. The Company has not defaulted on any loan or interest payment.

(₹ in million)

	31 March 2019	31 March 2018
Authorised shares (nos. million)		
36.40 (31 March 2018: 36.40) redeemable preference shares of ₹ 2 each	72.80	72.80
Issued, subscribed and fully paid-up shares (nos. million)		
18.00 (31 March 2018: 18) non cumulative redeemable preference shares of ₹ 2 each		
- Nominal Value	36.00	36.00
- Securities Premium	-	-

Terms/rights attached to equity shares

The non cumulative redeemable preference shares carry preference dividend at 0.01% per annum. Holders of preference shares have a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. These shares of face value of ₹ 2 per share were issued at par and will be redeemed at a premium of 8% compounded annually.

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

	Nos. in million	₹ in million
At 1 April 2017	17.90	35.80
Add: Issued during the year	18.00	36.00
Less: Redeemed during the year	(17.90)	(35.80)
At 31 March 2018	**18.00**	**36.00**
Add: Issued during the year	-	-
At 31 March 2019	**18.00**	**36.00**

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

	31 March 2019		31 March 2018	
	No. in million	% holding	No. in million	% holding
Clix Finance India Private Limited	18.00	100.00%	18.00	100.00%

NOTE 16B : SHORT TERM BORROWINGS

(₹ in million)

	31 March 2019	31 March 2018
Loan from related parties (refer Note 46)	9,090.64	-
Cash credit from banks (secured)	245.49	142.08
Working capital demand loans from banks (secured)	1,322.85	1,750.00
Packing credit (secured)	2,118.03	1,272.06
Receivables discounted (secured)	-	897.24
Other loan from banks (secured)	9.54	512.20
Suppliers credit (secured)	377.66	282.61
Total	**13,164.21**	**4,856.18**

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2019	31 March 2018
The above amount includes		
Secured borrowings	13,164	4,856
Unsecured borrowings	-	-
Net amount	**13,164**	**4,856.18**

(i) Unsecured Indian Rupee loan from subsidiary amounting to ₹ 9,090.64 million carries nil rate of interest. The loan is repayable on 31 July 2019.

(ii) Cash credit is secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 9.3% to 13.8% p.a.

(iii) Working capital demand loans from banks are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Working Capital Demand Loan is generally taken for a period of 30-180 days and carries interest @ 9.25% - 9.75% p.a.

(iv) Export packing credits are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables and is generally taken for a period of 180 days. It carries interest @ 8% - 9.80% p.a.

(v) Trade receivables are generally discounted for a period of 180 days and carries interest @ 8.85% to 9.70% p.a.

(vi) Buyer's credit arrangements are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables. Buyer's credit is repaid / rolled over after a period of six months and carry interest @ 1.51-1.91% p.a. (excluding hedging premium).

(vii) Suppliers' credit arrangements are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Suppliers' credit is repaid after a period of six months where foreign currency suppliers credit carry interest @ 3.1% - 3.9% p.a. in (excluding hedging premium) and domestic suppliers credit carry interest @7.8% -10% p.a.

NOTE 17 : TRADE PAYABLES

(₹ in million)

	31 March 2019	31 March 2018
Current		
Trade payables (refer note 40 for details of dues to Micro and small enterprises)	6,544.41	7,537.93
Current		
Trade payables	5,974.60	3,758.04
Trade payables to related parties (refer note 46)	569.81	3,994.63
Total	**6,544.41**	**7,752.68**

Trade payables are non-interest bearing and are normally settled on 60-90 days terms

NOTE 18 : OTHER FINANCIAL LIABILITIES

(₹ in million)

	31 March 2019	31 March 2018
Non Current		
Other financial liabilities at amortised cost		
Payables for property, plant and equipment *	-	194.04
Payable for employee stock appreciation rights (refer Note 48)	45.89	9.86
Total non-current financial liabilities	**45.89**	**203.90**

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2019	31 March 2018
Current		
Derivative instruments		
- Commodity futures	869.18	583.76
- Forward contracts	66.93	140.92
	936.11	**724.68**
Current maturities of long-term borrowings (refer Note 16A)	2,684.96	3,297.97
Current maturities of finance lease obligations (refer Note 16A)	0.41	2.92
Interest accrued and not due on borrowings	10.20	19.50
Interest free deposit from customers	1.47	1.00
Earnest money deposit from vendors	2.02	7.85
Payables for property plant & equipment*	194.77	2.29
Others	15.86	8.65
Total	**3,845.80**	**4,064.86**

* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 30-90 days terms. It also includes the current maturities of long term payables for purchase of property, plant and equipment which have been valued at amortised cost. It also includes deferred payables for purchase of property, plant and equipment. Deferred payables where credit terms allowed by the vendors are beyond normal credit terms have been measured at cash price equivalent and the differential amount is recognised as interest expense over the period of credit.

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

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

Other payables are non-interest bearing and have an average term of 30 -60 days.

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

For explanations on the Company's credit risk management processes, refer to Note 44.

NOTE 19 : EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Provision for employee benefits		
Provision for gratuity (refer Note 34)	39.82	29.51
Total	**39.82**	**29.51**
Current		
Provision for employee benefits		
Provision for gratuity (refer Note 34)	4.62	2.84
Provision for leave benefit	31.15	20.44
Total	**35.77**	**23.28**

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 20: DEFERRED TAX LIABILITIES (NET)

(₹ in million)

	31 March 2019	31 March 2018
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	139.53	89.91
Fair valuation of land on transition date	38.86	38.86
Fair valuation of FVTOCI investments	8,815.84	5,434.56
Equity component of interest free loan received from subsidiary (Refer Note 41 (i))	393.08	344.41
Gross deferred tax liability	**9,387.31**	**5,907.74**
Deferred tax assets		
Provision for doubtful debts and advances	127.12	112.55
Business loss	298.12	312.69
Gross deferred tax assets	**425.24**	**425.24**
Net deferred tax liability	**8,962.07**	**5,482.50**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The company has recognised deferred tax assets of ₹ 298.11 million (31 March 2018: 312.69 million) on tax losses and unabsorbed depreciation carried forward. Further details on taxes are disclosed in Note 20.

Reconciliation of deferred tax liability

(₹ in million)

	31 March 2019	31 March 2018
Opening deferred tax liability, net	5,482.50	2,937.20
Deferred tax credit recorded in statement of profit and loss	(324.36)	(260.58)
Deferred tax charge recorded in OCI (Refer note 41(i))	3,381.28	2,536.22
Deferred tax charge on equity component of loan accepted from subsidiary (refer Note 16A)	422.65	394.28
Deferred tax gain credited to cash flow hedge reserve	-	(124.61)
Closing deferred tax liability, net	**8,962.07**	**5,482.50**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(₹ in million)

	31 March 2019	31 March 2018
Profit or loss section		
Adjustment of tax relating to earlier periods	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	(324.36)	(260.58)
Income tax expenses reported in the statement of profit or loss	(324.36)	(260.58)
OCI Section		
Deferred tax related to items recognised in OCI during in the year:	(3,381.28)	(2,536.22)
Income tax charged through OCI	**(3,381.28)**	**(2,536.22)**

Notes to Financial Statements

for the year ended 31 March 2019
(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 2019 and 31 March 2018:

(₹ in million)

	31 March 2019	31 March 2018
Accounting profit before income tax	**(2,473.62)**	**(1,323.10)**
At India's statutory income tax rate of 34.94% (31 March 2018: 34.94%)	(864.28)	(462.29)
Adjustments in respect of deferred tax of previous years	57.45	-
Deferred tax not created on business losses	316.17	-
Disallowance of amortisation of goodwill	166.30	201.71
Others	57.45	
At the effective income tax rate of 13.11% (31 March 2018: 19.69%)	**(324.36)**	**(260.58)**
Income tax expense reported in the statement of profit and loss	**(324.36)**	**(260.58)**

NOTE 21: OTHER LIABILITIES

(₹ in million)

	31 March 2019	31 March 2018
Current Liabilities		
Advance from customers	340.67	1,385.49
GST payable	552.22	858.63
TDS payable	48.35	32.53
Value added tax payable	-	-
Contract liabilities related to EPC contracts (refer note 22)	326.12	97.18
Others	368.39	344.32
Total	**1,635.75**	**2,718.15**

NOTE 22: REVENUE FROM OPERATIONS

(₹ in million)

	31 March 2019	31 March 2018
Revenue from contracts with customers		
Sale of goods and services (See notes below)	24,263.73	23,804.86
Other operating revenue		
Sale of scrap	113.66	96.93
Export incentives #	92.18	60.57
Total revenue from operations	**24,469.57**	**23,962.35**
# Export incentive are subject to realisation of proceeds of exports from customers		
Type of goods or service:		
Revenue from sale of conductors and power cables	17,361.49	20,815.73
Revenue from Engineering, Procurement and Construction (EPC) contracts	6,730.55	2,760.34
Sale of traded goods	171.69	204.31
Job work services	-	24.48
Total revenue from contracts with customers	**24,263.73**	**23,804.86**
Geographical disaggregation:		
Within India	19,031.98	20,684.61
Outside India	5,231.76	3,120.25
Total revenue from contracts with customers	**24,263.73**	**23,804.86**
Timing of revenue recognition:		
Goods transferred at a point in time	17,533.19	21,044.52
Services transferred over time	6,730.55	2,760.34
Total revenue from contracts with customers	**24,263.73**	**23,804.86**

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Sale of conductors and power cables include excise duty collected from customers of ₹ Nil (31 March 2018: ₹ 218.88 million). Sale of conductors and power cables net of excise duty is ₹ 17,361.49 million (31 March 2018: ₹ 20,596.85 million). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from contracts with customers. In view of the aforesaid change in indirect taxes, Revenue from contracts with customers for year ended 31 March 2019 is not comparable with that for previous year ended 31 March 2018.

Pursuant to para 4 of Ind AS 108 'Operating Segments', the company discloses segment information in it's consolidated financial statements. Accordingly, no reconciliation between the disaggregated revenue disclosed and the revenue for reportable segments is prepared under the company's standalone financial statements.

(a) **Performance obligations**
Information about the company's performance obligations are summarised below:

Sale of conductors and power cables

The performance obligation is satisfied upon delivery of conductor and power cable and payment is generally due within 60 to 180 days from delivery Some contracts provide the company right to receive price variation from customers which are based on market metal prices and mutual agreement. Payment in such cases is generally due within 60 to 180 days from the agreement.

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

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

Job work services

The performance obligation is satisfied after completion of the job work and payment is generally due within 30-60 days of provisioning of service.

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

(₹ in million)

	31 March 2019	31 March 2018
Balances at the beginning of the year		
Trade receivables	9,160.44	4,549.58
Contract assets	350.44	3.38
Contract liabilities	97.18	26.06
Balances at the end of the year		
Trade receivables	7,384.43	9,160.44
Contract assets	2,741.50	350.44
Contract liabilities	326.12	97.18

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. Also there are no significant changes in the contract assets and contract liabilities balances during the reporting period.

(c) **Revenue recognised in relation to contract liabilities**

(₹ in million)

	31 March 2019	31 March 2018
Revenue recognised that was included in the contract liability balance at the beginning of the year	70.69	26.06

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(d) Transaction price allocated to the remaining performance obligations

(₹ in million)

	31 March 2019	31 March 2018
Expected to be recognised as revenue over the next one year	5,511.79	4,861.33
Expected to be recognised as revenue beyond next one year	-	2,029.25
Total	**5,511.79**	**6,890.58**

NOTE 23: FINANCE INCOME

(₹ in million)

	31 March 2019	31 March 2018
Interest income on		
Bank deposits	28.18	28.01
Loan to related parties (refer Note 46)	20.22	20.77
Gain on sale of mutual funds	3.24	1.28
Gain on fair valuation of financial assets at fair value through profit or loss	-	0.59
Others	19.10	25.18
Total	**70.74**	**75.84**

NOTE 24: OTHER INCOME

(₹ in million)

	31 March 2019	31 March 2018
Management fee income from related parties (refer Note 46)	63.27	84.00
Profit on sale of property, plant and equipment (net)	5.23	27.52
Miscellaneous income	4.40	0.25
Total	**72.90**	**111.76**

NOTE 25: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	31 March 2019	31 March 2018
Inventory at the beginning of the year	1,486.02	794.58
Add: Purchases	13,852.50	17,896.59
	15,338.52	**18,691.17**
Less: Inventory at the end of the year	1,001.96	1,486.02
Cost of raw material and components consumed	**14,336.56**	**17,205.14**

NOTE 26: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	31 March 2019	31 March 2018
Construction material purchased	4,064.11	1,086.35
Subcontracting charges*	875.26	442.39
	4,939.37	**1,528.74**

*These charges pertain to services availed in relation to construction contracts

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 27: (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	31 March 2019	31 March 2018
Opening inventories:		
Traded goods	38.59	14.69
Work-in-progress	287.63	482.68
Finished goods	201.03	373.27
	527.25	**870.64**
Closing inventories:		
Traded goods	7.46	38.59
Work-in-progress	391.96	287.63
Finished goods	391.98	201.03
	791.40	**527.25**
(Increase) / Decrease in inventories of finished goods, work-in-progress and traded goods	**(264.15)**	**343.39**

NOTE 28: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31 March 2019	31 March 2018
Salaries, wages and bonus	894.79	598.44
Contribution to provident fund	28.31	18.14
Employees stock appreciation rights expense (refer Note 48)	36.03	9.86
Gratuity expense (refer Note 34)	8.13	7.18
Staff welfare expenses	39.51	36.50
Total	**1,006.77**	**670.12**

NOTE 29: OTHER EXPENSES

(₹ in million)

	31 March 2019	31 March 2018
Increase / (decrease) of excise duty on inventory	-	21.81
Consumption of stores and spares	93.58	104.51
Power, fuel and water	274.89	249.40
Repairs and maintenance	-	
- Building	1.66	12.97
- Machinery	86.19	88.66
Service expenses and labour charges	347.50	229.00
Consumption of packing materials	389.73	527.25
Sales commission	251.67	96.91
Sales promotion	19.70	24.91
Carriage outwards	454.37	516.54
Rent	125.02	43.66
Insurance	30.49	26.06
Rates and taxes	17.70	37.72
Travelling and conveyance	201.40	126.94
Bad debts / advances written off	0.61	0.00
Provision for doubtful debts	41.71	4.61
Directors sitting fee and commission	3.40	0.61
Legal and professional Fees	388.83	93.17
Payment to auditor (refer details below)	5.21	4.66
Miscellaneous expenses	500.41	517.90
Total	**3,234.07**	**2,727.30**

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Payment to auditor

(₹ in million)

	31 March 2019	31 March 2018
As auditor:		
Audit fee (including audit of consolidated financial statement)	4.35	3.81
Tax audit fee	0.90	0.80
In other capacity:		
Other services (including certification fees)	0.05	0.05
Total	**5.30**	**4.66**

The Company is not required to spend on CSR as per Section 135 of the Companies Act,2013

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	31 March 2019	31 March 2018
Depreciation of tangible assets	289.18	285.91
Amortisation of intangible assets	14.94	4.37
Amortisation of goodwill	475.96	475.96
Total	**780.09**	**766.24**

NOTE 31: FINANCE COST

(₹ in million)

	31 March 2019	31 March 2018
Interest on financial liabilities measured at amortised cost	2,725.63	1,764.70
Bill discounting and factoring charges	181.11	106.47
Bank charges	145.00	132.89
Exchange difference to the extent considered as an adjustment to borrowing costs	2.38	9.20
Total	**3,054.12**	**2,013.25**

NOTE 32: EARNINGS PER SHARE

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

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

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

(₹ in million)

	31 March 2019	31 March 2018
Loss for the year	(2,149.26)	(1,062.52)
Weighted average number of equity shares in calculating diluted EPS	61.18	61.18
Earnings per share		
Basis & diluted (on nominal value of ₹ 2 Per Share) Rupees/share	**(35.13)**	**(17.37)**

Notes to Financial Statements

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NOTE 33: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis, are disclosed and further explained in Note 5.

Revenue from contract with customers - EPC contracts

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

Defined benefit plans (gratuity benefits)

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

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 34

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 and 43 for further disclosures.

Notes to Financial Statements

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(All amounts in ₹ million unless otherwise stated)

NOTE 34: GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at the beginning of the year	32.35	29.58
Interest Cost	2.52	2.14
Current service cost	5.62	4.73
Past service cost	-	0.31
Benefit paid directly by the employer	(2.77)	(2.78)
Actuarial (gain)/loss due to change in financial assumptions	4.36	(1.33)
Actuarial (gain)/loss on obligation due to experience	3.03	(0.31)
Actuarial (gain)/loss on obligation due to demographic assumptions	(0.67)	-
Present value of defined benefit obligation at the end of the year	44.44	32.35

Details of defined benefit obligation

(₹ in million)

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation	44.44	32.35
Benefit liability	**44.44**	**32.35**

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
Current service cost	5.62	4.73
Interest cost on benefit obligation	2.52	2.14
Contribution by employer	-	-
Net benefit expense	**8.14**	**7.18**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

(₹ in million)

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss on obligation for the year	6.72	(1.64)
Return on plan assets, excluding Interest Income	-	-
Change in asset ceiling	-	-
Net (Income)/Expense for the period recognized in OCI	**6.72**	**(1.64)**

Amounts for the current and previous periods are as follows:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation	44.44	32.35
Plan assets	-	-
Surplus / (deficit)	44.44	32.35
Experience adjustments on plan liabilities	3.03	(0.31)
Experience adjustments on plan assets	-	-

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

Particulars	31 March 2019	31 March 2018
Discount rate	7.22%	7.80%
Expected rate of return on plan asset	NA	NA
Employee turnover	14.00%	10.00%
Expected rate of salary increase	9.50%	8.00%
Actual rate of return on plan assets	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

Sensitivity Analysis

(₹ in million)

Particulars	31 March 2019	31 March 2018
Projected Benefit obligation on Current Assumptions	44.44	32.35
Delta Effect of +1% Change in Rate of Discounting	(2.40)	(2.07)
Delta Effect of -1% Change in Rate of Discounting	2.68	2.35
Delta Effect of +1% Change in Rate of Salary Increase	2.23	2.08
Delta Effect of -1% Change in Rate of Salary Increase	(2.10)	(1.90)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.46)	(0.09)
Delta Effect of -1% Change in Rate of Employee Turnover	0.49	0.09

Maturity Analysis of Projected Benefit Obligation: From the Employer

(₹ in million)

Particulars	31 March 2019	31 March 2018
Projected Benefits Payable in Future Years from the date of Reporting		
1st Following Year	4.62	2.84
2nd Following Year	4.71	2.86
3rd Following Year	5.15	2.99
4th Following Year	5.61	3.30
5th Following Year	4.73	3.95
Sum of Years 6 to 10	20.37	14.42
Beyond 10 years	28.83	33.48

NOTE 35: LEASES

Operating lease

Company as lessee:

The Company has taken office buildings on operating lease with lease term between one and nine years. These lease arrangements are renewable at the option of the Company.

(a) Lease payments recognised in the statement of profit and loss for the year is ₹ 125.03 million (31 March 2018: ₹ 43.66 million).

(b) The future minimum lease payments payable within next one year is ₹ 13.46 million (31 March 2018: ₹ 27.75 million).

(c) The future minimum lease payments payable later than one year but not later than five years is ₹ Nil (31 March 2018: ₹ 13.46 million).

(d) The future minimum lease payments payable later than five years is Nil (31 March 2018: Nil).

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Finance lease

Company as lessee:

The Company has taken laptops on finance lease with lease term of three years.

(₹ in million)

Particulars	31 March 2019		31 March 2018	
	Minimum payment	Present value of MLP	Minimum payment	Present value of MLP
Within one year	0.53	0.41	3.71	2.92
After one year but not more than five years	-	-	0.53	0.41
Total minimum lease payments	0.53	0.41	4.25	3.33
Less: amounts representing finance charges	0.12	-	0.92	-
Present value of minimum lease payments	**0.41**	**0.41**	**3.33**	**3.33**

NOTE 36: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹ 76.87 million (31 March 2018: ₹ 63.57 million).

NOTE 37: CONTINGENT LIABILITIES

(₹ in million)

	Particulars	31 March 2019	31 March 2018
1	Disputed liabilities in appeal		
	a) Service tax	3.24	3.03
	b) Excise duty	127.18	123.37
	c) Customs duty	-	60.34
	d) Value Added Tax (VAT)	82.90	-
2	Corporate guarantees given on behalf of its subsidiaries for loans and hedging facilities taken from bank/financial institution (to the extent of loans and hedging facilities outstanding as at balance sheet date) [(The total amount of corporate guarantees is ₹ 186.25 million (31 March 2018: ₹ 300 million)]	186.25	300.00
3	Bank guarantee given to Long Term Transmission Customers on behalf of its subsidiary companies.	538.37	461.63

The Company has not provided for disputed service tax, excise duty, value added tax and customs duty arising from disallowances made in assessments which are pending with appellate authorities for its decision. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities

NOTE 38: HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts

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

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

The cash flow hedges during the year ended 31 March 2019 were assessed to be highly effective and a net unrealised loss of ₹ 829.06 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended 31 March 2018 were assessed to be highly effective and an unrealised loss of ₹ 428.35 million was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2019 are expected to mature and affect the statement of profit and loss during the year ended 31 December 2021.

NOTE 39: DERIVATIVE INSTRUMENTS

(₹ in million)

Purpose	Foreign currency	Amount	Buy/Sell	No. of contracts
31 March 2019				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 91.17	6,306.07	Buy	229
Hedge of trade receivables and highly probable foreign currency sale	US $ 67.05	4,637.80	Sell	67
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 2.43	188.43	Buy	1
Hedge of trade receivables and highly probable foreign currency sale	EUR 5.48	426.09	Sell	15
Hedge of trade receivables and highly probable foreign currency sale	BRL 52.31	924.73	Sell	11
31 March 2018				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 137.42	8,938.66	Buy	232
Hedge of trade receivables and highly probable foreign currency sale	US $ 77.54	5,043.38	Sell	63
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 3.06	246.30	Buy	2
Hedge of trade receivables and highly probable foreign currency sale	EUR 1.41	113.81	Sell	3

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amounts payable in foreign currency on account of the following:

(₹ in million)

Category	Currency type	**31 March 2019**		31 March 2018	
		Foreign currency	**Amount**	Foreign currency	Amount
Import of goods and services	USD	0.01	0.89	0.74	48.12

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

Notes to Financial Statements

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The following are the outstanding future contracts entered into by the company as on 31 March 2019:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2019	Aluminium	256	1,06,294	Buy
31 March 2019	Aluminium	37	12,561	Sell
31 March 2019	Copper	10	795	Buy
31 March 2019	Copper	2	354	Sell
31 March 2018	Aluminium	191	93,795	Buy
31 March 2018	Aluminium	37	15,002	Sell
31 March 2018	Copper	7	586	Buy
31 March 2018	Copper	3	100	Sell

NOTE 40: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

(₹ in million)

Description	31 March 2019	31 March 2018
(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	72.83	7.52
Interest due on above	1.95	1.35
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.95	1.35
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 1.95 million (31 March 2018: ₹ 1.35 million) and same is not accrued in the books of accounts.

NOTE 41 : OTHER NOTES

i) The Company had entered into contract for hedge of aluminium prices at LME denominated in USD on behalf of its subsidiary Sterlite Power Grid Ventures Limited (SPGVL) for contract for supply of conductors received from SPGVL's Brazilian subsidiary. The same were incorrectly recorded as hedging done on behalf of the subsidiary and adjusted to carrying value of investment in subsidiary as at March 31, 2018 which has now been corrected. Accordingly, the figures for March 31, 2018 have been restated and as a result, the carrying amount of Investment in subsidiary has decreased by ₹ 339.36 million ,OCI/Cash flow hedge reserve has decreased by ₹ 339.36 million and increase in Fair Value through OCI Reserve of ₹ 260.29 million (net of deferred tax liability of ₹ 79.07 million) as at March 31, 2018.

ii) The Board of directors in it's meeting held on May 30, 2018 approved a Scheme of amalgamation of Sterlite Power Grid Ventures Limited (wholly owned subsidiary of the Company) with the Company under the Companies Act, 2013 with the appointed date of April 1, 2017. The Company has filed the Scheme with National Company Law Tribunal ('NCLT') and the same is pending for NCLT approval.

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NOTE 42: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

Particulars	Carrying Value		Fair Value	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Financial assets				
Investment in subsidiaries	58,881.07	45,316.88	58,881.07	45,316.88
Investment Others	112.45	112.45	112.45	112.45
Investment in mutual funds	68.84	65.59	68.84	65.59
Total	**59,062.36**	**45,494.92**	**59,062.36**	**45,494.92**
Financial liabilities				
Payable for ESAR	45.89	9.86	45.89	9.86
Derivative instruments	936.11	724.68	936.11	724.68
Total	**982.00**	**734.54**	**982.00**	**734.54**

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

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

- The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporates various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The fair values of commodity futures contracts are based on price quotations on LME at the reporting date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown below:

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Description of significant unobservable inputs to valuation:

A. FVTOCI assets - Unquoted equity instruments of Sterlite Power Grid Ventures Limited ('SPGVL')

The fair value of the investments in equity instruments of SPGVL (Equity shares) have been determined based on the fair values of the various transmission projects owned by SPGVL and the fair value of the EPC business undertaken by SPGVL (for its subsidiaries which are transmission project entities). Such fair values have been computed based on discounted cash flow (DCF) method.

(₹ in million)

S.N.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value (of equity shares)	
				31 March 2019	31 March 2018
(i)	Cost of Equity	(i) Operational Projects/projects nearing completion - 31 March 2019 - 13% - 14% 31 March 2018 - 12%	0.5% increase	(1,125.04)	(1,060.00)
		(ii) New/under construction project - 31 March 2019 - 14% - 16% 31 March 2018 - 14% - 16% (iii) EPC Business - 31 March 2019 - 12.85% 31 March 2018 - 13.45%	0.5% decrease	1,229.25	1,170.00
(ii)	Cost of Debt	(i) Transmission Business 31 March 2019 - 8.50% to 8.95% 31 March 2018 - 8.50% to 8.95%	0.5% increase	(1,340.00)	(1,840.00)
		(ii) EPC Business 31 March 2019 - 8.81% 31 March 2018 - 8.81%	0.5% decrease	1,320.00	1,840.00
(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)	Incremental tariff has been considered in the fair valuation of Gurgaon Palwal Transmission Limited, Khargone Transmission Limited and NER-II Transmission Limited for the year ended March 31,2019.	Increase by 5% (of non-escalable tariff)	60.00	-
			Decrease by 5% (of non-escalable tariff)	(60.00)	-
(iv)	Debt refinancing after completion of the project (for under construction assets)	Refer note below	10% increase	1,420.00	637.22
			10% decrease	(1,370.00)	(638.70)
(v)	Project cost (for under construction assets)	Refer note below	5% increase	(2,580.00)	(3,479.20)
			5% decrease	2,590.00	3,470.80
(vi)	Coupon rate for investments which will be transferred	31 March 2019 - 9% 31 March 2018 - Not applicable	0.25% increase	(1,240.00)	-
			0.25% decrease	1,240.00	-

Note:

(₹ in million)

Project	Debt Refinancing after completion of project		Project cost	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
NRSS XXIX Transmission Limited	-	9,000.00	-	22,740.00
Khargone Transmission Limited	-	930.00	11,850.00	11,850.00
Odisha Generation Phase-II Power Transmission Limited	-	610.00	-	10,430.00
Gurgaon-Palwal Transmission Limited	-	900.00	8,260.00	8,260.00
NER-II Transmission Limited	8,200.00	7,650.00	22,120.00	22,120.00
Goa-Tamnar Transmission Project Company Limited	1,850.00	1,470.00	9,587.00	10,000.00

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B. FVTOCI assets - Unquoted equity instruments of Sharper Shape Group Inc.

Valuation technique: Discounted Cash Flow (DCF) method

(₹ in million)

S.N.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value as of 31 March 2019 / 31 March 2018
(i)	Long-term growth rate for cash flows for subsequent years	31 March 2019: 3% 31 March 2018: 3%	2% increase 2% decrease	2% increase in the growth rate would result in increase in fair value by ₹ 3.51 million and 2% decrease would result decrease in fair value by ₹ 3.51 million
(ii)	Long-term operating margin	31 March 2019: 10.48% 31 March 2018: 10.48%	1% increase 1% decrease	1% increase would result in increase in fair value by ₹ 4.01 million and 1% decrease would result decrease in fair value by ₹ 4.01 million
(iii)	WACC (pre-tax)	31 March 2019: 22.92% 31 March 2018: 22.92%	1% increase 1% decrease	1% increase in the WACC would result in decrease in fair value by ₹ 8.25 million and 1% decrease in fair value would result in increase in fair value by ₹ 8.25 million
(iv)	Discount for lack of marketability	31 March 2019: 10% 31 March 2018: 10%	5% increase 5% decrease	Increase in the discount by 5% would result in decrease in fair value by ₹ 6.25 million and decrease in discount by 5% would result in increase in the fair value by ₹ 6.25 million

C. FVTOCI assets - Unquoted equity instruments of Sterlite Investment Managers Limited (SIML)

The Company is in process of selling its stake in SIML to an Investor. It has signed a binding agreement for sale of 74% equity shares of total equity share capital of SIML to Investor at an agreed price in different tranches. For the balance 26% stake in total share capital of SIML, the Company has put option with agreed put price. Hence sensitivity has not been done for company stake in SIML.

NOTE 43: FAIR VALUES HIERARCHY

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2019 and 31 March 2018

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at 31 March 2019	68.84	68.84	-	-
As at 31 March 2018	65.59	65.59	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at 31 March 2019	48,894.96			48,894.96
As at 31 March 2018	35,239.31	-	-	35,239.31
Derivative liabilities				
As at 31 March 2019	936.11		936.11	
As at 31 March 2018	724.68	-	724.68	-

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

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NOTE 44: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(a) Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018

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 2019.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analysis:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018

Interest rate risk

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

The Company is exposed to the interest rate fluctuation in domestic borrowing. The Company has all its borrowing on floating rate of interest.

Interest rate sensitivity

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

(Amount in ₹ million)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2019		
Base Rate	+50	38.11
Base Rate	-50	(38.11)
31 March 2018		
Base Rate	+50	87.59
Base Rate	-50	(87.59)

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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 99.96% as at March 31, 2019 and 98.72% as at March 31, 2018.

Foreign currency sensitivity

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

(₹ in million)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
31 March 2019	+5%	(0.04)/(0.03)	+5%	*0.00/*0.00
	-5%	0.04/0.03	-5%	*0.00/*0.00
31 March 2018	+5%	2.40/98.45	+5%	*0.00/7.10
	-5%	(2.40)/(98.45)	-5%	*0.00/(7.10)

* below ₹ 0.01 million

Commodity price risk

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

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

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

Commodity price sensitivity

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

Equity price risk

The Company's non-listed equity securities, redeemable preference shares and compulsorily convertible preference shares are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

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At the reporting date, the exposure to non-listed equity securities, redeemable preference shares was ₹ 58,993.50 million (31 March 2018: ₹ 45,429.32 million).

Sensitivity analysis of these investments have been provided in Note 42

(b) Credit risk

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

Trade receivables

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

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

Financial guarantee contracts

The Company is exposed to credit risk in relation to financials guarantee given by the Company on behalf of subsidiaries. The Company's maximum exposure in this regard is the maximum amount company could have to pay if the guarantee is called on as at 31 March 2019 ₹ 731.17 million (31 March 2018: ₹ 761.63 million). These financial guarantees have been issued to bank and long term transmission customer on behalf of its subsidiaries . Based on the expectations at the end of reporting period, the company considers likelihood of any claim under guarantee is remote.

Factoring

The company has entered into an arrangement with HDFC Bank for non recourse factoring pursuant to which the company has derecognised trade receivables of ₹ 750.43 millions (31 March 2018: 1043.09 million)

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in Note 39 and the liquidity table below:

(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.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be

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reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

₹ in million

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2019						
Borrowings	245.49	3,828.08	9,090.64	13,724.06	-	26,888.27
Other financial liabilities	-	1,653.42	1,061.50	45.89	-	2,760.81
Trade payables	-	6,471.58	-	-	-	6,471.58
Payables for purchase of property, plant and equipment	-	194.77	-	-	-	194.77
Derivatives	-	112.53	823.58	-	-	936.11
Financial guarantee contracts*	724.63	-	-	-	-	724.63
	970.12	**12,260.37**	**10,975.72**	**13,769.95**	**-**	**37,976.16**
As at March 31, 2018						
Borrowings	1,892.08	1,985.15	978.96	-	-	4,856.17
Other financial liabilities	-	2,329.75	1,035.28	9.86	-	3,374.89
Trade payables	-	7,286.68	-	-	-	7,286.68
Payables for purchase of property, plant and equipments	-	2.29	-	194.04	-	196.35
Derivatives	-	-	724.68	-	-	724.69
Financial guarantee contracts*	761.63	-	-	-	-	761.64
	2,653.71	**11,603.87**	**2,738.90**	**203.90**	**-**	**17,200.44**

* Based on the maximum amount that can be called for under the financial guarantee contract. Financial guarantee contract pertains to guarantees given to term loan lender, long term transmission customer on behalf of subsidiaries. These will be invoked in case of default by subsidiaries. (refer Note 37)

NOTE 45: CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Interest bearing loans and borrowings	29,583.85	25,792.94
Trade payables	6,544.41	7,752.68
Other financial liabilities	260.00	223.69
Less: cash and short-term deposits and current Investments	(11,298.09)	(11,018.22)
Net debt	**25,090.17**	**22,751.09**
Equity share capital	122.36	122.36
Other equity	29,396.27	21,161.69
Total capital	**29,518.63**	**21,284.05**
Capital and net debt	**54,608.80**	**44,035.16**
Gearing ratio	45.95%	51.67%

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The company has breached some debt covenants during the current year for which the company has accrued additional interest as per the terms of the borrowings agreed with the lender. There is no default in repayment of interest or loan amount during the year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

NOTE 46: RELATED PARTY DISCLOSURES

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

(a) Related parties where control exists

(i) Holding company

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

(ii) Subsidiaries

Sterlite Power Grid Ventures Limited
Sterlite Grid 1 Limited (till 29 May 2017)
Sterlite Grid 2 Limited
Sterlite Grid 3 Limited
Sterlite Grid 4 Limited
Sterlite Grid 5 Limited
Sterlite Grid 6 Limited
Sterlite Grid 7 Limited
Sterlite Grid 8 Limited
Sterlite Grid 9 Limited
Sterlite Grid 10 Limited
Sterlite Grid 11 Limited
Sterlite Grid 12 Limited
Sterlite Grid 13 Limited
Sterlite Grid 14 Limited
Sterlite Grid 15 Limited
Sterlite Grid 16 Limited
Sterlite Grid 17 Limited
Sterlite Grid 18 Limited
Sterlite Grid 19 Limited
Sterlite Grid 20 Limited
Sterlite Grid 21 Limited
Sterlite Grid 22 Limited
Sterlite Grid 23 Limited
Sterlite Grid 24 Limited
Sterlite Grid 25 Limited
Sterlite Grid 26 Limited
Sterlite Grid 27 Limited
Sterlite Grid 29 Limited
East-North Interconnection Company Limited
Jabalpur Transmission Company Limited (till 29 May 2017)
Bhopal Dhule Transmission Company Limited (till 29 May 2017)
Purulia & Kharagpur Transmission Company Limited (till 14 February 2018)
RAPP Transmission Company Limited (till 14 February 2018)
NRSS XXIX Transmission Limited
NRSS XXIX JS Transmission Limited
Maheshwaram Transmission Limited (till 14 February 2018)

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Odisha Generation Phase II Transmission Limited
Gurgaon Palwal Transmission Limited
NER II Transmission Limited
Khargone Transmission Limited
Sterlite Investment Managers Limited
Sterlite Convergence Limited
Goa Tamnar Transmission Limited
Se Vineyards Power Transmission S.A., Brazil
Arcoverde Transmissao De Ebergia S.A., Brazil
Sterlite Brazil Participicos, S.A., Brazil
Sterlite Novo Estado Energia S.A, Brazil
Dunas Transmissão de Energia S.A
Borborema Transmissão de Energia S.A.
São Francisco Transmissão de Energia S.A.
Goyas Transmissão de Energia S.A.
Marituba Transmissão de Energia S.A.
Solaris Transmissão de Energia S.A.
Pampa Transmissão de Energia S.A.

(iii) **Associate**
India Grid Trust (from 30 May 2017)

(iv) **Subsidiaries of associate**
Sterlite Grid 1 Limited (from 30 May 2017)
Jabalpur Transmission Company Limited (from 30 May 2017)
Bhopal Dhule Transmission Company Limited (from 30 May 2017)
Purulia & Kharagpur Transmission Company Limited (from 15 February 2018)
RAPP Transmission Company Limited (from 15 February 2018)
Maheshwaram Transmission Limited (from 15 February 2018)
Patran Transmission Company Limited (from 30 August 2018)

(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. Arun Todarwal (Non executive & Independent Director)
Mr. Lalit Tondon (Non executive & Independent Director)
Mr. Pratik Agarwal (CEO & Managing Director)
Mr. Pravin Agarwal (Chairman)

(ii) **Fellow subsidiaries**
Vedanta Limited
Bharat Aluminium Company Limited
Hindustan Zinc Limited
Twinstar Technologies Limited
Sterlite Technologies Limited
Sterlite Power Technologies Private Limited
Maharashtra Transmission Communication Infrastructure Limited

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

(i) **Key Management Personnel (KMP)**
Mr. Ashok Ganesan (Company Secretary) (from 1 October 2017)
Mr. Swapnil Patil (Company Secretary) (from 1 June 2016 till 29 May 2017)
Mr. Anuraag Srivastava (Chief financial officer) (from 15 June 2018)

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

(₹ in million)

S. No.	Particulars	Subsidiaries		Holding Company		KMP		Fellow subsidiaries		Subsidiaries of associate	
		2018-19	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18
	Transactions										
1	Investment in redeemable preference shares	-	10,100.16	-	-	-	-	-	-	-	-
2	Investment in equity shares	-	0.50	-	-	-	-	-	-	-	-
3	Loans and advances given	50.70	-	-	-	-	-	75.00	-	-	-
4	Loans and advances received	10,390.64	9,200.00	-	-	-	-	-	0.40	-	-
5	Purchase of goods	-	-	-	-	-	-	11,127.25	11,755.41	-	-
6	Sale of services	144.23	-	-	-	-	-	-	23.72	-	-
7	Sale of goods (net of indirect taxes)	1,182.91	3,406.25	-	-	-	-	30.15	185.73	6.58	-
8	Interest paid	-	-	-	-	-	-	-	2.25	-	-
9	Interest income	-	-	-	-	-	-	11.05	10.97	-	-
10	Advance received against supplies	145.68	304.18	-	-	-	-	-	-	-	-
11	Management fees received (net of indirect taxes)	63.27	50.00	-	-	-	-	-	34.00	-	-
12	Management fees paid	-	-	-	-	-	-	30.00	-	-	-
13	Reimbursement of expenses to related parties	26.17	-	-	-	-	-	6.92	22.39	-	-
14	Purchase of power	-	-	-	-	-	-	16.83	18.10	-	-
18	Capital advance	-	-	-	-	-	-	-	-	2.00	-
15	Remuneration	-	-	-	-	71.21	41.33	-	-	-	-
16	Sitting fees	-	-	-	-	3.10	1.15	-	-	-	-
17	ESAR expense	-	-	-	-	17.88	4.65	-	-	-	-
18	Recovery of receivables (Fixed deposit held by STL before demerger)	-	-	-	-	-	-	47.67	-	-	-
	Outstanding Balances										
1	Advance outstanding against supplies	145.68	494.10	-	-	-	-	-	-	-	-
2	Loans/advance receivables##	76.87	-	-	-	-	-	308.85	177.93	-	-
3	Other receivables			-	-	-	-			-	-
4	Other payables			-	-	-	-			-	-
5	Loan payable	19,590.64	9,200.00	-	-	-	-	-	-	-	-
6	Capital advance	-	-	-	-	-	-	-	-	2.00	-
7	Trade receivables	928.36	1,608.40	-	-	-	-	16.25	48.51	0.58	-
8	Management fee receivable	68.33	62.54	-	-	-	-	-	-	-	-
9	Trade payables	-	-	-	-	-	-	569.81	3,994.63	-	-
10	Investment in preference shares	10,098.55	10,098.55	-	-	-	-	-	-	-	-
11	Corporate and bank guarantees given and outstanding	724.63	761.63	-	-	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

Particulars		Relationship	31 March 2019	31 March 2018
1	Investment in redeemable preference shares			
	Sterlite Power Grid Ventures Limited (purchased from third party)	Subsidiary	-	10,100.16
2	Investment in equity shares			
	Sterlite Convergence Limited	Subsidiary	-	0.50
3	Loans and advances given			
	Sterlite Technologies Limited	Fellow subsidiary	75.00	-
	Sterlite Convergence Limited	Subsidiary	50.70	-
4	Loans and advances received			
	Sterlite Power Grid Ventures Limited	Subsidiary	10,390.64	9,200.00
	Twinstar Technologies Limited	Fellow subsidiary	-	0.40
5	Purchase of goods			
	Vedanta Limited	Fellow subsidiary	10,297.27	9,932.28
	Bharat Aluminium Company Limited	Fellow subsidiary	588.06	1,518.64
	Hindustan Zinc Limited	Fellow subsidiary	13.68	5.24
	Sterlite Technologies Limited	Fellow subsidiary	228.23	299.26
6	Sale of services			
	Vedanta Limited	Fellow subsidiary	-	23.72
	Sterlite Convergence Limited	Subsidiary	144.23	-
7	Sale of goods (net of indirect taxes)			
	Sterlite Power Grid Ventures Limited	Subsidiary	1,156.49	3,403.49
	Bhopal Dhule Transmission Company Limited	Subsidiary	-	0.28
	East-North Interconnection Company Limited	Subsidiary	26.42	2.48
	Hindustan Zinc Limited	Fellow subsidiary	13.77	-
	Sterlite Technologies Limited	Fellow subsidiary	16.38	-
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	6.58	-
8	Interest paid			
	Hindustan Zinc Limited	Fellow subsidiary	-	0.33
	Sterlite Technologies Limited	Fellow subsidiary	-	1.92
9	Interest income			
	Sterlite Power Technologies Private Limited	Fellow subsidiary	11.05	10.97
10	Advance received against supplies			
	Sterlite Power Grid Ventures Limited	Subsidiary	145.68	304.18
11	Management fees received (net of indirect taxes)			
	Sterlite Investment Managers Limited	Subsidiary	63.27	50.00
	Sterlite Technologies Limited	Fellow subsidiary	-	34.00
12	Management fees paid			
	Sterlite Technologies Limited	Fellow subsidiary	30.00	-
13	Reimbursement of expenses			
	Sterlite Technologies Limited	Fellow subsidiary	6.92	22.39
14	Purchase of power			
	Vedanta Limited	Fellow subsidiary	16.83	18.10
15	Remuneration			
	Mr. Pratik Agarwal	KMP	48.69	35.99
	Mr. Anuraag Srivastava	KMP	15.97	-
	Mr. Ashok Ganesan	KMP	6.55	5.34

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Particulars		Relationship	31 March 2019	31 March 2018
16	Sitting fees			
	Mr. Arun Todarwal	KMP	1.53	0.51
	Ms. Avaantika Kakkar	KMP	-	0.12
	Mr. Lalit Tondon	KMP	1.58	0.52
17	ESAR expense			
	Mr. Pratik Agarwal	KMP	15.02	3.90
	Mr. Anuraag Srivastava	KMP	2.06	0.54
18	Recovery of receivables (Fixed deposit held by STL before demerger)			
	Sterlite Technologies Limited	Fellow Subsidiary	47.67	-
19	Capital advance			
	Sterlite Grid 1 Limited	Subsidiary of as associate	2.00	-

(D) Compensation of Key management personnel of the company:

Particulars	31 March 2019	31 March 2018
Short term employee benefits	71.21	41.33
Post employment benefits#	-	-

#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

Include interest accrued on loans.

Note

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

NOTE 47: SEGMENT INFORMATION

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. Thus, disclosures required by Ind AS-108 are given in consolidated financial statements.

NOTE 48: EMPLOYEE STOCK APPRECIATION RIGHTS

During the year ended 31 March 2019, Company granted 218,625 (31 March 2018 : 2,97,000) Employee Stock Appreciation Rights (ESARs) to eligible employees and cancelled 155,700 (31 March 2018: Nil) ESARs due to separation or otherwise, under the Employee Stock Appreciation Rights 2017 ("ESAR 2017") Plan ("Plan") as approved by the Committee formed under the Plan vide Board Resolution dated 8 October 2017.

Following is the reconciliation of provision for ESAR outstanding -

Particulars	31 March 2019		31 March 2018	
	Numbers	Amount (₹ in million)	Numbers	Amount (₹ in million)
Opening balance as at the beginning of the year	**2,97,900**	**9.86**	**-**	**-**
ESARs granted during the year	2,18,625	7.23	2,97,900	-
ESARs cancelled during the year	(1,55,700)	(5.15)	-	-
Payment towards ESARs vested	-	-	-	-
Balance	**3,60,825**	**11.94**	**2,97,900**	**-**
Accrual for the year at previous years FMV		23.88		-
Impact of increase in FMV of equity share	-	10.07	-	9.86
Closing balance as at the end of the year	**3,60,825**	**45.89**	**2,97,900**	**9.86**

Notes to Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Vesting of ESARs is subject to continued employment with the Company. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the SAR price (i.e the base price defined on the grant date of SAR) specified in the Scheme. The FMV is determined by the Committee based on the discounted cash flow valuation and other relevant factors. As at 31 March 2019, excess of FMV over SAR price specified in the ESAR Scheme 2017 is ₹ 91.84 million (31 March 2018: 59.15 million) and accordingly an expense of ₹ 36.03 million (31 March 2018: ₹ 9.86 million) has been recorded in the statement of profit and loss.

NOTE 49: DEMERGER OF POWER PRODUCTS BUSINESS FROM STERLITE TECHNOLOGIES LIMITED

The Board of directors of the Sterlite Technologies Limited on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of 1 April, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated 22 April 2016 and it became effective from 23 May 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, an amount of ₹ 2,379.79 million being the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. 1 April 2015. This goodwill is being amortised over a period of five years as required under the Scheme. The amortisation charge for the current year is ₹ 475.96 million (31 March 2018: ₹ 475.96 million). Under Ind AS, the differential amount of ₹ 2,379.79 would have been adjusted to reserves and no goodwill would have been recognised since the business combination was a common control transaction.

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Independent Auditor's Report

To
The Members of
Sterlite Power Transmission Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Sterlite Power Transmission Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 51 to the consolidated Ind AS financial statements which describes that the Group had recognised goodwill on accounting for merger during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date i.e. April 1, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Honourable Bombay High Court. Our opinion is not qualified in respect of this matter

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of 10 subsidiaries whose Ind AS financial statements include total assets of ₹ 13,353.10 million as at March 31, 2019, and total revenues of ₹ 7,223.18 million and net cash outflows/(inflows) of ₹ 2,644.03 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 13 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 7.91 million as at March 31, 2019, and total revenues of ₹ Nil million and net cash outflows/(inflows) of ₹ 1.00 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 43 to the consolidated Ind AS financial statements;

   ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 9, 20 and 21 to the consolidated Ind AS financial statements;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiaries incorporated in India, during the year ended March 31, 2019.

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

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 14, 2019

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Sterlite Power Transmission Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Sterlite Power Transmission Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Sterlite Power Transmission Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 14, 2019

Consolidated Balance Sheet

As at 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,927.29	16,513.58
Capital work-in-progress	3	28,915.24	35,329.14
Goodwill	4,5	601.85	1,202.05
Other intangible assets	4	129.16	62.49
Intangible assets under development	4	225.05	-
Investment in associate	6A	8.26	5,932.66
Financial assets			
i. Investments	6B	112.45	112.45
ii. Other financial assets	9	76.09	34.54
Other non-current assets	10	12,535.04	3,836.26
Deferred tax assets (net)	23	2,882.92	2,078.52
Assets classified as held for sale	11	129.55	-
Total non-current assets		**59,542.90**	**65,101.69**
Current assets			
Inventories	12	1,992.03	2,093.48
Financial assets			
i. Investments	6B	802.25	555.81
ii. Loans	7	260.65	180.22
iii. Trade receivables	8	6,911.57	8,016.12
iv. Cash and cash equivalents	13	4,264.43	959.91
v. Other bank balances	14	554.28	368.49
vi. Other financial assets	9	966.75	901.27
Other current assets	10	5,229.70	3,039.85
Assets classified as held for sale	11	41,970.04	-
Total current assets		**62,951.70**	**16,115.15**
TOTAL ASSETS		**122,494.60**	**81,216.84**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	122.36	122.36
Other equity			
i. Securities premium	16	4,536.80	4,536.80
ii. Retained earnings	16	(10,405.74)	(5,281.65)
iii. Other reserves	16	(1,008.86)	65.56
Total equity		**(6,755.44)**	**(556.93)**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17	46,957.17	53,272.10
ii. Other financial liabilities	20	45.89	213.29
Provisions	21	278.83	-
Employee benefit obligations	22	94.08	52.95
Deferred tax liabilities (net)	23	175.29	239.59
Total non-current liabilities		**47,551.26**	**53,777.93**
Current liabilities			
Financial liabilities			
i. Borrowings	18	11,241.98	8,158.87
ii. Trade payables	19	8,341.70	7,565.95
iii. Other financial liabilities	20	16,006.19	9,630.65
Employee benefit obligations	22	47.63	46.99
Other current liabilities	24	2,797.49	2,585.81
Current tax liabilities (net)		147.42	7.57
Liabilities directly associated with assets classified as held for sale	11	43,116.37	-
Total current liabilities		**81,698.78**	**27,995.84**
Total liabilities		**129,250.04**	**81,773.77**
TOTAL EQUITY AND LIABILITIES		**122,494.60**	**81,216.84**
Summary of significant accounting policies	2.3		

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

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
INCOME			
Revenue from operations	25	35,550.06	25,424.91
Other income	27	164.54	4,299.39
Total income (I)		**35,714.60**	**29,724.30**
EXPENSES			
Cost of raw material and components consumed	28	13,271.57	14,078.41
Construction material and contract expense	29	11,242.25	1,737.83
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	30	(264.15)	343.40
Excise duty on sale of goods		-	218.88
Employee benefits expense	31	1,654.85	885.72
Other expenses	32	5,309.11	3,963.69
Total expenses (II)		**31,213.63**	**21,227.93**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**4,500.97**	**8,496.37**
Depreciation and amortisation expense	33	1,951.90	1,955.87
Impairment expense	34	1,873.65	-
Finance costs	35	6,011.47	4,342.83
Finance income	26	(185.00)	(172.93)
Profit/(loss) before share of profit of an associate and tax expense		**(5,151.05)**	**2,370.60**
Share of profit of an associate		**325.99**	**435.85**
Profit/(loss) before tax		**(4,825.06)**	**2,806.45**
Tax expense:	23		
Current tax		1,198.92	1,270.03
Less: MAT credit entitlement		(154.23)	(216.54)
Deferred tax		(611.19)	(636.19)
Income tax for earlier years		(21.50)	5.49
Income tax expense		**412.00**	**422.79**
Profit/(loss) for the year		**(5,237.06)**	**2,383.66**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(523.67)	0.04
Income tax effect		183.25	-
		(340.42)	**0.04**
Net movement on cash flow hedges		(475.83)	(520.47)
Income tax effect		(131.16)	146.13
		(606.99)	**(374.34)**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(947.41)**	**(374.30)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(8.68)	4.63
Income tax effect		0.68	(1.04)
		(8.00)	**3.59**
Other comprehensive income for the year		**(955.41)**	**(370.71)**
Total comprehensive income for the year		**(6,192.47)**	**2,012.95**
Earnings per equity share [Nominal value per share ₹ 2 (31 March 2018: ₹ 2)]	36		
Basic and diluted			
Computed on the basis of profit/(loss) for the year (₹)		**(85.60)**	**38.96**
Summary of significant accounting policies	2.3		

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

As per our report of even date

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

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Consolidated Cash Flow Statement

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/ (Loss) as per consolidated statement of profit and loss		(5,237.06)	2,383.66
Adjustment for taxation		412.00	422.79
Profit/(Loss) before tax		**(4,825.06)**	**2,806.45**
Non-cash adjustment to reconcile profit/(loss) before tax to net cash flows			
Depreciation and amortisation expense	33	1,951.91	1,955.87
Provision for doubtful debts and advances	32	41.71	4.61
Loss/(gain) on sale of property, plant and equipment	32, 27	43.77	(43.42)
Insurance claim written off	32	65.44	-
Unrealized exchange difference (net)		519.32	57.82
Impairment expense	34	1,873.65	-
Provision for employees stock appreciation rights	31	50.60	53.75
Provision for onerous contracts	32	278.83	-
Provision for diminution in value of investment in an associate	32	624.27	-
Bad debts / advances written off		0.61	-
Finance costs	35	6,011.47	4,342.83
Finance income	26	(185.00)	(172.93)
Share in profit of an associate	6A	(325.99)	(435.85)
Net gain on sale of power transmission assets	27	(156.72)	(4,250.16)
		10,793.87	**1,512.52**
Operating profit before working capital changes		**5,968.81**	**4,318.97**
Movements in working capital :			
Increase in trade payables		981.17	3,996.56
Increase in employee benefit obligations		31.45	12.93
Increase/(decrease) in other liabilities		(53.43)	903.20
Increase/(decrease) in other financial liabilities		(1,272.37)	473.34
Decrease/(increase) in trade receivables		1,364.44	(4,160.91)
Decrease/(increase) in inventories		101.46	(355.07)
Decrease/(increase) in other current financial assets		(291.06)	(714.12)
Decrease/(increase) in other non current financial assets		95.11	1.90
Decrease/(increase) in other current assets		(2,424.36)	(2,077.51)
Decrease/(increase) in other non current assets		(9,647.16)	(14.05)
Change in working capital		**(11,114.75)**	**(1,933.73)**
Cash generated from/(used in) operations		**(5,145.94)**	**2,385.24**
Direct taxes paid (net of refunds)		(1,157.01)	(1,355.98)
Net cash flow from /(used in) operating activities		**(6,302.95)**	**1,029.26**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including capital work-in-progress and capital advances		(19,220.98)	(20,710.20)
Proceeds from sale of tangible assets		22.49	49.92
Purchase of current investments (net)		(1,594.65)	(7,204.69)
Investment in associate		(119.06)	-
Proceeds from sale of investments in subsidiaries*		-	11,426.46
Purchase of equity shares of subsidiaries		-	(1.00)
Investment in bank deposits (having original maturity of more than three months)		(239.82)	(100.99)
Redemption of bank deposits		-	83.69
Purchase of Optionally Convertible Preference Shares (OCRPS)		-	(10,098.55)
Loans given to related parties, net of repayment		(71.68)	-
Loans repayment received		2.30	12.92
Interest/dividend received		858.88	549.29
Net cash flow used in investing activities		**(20,362.52)**	**(25,993.15)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of non cumulative redeemable preference shares		-	(2,247.36)
Proceeds from issue of cumulative redeemable preference shares		-	34.74
Proceeds of long term borrowings		71,368.45	37,038.50
Repayment of long term borrowings		(34,293.40)	(3,790.00)
Proceeds/(repayment) of short term borrowings (net)		2,043.69	1,385.87

Consolidated Cash Flow Statement

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	Note	31 March 2019	31 March 2018
Finance costs paid		(8,994.51)	(7,524.02)
Net cash flow from financing activities		**30,124.23**	**24,897.73**
Net increase/(decrease) in cash and cash equivalents		**3,458.76**	**(66.16)**
Cash and cash equivalents as at beginning of year		959.91	1,026.07
Cash and cash equivalents classified under assets held for sale		(154.24)	-
Cash and cash equivalents as at year end		**4,264.43**	**959.91**
* Does not include amount of ₹ 5,880.00 million towards exchange of units of India Grid Trust against the sale of subsidiaries by the Group.			
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts		3,907.16	959.48
Deposit with original maturity of less than 3 months		357.14	-
Cash in hand		0.13	0.43
Total cash and cash equivalents (Refer note 13)		**4,264.43**	**959.91**

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

Particulars	Long term borrowings	Short term borrowings
01 April 2017	**46,977.87**	**7,850.23**
Cash flow		
- Interest	(6,441.80)	(1,082.23)
- Proceeds, net	22,606.84	1,739.75
Non-cash changes		
- Classified as current maturities	1,401.52	-
- Notional interest	164.90	-
- Transferred on sale of subsidiaries	(17,881.18)	(1,581.11)
Accrual for the period	6,443.95	1,232.23
31 March 2018	**53,272.10**	**8,158.87**
Cash flow		
- Interest	(7,698.85)	(1,295.65)
- Proceeds/(repayments)	37,075.05	2,043.69
Non-cash changes		
- Classified as current maturities	(543.29)	-
- Notional interest	1,110.74	-
- Others	(0.99)	(8.65)
- Transferred to held for sale	(40,607.09)	-
Accrual for the period	4,349.50	2,343.72
31 March 2019	**46,957.17**	**11,241.98**

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019
(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
At 01 April 2017	**61.18**	**122.36**
Issued during the year	-	-
At 31 March 2018	**61.18**	**122.36**
Issued during the year	-	-
At 31 March 2019	**61.18**	**122.36**

B. OTHER EQUITY

(₹ in million)

Particulars	Reserves and surplus					Items of other comprehensive income		Total equity
	Securities premium	Retained earnings	Debenture redemption reserve	Legal reserve	Special unearned income reserve	Cash flow hedge reserve	Foreign currency translation reserve	
Balance as at 01 April 2017	**6,748.37**	**(9,880.46)**	**440.45**	**-**	**-**	**234.46**	**-**	**(2,457.18)**
Profit for the year [Refer note 50(d)]	-	2,383.66	-	-	-	-	-	2,383.66
Other comprehensive income	-	3.59	-	-	-	(374.30)	-	(370.71)
Total comprehensive income	**-**	**2,387.25**	**-**	**-**	**-**	**(374.30)**	**-**	**2,012.95**
Add: Liability reversed to the extent of premium on preference shares redeemed	-	2,211.57	-	-	-	-	-	2,211.57
Less: Amount utilised for payment of premium on redemption of preference shares during the year	(2,211.57)	-	-	-	-	-	-	(2,211.57)
Add: Reclassified to statement of profit and loss	-	-	-	-	-	(235.44)	-	(235.44)
Add: Addition during the year	-	-	-	0.35	-	-	0.04	0.39
Balance as at 31 March 2018	**4,536.80**	**(5,281.64)**	**440.45**	**0.35**	**-**	**(375.28)**	**0.04**	**(679.28)**
Loss for the year	-	(5,237.06)	-	-	-	-	-	(5,237.06)
Other comprehensive income	-	(7.98)	-	-	-	(606.99)	-	(614.97)
Total comprehensive income	**-**	**(5,245.04)**	**-**	**-**	**-**	**(606.99)**	**-**	**(5,852.03)**
Add: Impact of adoption of Ind AS 115 (Refer note 48)	-	18.22	-	-	-	-	-	18.22
Less: Transferred from debenture redemption reserve	-	341.57	(341.57)	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	(23.96)	-	(23.96)
Add: Addition during the year	-	(238.84)	-	11.60	226.90	-	(340.42)	(340.76)
Balance as at 31 March 2019	**4,536.80**	**(10,405.74)**	**98.88**	**11.95**	**226.90**	**(1,006.23)**	**(340.38)**	**(6,877.81)**

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

1. CORPORATE INFORMATION

Sterlite Power Transmission Limited ('the Company') is a public company domiciled in India and incorporated on 5 May 2015 under the provisions of the Companies Act, 2013. The Company and its subsidiaries (together referred to as 'the Group') are engaged in the business of power products and solutions and in the business of developing power transmission systems for concessional periods ranging from 25 to 35 years under Build, Own, Operate and Maintain ("BOOM") and Build, Operate and Transfer ('BOT') models. . Power products and solutions mainly include power transmission conductors, optical ground wire cables and power cable.

The consolidated financial Statements were authorised for issue in accordance with the resolution passed by the Board of Directors of the Company on 14 May 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS-12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business Combinations and goodwill

Goodwill arising on account of excess consideration paid over business value transferred under scheme of arrangement is amortised on a straight line basis over a period of five years from the date of arrangement as per Court Order (Refer note 51).

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
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measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement

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for the year ended 31 March 2019
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period adjustments. The measurement period does not exceed one year from the acquisition date.

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

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

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

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

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

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) **Current versus non-current classification**
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

d) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

e) Fair value measurement

The Group measures financial instruments such as mutual funds and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

Notes to Consolidated Financial Statements

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measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant liabilities, such as optionally convertible redeemable preference shares. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for the valuation.

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

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

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

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

- Quantitative disclosures of fair value measurement hierarchy (Note 55)
- Disclosures for valuation methods, significant estimates and assumptions (Note 37)
- Financial instruments (including those carried at amortised cost) (Note 6A, 6B, 7, 8, 9, 13, 14, 17, 18, 19, 20)

f) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that

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reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Sale of power products
Revenue from the sale of goods is recognised at a point in time control of the goods is transferred to the customer, generally on delivery of the equipment. The normal credit term is 60 to 180 days upon delivery.

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

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

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

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

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

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

Notes to Consolidated Financial Statements

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changes are determined. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Remuneration of concession assets
Remuneration from service concession arrangement comprise of interest income recognised using the discount rate that reflects the economic volatility on the future cash flows from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

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

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

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

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

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

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

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

g) Taxation

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

Current income tax relating to items recognised outside statement of profit or loss is recognised outside consolidated statement of profit or loss (either in other comprehensive income or in equity).

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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 utilised.

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

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

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

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

Sales/value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

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

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

h) Non-current assets held for sale
The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely

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that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

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

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

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Refer note 11 for additional disclosures.

i) Property, plant and equipment

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

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

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

(Life in number of years)

Asset Category	Useful Life considered	Useful life (Schedule II#)
Buildings (Office / factory)	30/60	30/60
Plant and machinery	2-20*	Continuous process plant- 25 Years Others- 15 Years
Substations	25-35	40
Power transmission lines (including components)	25-35	40
Data processing equipment (Computers)	3-6*	3-6
Furniture and fittings	7.5	10
Electric fittings	4 - 10 *	10
Office equipment	4-5*	3
Leasehold improvements	Lease period$	30
Vehicles	4-5*	8

Schedule II to the Companies Act, 2013

$Leasehold improvements are depreciated over the useful life of the asset or the lease period, whichever is lower.

*The Group, based on technical assessments made by technical experts and management estimates, depreciates certain items of, plant and equipment, data processing equipment, furniture and fittings, electrical fittings, office equipments and vehicles over estimated useful lives which are different from the useful

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life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

j) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

Softwares are amortised on a straight line basis over a period of five to six years. Goodwill on consolidation is being amortised on a straight line basis over a period of five years as per the Court Order (Refer note 51).

k) **Borrowing Costs**

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

l) **Leases**

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

Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are

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directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.3.k). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Group as lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m) Inventories

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

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

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

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

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

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

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

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

n) Impairment of non-financial assets

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

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or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

o) Provisions

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

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

p) Retirement and other employee benefits

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

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

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

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

q) **Employee Stock Appreciation Rights Scheme**

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

r) **Financial instruments**

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

i. Debt instruments at amortised cost

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

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

Debt instruments at amortised cost

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

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

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

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

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or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to loans, trade and other receivables (refer note 7, 8 and 9)

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

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

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

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

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

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

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

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

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

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

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing

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involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

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

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

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

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

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

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

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

This category generally applies to borrowings.

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

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

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

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

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

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal

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right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) **Cash and cash equivalents**

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

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

t) **Cash dividend distribution to equity holders of the Company**

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

u) **Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement

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

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

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

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

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

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

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

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

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

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

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

v) **Presentation of EBITDA**

The Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the consolidated statement of profit and loss. This is not required by the Ind AS 1. The EBITDA is not defined in the Ind AS. Ind AS compliant schedule III allows companies to present line items, sub line items and sub totals to be presented as an addition or substitution on the face of the consolidated financial statements when such presentation is relevant to an understanding of the Group's financial position or performance.

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

2.4 Standards issued but not yet effective

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from the current accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt this standard, if applicable, when it becomes effective. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Consolidated Financial Statements.

Other Amendments to Standards, issued but not effective, which are either not applicable to the Group or the impact is not expected to be material

(a) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

(b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

(c) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

(d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

(e) Annual improvement to Ind AS (2018):

- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT
(also refer note 11, 34, 40)

(₹ in million)

DESCRIPTION	Freehold Land	Leasehold improvements	Building	Transmission Lines	Plant and Machinery	Data Processing Equipments **	Furniture and Fittings	Office Equipments	Vehicles	Electrical Installations	Total
Cost											
As at 1 April 2017	687.78	60.59	879.20	20,522.37	2,904.70	79.22	48.79	31.56	13.64	256.89	25,484.75
Additions #	282.38	-	84.21	4,986.92	463.64	23.17	2.94	8.29	7.87	15.98	5,875.40
Disposals	(0.61)	-	(0.34)	(10,117.41)	(405.01)	(0.40)	(6.98)	(1.67)	(4.08)	(1.24)	(10,537.74)
As at 31 March 2018	**969.55**	**60.59**	**963.07**	**15,391.88**	**2,963.33**	**101.99**	**44.75**	**38.18**	**17.43**	**271.63**	**20,822.41**
Additions #	401.93	-	45.81	21,572.69	162.09	30.70	5.44	12.13	22.98	3.49	22,257.26
Adjustments ^	-	-	-	(150.00)	-	-	-	-	-	-	(150.00)
Disposals##	-	-	(0.17)	(63.05)	(113.71)	-	(0.30)	(0.42)	(4.53)	(0.02)	(182.20)
Transferred to assets held for sale (Refer note 11)	-	-	-	(23,959.21)	(0.45)	(0.58)	(2.22)	(7.92)	(2.72)	-	(23,973.10)
As at 31 March 2019	**1,371.48**	**60.59**	**1,008.71**	**12,792.31**	**3,011.26**	**132.11**	**47.67**	**41.97**	**33.16**	**275.10**	**18,774.37**
Depreciation/Impairment											
As at 1 April 2017	0.14	10.69	220.73	1,675.35	1,880.76	41.61	23.60	14.27	6.54	93.80	3,967.49
Additions	0.04	8.95	40.99	815.06	227.06	15.63	6.43	6.86	1.70	18.08	1,140.80
Impairment reversal	-	-	-	-	(10.86)	-	-	-	-	-	(10.86)
Disposals on sale of subsidiaries	-	-	-	(402.87)	(375.05)	(0.32)	(6.04)	(1.21)	(2.76)	(0.35)	(788.60)
As at 31 March 2018	**0.18**	**19.64**	**261.72**	**2,087.54**	**1,721.91**	**56.92**	**23.99**	**19.92**	**5.48**	**111.53**	**4,308.83**
Additions	0.04	21.19	43.82	980.58	221.67	20.01	9.65	11.62	5.18	17.25	1,331.01
Disposal ##	-	-	(0.09)	(14.03)	(97.32)	-	(0.16)	(0.21)	(2.99)	(0.00)	(114.80)
Impairment (Refer note 11)	-	-	-	388.43	-	-	-	-	-	-	388.43
Transferred to assets held for sale (Refer note 11)	-	-	-	(1,060.61)	(0.28)	(0.28)	(0.70)	(4.37)	(0.15)	-	(1,066.39)
As at 31 March 2019	**0.22**	**40.83**	**305.45**	**2,381.91**	**1,845.98**	**76.65**	**32.78**	**26.96**	**7.52**	**128.78**	**4,847.08**
Net Book Value											
As at 31 March 2018	**969.37**	**40.95**	**701.35**	**13,304.34**	**1,241.42**	**45.07**	**20.76**	**18.26**	**11.95**	**160.10**	**16,513.58**
As at 31 March 2019	**1,371.26**	**19.76**	**703.26**	**10,410.40**	**1,165.28**	**55.46**	**14.89**	**15.01**	**25.64**	**146.32**	**13,927.29**

Pending negotiations and settlement of claims/counter claims with EPC contractors/vendors in respect of delays in commissioning of the project /other reasons, the management has considered its best estimate of cost incurred till year end based on the contract terms, purchase/work orders issued and the work completed. Any adjustment arising subsequently would be adjusted to the cost of property, plant and equipments at the time of settlement.

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

Refer Note 52 pertaining to ENICL transmission line rendered inoperable due to flood

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
Capital work in progress*	28,915.24	35,329.14

** Data processing equipments include laptops taken on finance lease:
Gross block ₹ 18.00 million (31 March 2018: ₹ 18.00 million)
Depreciation for the year ₹ 5.21 million (31 March 2018: ₹ 5.82 million)
Accumulated depreciation ₹ 16.48 million (31 March 2018: ₹ 11.27 million)
Net block ₹1.52 million (31 March 2018: ₹ 6.73 million)

*Capital work in progress mainly includes expenditure incurred on construction of transmission infrastructure. Further, capital work in progress is net of impairment of ₹ 1,485.22 million. (Refer note 46)

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

(₹ in million)

DESCRIPTION	Goodwill	Software/ Licenses
1 April 2017	3,675.42	40.56
Additions	-	53.61
As at 31 March 2018	**3,675.42**	**94.17**
Additions	-	87.30
Disposals	-	-
As at 31 March 2019	**3,675.42**	**181.47**
Amortisation/Impairment		
1 April 2017	1,825.37	24.75
Adjustment on sale of subsidiaries (Refer note 11)	51.73	-
Amortisation charge for the year	596.27	6.93
As at 31 March 2018	**2,473.37**	**31.68**
Accumulated amortisation		
Amortisation charge for the year	600.20	20.63
As at 31 March 2019	**3,073.57**	**52.31**
Net Book Value		
As at 31 March 2018	**1,202.05**	**62.49**
As at 31 March 2019	**601.85**	**129.16**

Intangible assets under development*	(` in million)
As at 31 March 2018	-
As at 31 March 2019	225.05

* Intangible assets under development include rights relating to a fibre infrastructure project.

NOTE 5: IMPAIRMENT TESTING OF GOODWILL

Goodwill generated as a result of recording of assets and liabilities as part of the Scheme of demerger of Sterlite Technologies Limited (Refer note 51) with effect from 1 April 2015 has been allocated to the following CGUs (transmission projects and power products and solutions business) for impairment testing:

1 East-North Interconnection Company Limited (ENICL)
2 Power product and solutions

Carrying amount of goodwill allocated to each of the CGUs:

(₹ in million)

	31 March 2019	31 March 2018
East-North Interconnection Company Limited (ENICL)	8.53	17.07
Power product and solutions	593.32	1,184.98
Goodwill on consolidation	**601.85**	**1,202.05**

The Group performed its annual impairment test for years ended 31 March 2019 and 31 March 2018 on 31 March 2019 and 31 March 2018 respectively. The Group considers the relationship between the fair value (based on DCF) of transmission project and its book value, among other factors, when reviewing for indicators of impairment.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

The recoverable amount of power products and solutions business as at 31 March 2019 and 31 March 2018 was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The terminal growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (31 March 2018: 3%).

The recoverable amounts of ENICL, have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering the period of the Transmission services agreement (TSA). As a result of the analysis, management did not identify impairment for ENICL

During the previous year ended 31 March 2018, RAPP Transmission Company Limited (RTCL) and Purulia & Kharagpur Transmission Company Limited (PKTCL) projects had been transferred by the Group to India Grid Trust. Thus, the consideration received for sale of RTCL and PKTCL in excess of their net assets (including Goodwill allocated to them) had been recognised as a gain on sale of subsidiaries in statement of profit and loss. (Refer note 27)

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:

Power products and solutions CGU
EBITDA margin: EBITDA margin of revenue has been considered based on average values achieved in the three years preceding the valuation date. A decrease in EBITDA margin by 2.74% (31 March 2018: 4.20%) would result in impairment. EBITDA margins are based on the actual EBITDA of power product division for past 3 years preceding the beginning of the budget period. The EBITDA margins considered are from 6.3%-9.35% over the budget period for anticipated order flows.

Discount rate: Discount rate represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC).

The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in pre-tax WACC by 24.42% (31 March 2018: 28.50%) would result in impairment.

Growth rate: Growth rate has been considered for a period of five years based on management estimates and past trends. A decrease in growth rate by 11.69% (31 March 2018: 12.20%) during the next five year period would result in impairment.

East-North Interconnection Company Limited (ENICL)
Cost of equity:
As at 31 March 2019: 13.30%, Increase in cost of equity by 8% would result in impairment.

As at 31 March 2018: 12.00%, Increase in cost of equity by 6.25% would result in impairment.

Cost of debt:
As at 31 March 2019: 8.95%, Increase in cost of debt by 4% would result in impairment.

As at 31 March 2018: 8.95%, Increase in cost of debt by 1.58% would result in impairment.

NOTE 6A: INVESTMENT IN ASSOCIATE

The Group has 21.18% (31 March 2018 : 20.72%) interest in India Grid Trust, which undertakes activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of India Grid Trust is to own and invest in power transmission assets in India with the objective of producing stable and sustainable distributions to unitholders. The Group's interest in India Grid Trust is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised consolidated financial information of the Group's investment in India Grid Trust:

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2019	31 March 2018
Non-Current		
Current assets	3,438.82	3,359.41
Non-current assets	50,023.44	50,427.53
Current liabilities	(637.43)	(5,462.38)
Non-current liabilities	(26,058.72)	(19,692.00)
	26,766.11	**28,632.56**
Equity Investments (Quoted):		
Proportion of the Group's ownership	21.18%	20.72%
Carrying amount of the investment	5,668.51	5,932.66
Less: Provision for diminution in value of investment in an associate (Refer note 11)	(624.27)	-
Less: Classified as assets held for sale (Refer note 11)	(5,035.98)	-
Investment in associate	**8.26**	**5,932.66**
Statement of Profit and Loss		
Revenue	6,739.05	4,605.00
Depreciation expense	(1,809.22)	(1,157.41)
Finance cost	(2,295.83)	(1,012.57)
Other expense	(1,088.50)	(399.34)
Profit before tax	1,545.50	2,035.68
Income tax	(6.36)	67.82
Profit for the year	**1,539.14**	**2,103.50**
Total comprehensive income for the year	**1,539.14**	**2,103.50**
Group's share of profit for the year	**325.99**	**435.69**

(i) Subsequent to year end, Sterlite Power Grid Ventures Limited ("SPGVL") being the sponsor of India Grid Trust ("IndiGrid") has entered into "Inter-se sponsor agreement" dated April 30, 2019 ("the Agreement") with Esoteric II Pte. Ltd. ("Investor") to designate the Investor as a "Sponsor" of IndiGrid subject to approval from SEBI in terms of SEBI InvIT Regulations and approval from the unitholders of IndiGrid. Pursuant to the Agreement, SPGVL has agreed to sell 60.03 million units of IndiGrid to the Investor. Accordingly, the Group has classified such investment in the units of IndiGrid as held for sale which is recognised at cost or fair value less costs to sell whichever is lower, resulting in an impairment loss of ₹624.27 million in consolidated financial statements of the Group.

(ii) The subsidiaries of associate have entered into transmission services agreement (TSA) with long term transmission customers pursuant to which those subsidiaries have to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 6B: INVESTMENTS

(₹ in million)

	31 March 2019	31 March 2018
Non current		
Investments at fair value through OCI		
Unquoted equity instruments		
26,505 (31 March 2018: 26,505) equity shares of Sharper Shape Group Inc of $ 0.01each fully paid up	112.45	112.45
Current		
Investment in mutual funds (valued at fair value through statement of profit or loss)		
Quoted		
68,036.35 (31 March 2018: 64,830.78) units of L & T Liquid Fund - Regular Daily Dividend option #	68.84	65.59
35,349.80 (31 March 2018: Nil) units of DSP Black Rock Liquidity Fund - Direct Plan Daily Dividend	35.38	-
35,354.66 (31 March 2018: Nil) units of Axis Liquid Fund - Direct Plan Daily Dividend	35.39	-
34,713.52 (31 March 2018: Nil) units of UTI Liquid Fund - Direct Plan Daily Dividend	35.39	-
Nil (31 March 2018: 213.23) units of L&T Liquid Direct Plan - Growth	-	0.51
35,275 (31 March 2018: 387,885.27) units of ₹ 1,000 each of SBI Premier Liquid Fund - Direct plan daily dividend	35.39	389.15
Nil (31 March 2018: 100,465.53) units of ₹ 1,001 each of DSP Black Rock Liquidity Fund - Daily Dividend	-	100.56
23,140.029 (31 March 2018: Nil) units of Reliance Liquid Fund - Direct Plan Daily Dividend Option	35.39	-
288,957.58 (31 March 2018: Nil) units of Aditya Birla Sun Life Liquid Fund - Daily dividend reinvestment	29.00	-
12,306,841.38 (31 March 2018: Nil) units Santander Cash Blue RF Referenciado DI FI	527.47	-
Total	**914.70**	**668.26**
Current	**802.25**	**555.81**
Non-current	**112.45**	**112.45**

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 54 and Note 55 for determination of their fair values.

The investment is held as debt service reserve account.

NOTE 7: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in million)

	31 March 2019	31 March 2018
Current		
Loans to related party (Refer note 56)	260.65	180.22
Total	**260.65**	**180.22**

Loans are non-derivative financial assets which generate a fixed interest income for the Group.

NOTE 8: TRADE RECEIVABLES

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Trade receivables	363.84	322.12
Break-up for security details:		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	363.84	322.12
	363.84	**322.12**
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, credit impaired receivables	363.84	322.12
Total non-current trade receivables	**-**	**-**

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2019	31 March 2018
Current		
Trade receivables	6,841.14	7,959.72
Receivables from associate (Refer note 56)	15.21	56.40
Receivables from other related parties (Refer note 56)	55.22	-
Total	**6,911.57**	**8,016.12**
Break-up for security details:		
- Unsecured, considered good	6,911.57	8,016.12
- Unsecured, credit impaired receivables	-	-
Total current trade receivables	**6,911.57**	**8,016.12**

As at 31 March 2019, there are no trade receivables which have significant increase in credit risk or receivables where credit is impaired.

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

Trade receivables are non-interest bearing and are generally on terms of 60 to 180 days.

The Group has entered into an arrangement with HDFC Bank Limited for non recourse factoring pursuant to which the company has derecognised trade receivables of ₹ 750.43 million (31 March 2018: ₹ 1,043.09 million).

See Note 52 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTE 9: OTHER FINANCIAL ASSETS

(₹ in million)

		31 March 2019	31 March 2018
Non-current			
Security deposits (unsecured, considered good)		48.91	33.83
Non-current bank balance (Refer note 14)		27.18	0.71
Total other non-current financials assets		**76.09**	**34.54**
Current			
Security deposits (unsecured, considered good)		57.19	38.93
Advances recoverable in cash (unsecured, considered good)		83.13	33.87
Unbilled revenue of transmission charges #		114.86	215.16
Interest accrued on investments		2.64	1.12
Insurance claim receivable**		204.20	269.64
Receivable from related parties (Refer note 56)		199.85	30.36
Receivable against service concession arrangements * (Refer note 48)		-	247.83
Earnest money deposit with customer		51.95	43.75
Others		11.69	20.61
	(A)	**725.51**	**901.27**
Derivative instruments			
- Forward exchange contracts		241.24	-
	(B)	**241.24**	-
Total other current financial assets	**(C=A+B)**	**966.75**	**901.27**

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

Advances recoverable in cash are non-derivative financial assets. These contain other costs incurred as part of project execution which are recoverable on actual basis.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Unbilled revenue is the transmission charges for the month of March 2019 amounting to ₹ 114.86 million (31 March 2018: ₹ 215.16 million) billed to transmission utilities in the month of April 2019.

** Refer Note 50 (a) for insurance claim receivable of East-North Interconnection Company Limited.

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

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

"* Pertain towards receivables in respect of construction contracts for transmission projects in Brazil accounted under Appendix A to Ind AS - 18 (Service Concession Arrangements) till year ended 31 March 2018.

Movement of these financial assets can be summarized as follows:

(₹ in million)

	31 March 2019	31 March 2018
Opening balance	**247.83**	-
Adjustment for opening impact of Ind AS 115 "Revenue from contracts with customers" (Refer note 48)	(247.83)	-
Infrastructure revenues (Refer note 25)	-	241.09
Impact of foreign currency conversion	-	6.74
Closing balance	**-**	**247.83**

NOTE 10: OTHER ASSETS

(₹ in million)

	31 March 2019	31 March 2018
Non- Current		
Capital advances (unsecured, considered good)	3,193.34	3,739.37
Concession contract assets* (Refer note 48)	7,837.35	-
Advances to vendors/contractors (unsecured, considered good)	1,031.42	-
Balances with government authorities	114.46	
Advance income tax, including TDS (net of provisions)	82.94	57.50
Prepaid expenses	189.94	34.59
Deposits paid under dispute (Refer note 43)	54.11	4.80
Advances recoverable in kind (unsecured, considered good)	1.90	-
Others	29.58	-
Total other non-current assets	**12,535.04**	**3,836.26**
Current		
Advance income tax, including TDS (net of provisions)	-	16.89
Advances to vendors/contractors (unsecured, considered good)	682.97	
Advances recoverable in kind (unsecured, considered good)	-	206.77
Balances with statutory/government authorities	1,277.61	2,236.35
Prepaid expenses	560.49	206.83
Deposits paid under dispute (Refer note 43)	75.28	-
Contract assets related to EPC contracts (Refer note 25)	2,629.56	372.97
Others	3.79	0.04
Total other current assets	**5,229.70**	**3,039.85**

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

(₹ in million)

	31 March 2019	31 March 2018
Opening balance		
Adjustment for opening impact of Ind AS 115 "Revenue from contracts with customers" (Refer note 48)	278.20	-
Revenue from construction of concession assets (Refer note 25)	6,800.91	-
Remuneration of the concession assets (Refer note 25)	422.27	-
Impact of foreign currency conversion	335.97	-
Closing balance	**7,837.35**	-

NOTE 11: ASSETS AND LIABILITIES HELD FOR SALE

The Group has entered into agreement dated April 30, 2019 with India Grid Trust pursuant to which the investments of the Group in net assets of subsidiaries - Sterlite Grid 2 limited ('SGL2') and NRSS XXIX transmission limited ('NRSS') (referred to as "Disposal Group 1") and Sterlite Grid 3 Limited ('SGL3') and Odisha General Phase-II transmission limited ('OGPTL') (referred to as 'Disposal Group 2') are proposed to be transferred to India Grid Trust at an agreed cash consideration specified in respective share purchase agreements.

Further the Group has also entered into “Share Subscription and Purchase Agreement” with Electron IM PTE. LTD on 30 April 2019, as per which the Group shall sell 74% of its stake in its subsidiary Sterlite Investment Managers Limited (SIML) (referred to as 'Disposal Group 3') in two tranches.

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

An amount of ₹ 388.43 million, being the difference between carrying value and the fair value less costs to sell of the net assets of the Disposal Group 2 has been treated as impairment loss of net assets of the Disposal Group 2 held for sale as on March 31, 2019. The fair value has been determined based on the consideration expected to be received from India Grid Trust towards the sale of the Disposal Group 2. Impairment amount has been reduced from the carrying value of property, plant and equipment of the Disposal Group 2.

Further, Sterlite Power Grid Ventures Limited ("SPGVL") being the sponsor of India Grid Trust (“IndiGrid”) has entered into “Inter-se sponsor agreement” dated April 30, 2019 (“the Agreement”) with Esoteric II Pte. Ltd. (“Investor”) to designate the Investor as a “Sponsor” of IndiGrid subject to approval from SEBI in terms of SEBI InvIT Regulations and approval from the unitholders of IndiGrid. Pursuant to the Agreement, SPGVL has agreed to sell 60.03 million units of IndiGrid to the Investor. Accordingly, the Group has classified such investment in the units of IndiGrid as held for sale which is recognised at cost or fair value less costs to sell whichever is lower, resulting in an impairment loss of ₹624.27 million which is disclosed under Other expenses in these consolidated financial statements.

Assets and liabilities pertaining to disposal groups disclosed as ""current"" to the extent of expected cash flows within next one year.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

The amounts of assets and liabilities of the disposal groups and the asset held for sale included in these consolidated financial statements are as follows:

(₹ in million)

	Disposal Group 1	Disposal Group 2	Disposal Group 3	Investment in associate held for sale	Total
		Refer note 11(i)			
Assets					
- Non-current assets	-	-	129.55	-	129.55
- Current assets	25,190.08	11,683.94	60.05	5,035.98	41,970.04
Liabilities					
- Non-current liabilities	-	-	-	-	-
- Current liabilities	33,884.26	9,211.78	20.33	-	43,116.36

(i) Break up of assets and liabilities of Disposal Group 1, Disposal Group 2 and Disposal Group 3 as at 31 March 2019:

(₹ in million)

	Disposal Group 1	Disposal Group 2	Disposal Group 3	Total
Assets				
Property, plant and equipment	22,411.63	493.39	1.71	22,906.73
Capital work-in-progress	0.00	10,996.85	-	10,996.85
Other non-current financial assets	0.42	-	-	0.42
Other non-current assets	53.50	37.59	19.79	110.88
Investments	1,315.22	-	108.38	1,423.60
Deferred tax asset, net	-	9.95	-	9.95
Trade receivables	751.00	119.48	51.19	921.67
Cash and bank balances	152.74	0.83	0.66	154.23
Other bank balances	-	3.93	-	3.93
Other current financial assets	451.46	8.05	2.68	462.19
Other current assets	54.11	13.87	5.19	73.17
Total assets held for sale	**25,190.08**	**11,683.94**	**189.60**	**37,063.62**
Presented as:				
- Non-current assets	**-**	**-**	**129.55**	**129.55**
- Current assets	**25,190.08**	**11,683.94**	**60.05**	**36,934.06**
Liabilities				
Long term borrowings	32,081.45	8,525.64	-	40,607.09
Deferred tax liability, net	197.13	-	-	197.13
Trade payables	60.04	3.21	4.85	68.10
Other financial liabilities	855.25	678.20	7.64	1,541.09
Other liabilities	690.39	4.73	7.84	702.96
Total liabilities held for sale	**33,884.26**	**9,211.78**	**20.33**	**43,116.37**
Presented as:				
- Non-current liabilities	**-**	**-**	**-**	**-**
- Current liabilities	**33,884.26**	**9,211.78**	**20.33**	**43,116.36**

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 12: INVENTORIES

(₹ in million)

	31 March 2019	31 March 2018
(Valued at lower of cost and net realisable value)		
Raw materials and components	1,001.96	1,486.02
[Includes stock in transit ₹ 71.05 million (31 March 2018: ₹ 328.67 million)]		
Work-in-progress	391.96	287.67
Finished goods [Includes stock in transit ₹ 41.21 million (31 March 2018: ₹ 0.70 million)]	391.98	201.07
Traded goods	7.46	47.31
Construction materials	50.86	-
Stores, spares, packing materials and others	147.81	71.41
Total	**1,992.03**	**2,093.48**

NOTE 13: CASH AND CASH EQUIVALENTS

(₹ in million)

	31 March 2019	31 March 2018
Balances with banks:		
On current accounts	3,907.16	959.48
Deposit with original maturity of less than 3 months	357.14	-
Cash in hand	0.13	0.43
Total	**4,264.43**	**959.91**

NOTE 14: OTHER BANK BALANCES

(₹ in million)

	31 March 2019	31 March 2018
Deposit with original maturity for more than 12 months*	27.60	0.71
Deposits with original maturity for more than 3 months but less than 12 months**	554.28	368.49
	581.88	**369.20**
Amount disclosed under non-current assets (Refer note 9)	(27.60)	(0.71)
Total	**554.28**	**368.49**

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

* Held as lien by bank against bank guarantees

**Total amount includes ₹ 5.71 million (31 March 2018: ₹ 67.01 million) held as lien by banks against bank guarantees, ₹ 476.62 million (31 March 2018: ₹ 287.20 million) held in debt service reserve account, deposit of ₹ 25.78 million (31 March 2018: Nil) against margin money and ₹ 40.71 million lien against bill discounting.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

NOTE 15: EQUITY SHARE CAPITAL

(₹ in million)

	31 March 2019	31 March 2018
Authorised shares (no. million)		
80.00 (31 March 2018: 80.00) equity shares of ₹2 each	160.00	160.00
Issued, subscribed and fully paid-up shares (no. million)		
61.18 (31 March 2018: 61.18) equity shares of ₹ 2 each fully paid - up.	122.36	122.36
Total issued, subscribed and fully paid-up share capital	**122.36**	**122.36**

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

	Nos. in million	₹ in million
At 01 April 2017	61.18	122.36
At 31 March 2018	**61.18**	**122.36**
At 31 March 2019	**61.18**	**122.36**

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

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

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

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

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

	31 March 2019		31 March 2018	
	No. in million	% holding	No. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%
Subsidiary of Volcan Investments Limited, Bahamas				
[Ultimate holding company]				
Vedanta Limited	0.95	1.56%	0.95	1.56%

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

	31 March 2019		31 March 2018	
	No. in million	% holding	No. in million	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
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NOTE 16: OTHER EQUITY

(₹ in million)

	31 March 2019	31 March 2018
Securities premium		
Balance as per last financial statements	4,536.80	6,748.37
Add: Additions on issue of equity shares	-	-
Less: Amount utilised for payment of premium on redemption of preference shares during the year	-	(2,211.57)
Closing balance	**4,536.80**	**4,536.80**
Retained earnings		
Balance as per last financial statements	(5,281.65)	(9,880.47)
Add: Impact of adoption of Ind AS 115 (Refer note 48)	18.22	
Add: Liability reversed to the extent of premium on preference shares redeemed	-	2,211.57
Add: Net profit/(loss) for the year [Refer note 50(d)]	(5,237.06)	2,383.66
Add/(less): Re-measurement gain/(loss) on defined benefit plans, net of tax	(7.98)	3.59
Less: Transfer to debenture redemption reserve	341.57	-
Less: Amount transferred to legal reserve	(11.94)	-
Less: Amount transferred to special unearned income reserve	(226.90)	-
Net deficit in the statement of profit and loss	**(10,405.74)**	**(5,281.65)**
Other reserves		
Debenture redemption reserve		
Balance as per last financial statements	440.45	440.45
Add: Created during the year	75.24	-
Less: Amount reclassified to statement of profit and loss	(416.81)	-
Closing balance	**98.88**	**440.45**
Cash flow hedge reserve		
Balance as per last financial statements	(375.28)	234.46
Add: Cash flow hedge reserve created on derivative contracts	(606.99)	(374.30)
Less: Amount reclassified to statement of profit and loss	23.96	235.44
Closing balance	**(1,006.23)**	**(375.28)**
Foreign currency translation reserve		
Balance as per last financial statements	0.04	-
Addition during the year	(340.42)	0.04
Closing balance	**(340.38)**	**0.04**
Legal reserve		
Balance as per last financial statements	0.35	-
Add : Addition during the year	11.60	0.35
Closing balance	**11.95**	**0.35**
Special unearned income reserve		
Balance as per last financial statements	-	-
Add: Transferred from retained earnings	226.90	-
Closing balance	**226.90**	**-**
Total other reserves	**(1,008.86)**	**65.56**
Total Other equity	**(6,877.81)**	**(679.28)**

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Nature and purpose of reserves:

16.1 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

16.2 Debenture redemption reserve ('DRR')

The Group has issued non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits of the Group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued at any time before redemption of debentures.

16.3 Cash flow hedge reserve

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

16.4 Foreign currency translation reserve

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

16.5 Legal reserve

Brazilian subsidiaries of the Group recognise 5% of net profit for the year subject to 20% of capital, before any allocation, as legal reserve.

16.6 Special unearned income reserve

The special unearned income reserve includes unrealised profit on construction of concession assets executed during the year.

NOTE 17: LONG TERM BORROWINGS

(₹ in million)

	31 March 2019	31 March 2018
Non-current		
Non Convertible Debentures (secured)		
9,375 (31 March 2018: 10,825) Non convertible debentures of ₹ 10,00,000 each	9,564.25	10,840.72
3,500 (31 March 2018: Nil) 12.50% Non convertible debentures of ₹ 10,00,000 each	3,445.90	-
Term loans (secured)		
Indian rupee loans from banks	9,232.27	8,128.81
Indian rupee loans from financial institution	15,663.63	20,105.14
Local bills discounting and acceptances	9,011.08	14,156.10
Loan from related parties	-	1.84
Long term maturities of finance lease obligation (secured)		
Obligations under finance lease contracts (Refer note 41)	-	3.70
Redeemable Preference Shares (unsecured)		
8.98% Redeemable Preference Shares (Refer note III)	40.04	35.79
Total non-current borrowings	**46,957.17**	**53,272.10**
The above amount includes		
Secured borrowings	46,917.13	53,236.31
Unsecured borrowings	40.04	35.79
Current maturities		
Debentures (secured)		
400 (31 March 2018: 350) Non-Convertible Debentures of ₹ 10,00,000/- each	402.13	351.51
Interest accrued but not due on debentures	-	312.00
Term loans (secured)		
Indian rupee loans from banks	833.96	772.60
Indian rupee loans from financial institution	3,208.45	2,577.93
Current maturities of finance lease obligations	1.44	2.92

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for the year ended 31 March 2019
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(₹ in million)

	31 March 2019	31 March 2018
Interest accrued on term loans	85.27	99.74
Total current maturities	**4,531.25**	**4,116.71**
The above amount includes		
Secured borrowings	4,531.25	4,116.71
Unsecured borrowings	-	-
	4,531.25	**4,116.71**
Amount disclosed under the head "other current financial liabilities" (note 20)	4,531.25	4,116.71
Net amount	-	-

Notes:

I. Non-convertible debentures

a) East-North Interconnection Company Limited (ENICL)

During the year 2015-16, ENICL issued 9,250 Non Convertible Debentures ('NCDs') of ₹ 1,000,000/- each on private placement basis in three tranches of 2,125 8.85% Non Convertible Debentures, 2,375 9.10% Non Convertible Debentures and 4,750 9.25% Non Convertible Debentures having face value of ₹ 1,000,000 each redeemable by 31 December 2020, 31 December 2025 and 31 December 2033 respectively in quarterly instalments ranging from ₹ 0.07 million to ₹ 0.25 million. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

1) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings. present and future if any for the project.

2) First charge by way of:

a) Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of the company in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;

b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;

c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).

3) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.

4) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of the company, present and future.

5) Pledge of 51% of the equity share capital of the Company.

b) Sterlite Power Grid Ventures Limited (SPGVL)

(i) "During the previous year, SPGVL has issued 3,000 10.40% Non-Convertible Debentures ('NCDs') of ₹ 10,00,000/- each redeemable on April 15, 2019. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by -

(a) First and exclusive charge by way of hypothecation over all movable properties and assets including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of the SPGVL, both present and future.

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(b) First charge by way of hypothecation/ charge over all the rights, title, interest, benefits, claims and demands whatsoever of SPGVL under each of its EPC Contracts (such charge being duly acknowledged and consented to by the relevant counter parties to such EPC Contracts, if required as per the terms of such EPC Contracts) and all cash and receivables of SPGVL under the EPC Contracts, both present and future;

(c) Exclusive charge over all the NRSS-XXIX Refinance Account (which shall be opened within 15 (fifteen) days from the commercial operation date of Project NRSS-XXIX);

(d) Pledge of 47% of the total issued and paid up share capital of Sterlite Grid 2 Limited (SGL2) held by SPGVL on a Fully Diluted Basis. In case of Debenture are held by a bank, their beneficial interest will be limited to the extent of provision of 19(2) of the Banking Regulation Act;

(ii) SPGVL has issued 1,950 Non-Convertible Debentures ('NCDs') of ₹ 10,00,000/- each on private placement basis redeemable by the end of 3 years from the deemed date of allotment (i.e.. 27 March 2022) These NCDs carries interest rate of 11.50% p.a. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by -

(i) First pari-passu charge on loans and advances given by the SPGVL to project SPV's.

(ii) Pledge of 51% shares of Sterlite Grid 4 Limited (“SGL 4”) & Sterlite Grid 5 Limited (“SGL 5”) on fully diluted basis at all times

(iii) Non-disposal undertaking along with Power of Attorney for balance 49% shares of SGL 4 & SGL 5.

(iv) Pledge of 49% shares of SPV's.
The Company is in the process of creation of security as at 31 March, 2019.

c) **Sterlite Power Transmission Limited (SPTL)**
During the year, SPTL has issued 3,500 non convertible debentures of face value ₹ 10,00,000/- each amounting to ₹ 3,500 million carrying interest of 12.50%.

The Debentures will be redeemed in the following manner

On 30 June 2020 : ₹ 750 million
On 31 March 2021 : ₹ 750 million
On 29 March 2022 : ₹ 2,000 million

SPTL is in process of creation of the security of First and Exclusive Charge over all present and future Fixed Assets, Investments of SPTL in Sterlite Power Grid Ventures Limited (""SPGVL"") including 51% pledge of shares of SPGVL on a fully diluted basis, any loans and advances given to and dividend and any other receivables from SPGVL and second charge on all current assets of company. First and exclusive charge over any OCPRS ,CCPS, or any other instrument by which money has been infused in SPGVL.

II. Term Loans

A) **Sterlite Power Transmission Ltd (SPTL)**

a) Indian rupee term loan from the bank amounting to ₹1,190.00 million carries interest @ Base rate + 1% p.a. Loan amount is repayable in quarterly equated instalments of ₹ 93.75 million and the last instalment of ₹ 78.15 Cr (excluding interest). During current year the loan has been repaid. The term loan was secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 53.04% equity shareholding and 69.64% CCPS of SPGVL

d) First charge on the dividends/receivables/loans and advances from SPGVL , present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

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b) Indian rupee term loan from banks outstanding amount as at 31 March 19 amounting to ₹ 750.00 million carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated instalments of ₹ 150 million (excluding interest) starting from June 2017.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future.

c) Indian rupee term loan from financial institution outstanding as at 31 March 2019 amounting to ₹ 441.71 million carries interest @ MCLR +225 BPS p.a. Loan amount is repayable in 5 annual instalments starting from December 2018 of 5%,10%,20%,30% & 35% of loan amount. The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL.

d) First charge all receivables , present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

d) Indian rupee term loan from financial institution outstanding as at 31 March 2019 amounting to ₹ 462.88 million carries interest @ 11% p.a. The loan is repayable in 4 annual instalments of 10%,20%,30% & 40% of loan amount starting from December 2018

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immoveable fixed assets of the Company, present & future

c) Pledge of 51% shareholding /CCPS/ CCDs of SPGVL

d) First charge all receivables, present & future

e) Second charge on all current assets, present & future except assets as mentioned in "d" above for which lender shall have first charge)

e) Indian rupee term loan from financial institutions outstanding as at 31 March 2019 amounting to ₹ 993.50 million carries interest @ HDFC MCLR + 2.15% p.a. First tranche of the loan amount of ₹ 700.00 million is repaid in Feb 2018 and balance loan amount is repayable in 10 quarterly instalments starting from June 2018. The term loan is secured by pari passu charge on below:

a) First Ranking and pari passu charge on the Mortgaged properties

b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets

c) First Ranking and pari passu charge by the way of hypothecation on all the Receivables

d) Second Ranking and pari passu charge by the way of hypothecation on all the Current Assets

e) First ranking and pari passu pledge over at least 51% Pledged Securities of SPGVL held by the borrower

f) Indian rupee term loan from financial institution outstanding as at 31 March 2019 amounting to ₹ 900.00 million carries interest @ L&T infra PLR minus Spread. The loan is repayable in June 2019.

The term loan is secured by pari passu charge on below:

a) A first ranking and pari passu mortgage on the Mortgaged Property , both present and future

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b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets, both present and future

c) First Ranking and pari passu charge by the way of hypothecation on all the dividends, any other receivable, Loans and advances from the borrower investment in SPGVL both present and future

d) An exclusive charge by the way of hypothecation on the DSRA, The DSR term Deposit and The DSR term Instruments (if any), both present and future

e) Pledge of equity share &OCRPS /CCPS, amounting to 51% economic interest and voting right on fully diluted basis of Sterlite Power Grid Venture Limited held by SPTL.

g) Finance lease obligation is secured by hypothecation of laptops taken on lease. The interest rate implicit in the lease is 10% p.a. The gross investment in lease i.e. lease obligation and interest is payable in quarterly instalments at approximately ₹ 0.75 million.

D) Khargone Transmission Limited (KTL)

(i) Indian rupee term loan from banks and financial institutions of ₹ 6,769.10 million (31 March 2018: ₹ 618.34 million) carries interest rate range between 10.75% p.a.to 14.10% p.a. (linked to the Lead Lenders Benchmark Rate with Spread). 60% of total loan amount is repayable in 48 structured quarterly instalments post one year moratorium period in accordance with amortization schedule starting from 31 March 2020. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on 31 December, 2031. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by pledge of 51% of share capital of the Company held by Sterlite Grid 4 Limited voting rights of which do not fall below 51%.

(ii) Domestic bill discounting carry interest rate 7.40% p.a. to 9.20% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 90 days to 360 days and upon maturity gets automatically converted in into rupee term loan hence this has been classified under long-term borrowings.

E) Gurgaon-Palwal Transmission Limited (GPTL)

(i) Indian rupee term loan of ₹ 4,200 million (31 March 2018: ₹ 1,700 million) from bank and financial Institutions carries interest rate in range between 10.65% p.a. to 12.25% p.a. (linked to the Lead Lenders Benchmark Rate with Spread). 60% of total loan amount is repayable in 46 structured quarterly instalments post one year moratorium period in accordance with amortisation schedule starting from 30 June 2020. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on 30 September 2031. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds

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pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

ii. Domestic bill discounting carry interest rate 8.25% p.a. to 8.55% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 90 days and upon maturity gets automatically converted in into rupee term loan hence this has been classified under long-term borrowings.

F) NER II Transmission Limited (NER II)

i. Indian rupee term loan of ₹ 4,937.50 million (31 March 2018: ₹ 82.65 million) from financial institution carries interest rate in range between 10.50% p.a. to 12.50% p.a. (linked to the Lead Lenders Benchmark rate with spread). 70% of the total loan amount is repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule starting from 30 June 2021.balance 30% of the total loan amount shall be repayable as a bullet repayment as a last instalment as on 30 September 2032. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

ii. Domestic bill discounting carries interest rate 7.85% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 90 days and upon maturity gets automatically converted into rupee term loan hence this has been classified under long-term borrowings.

G) Goa Tamnar Transmission Project Limited

Domestic bill discounting carries interest rate 8.75% to 9.10% p.a. This facility has been sanctioned as a sublimit of the rupee term loan. This facility gets converted on due dates into rupee term loan on maturity. Hence this has been classified as long term borrowings. Total loan amount is repayable in 63 structured quarterly instalments starting from quarter ending 30 June 2022 in accordance with amortisation schedule (tenure of 20 year). The loan together with interest, liquidated damages, fees, costs, charges, expenses and all other amounts is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

H) East-North Interconnection Company Limited (ENICL)

During the year, ENICL has taken term loan from bank amounting to ₹ 400 million out of total limit of ₹ 550 million for the purpose of repayment of unsecured

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promoter loan. The said loan is repayable by way of an amortisation in proportion to the repayment of existing NCD holders which commences from 30 May 2018 .The balance shall be repaid in the form of bullet at the end of 37 months. The loan carries an interest rate of 3 month MCLR and interest is payable on monthly basis.
All amount together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts provided to existing debts holders. Security should include

1) A First and pari-passu charge on all movable assets and immovable assets of borrowers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, uncalled capital, present and future.

2) A First and pari-passu charge by way of assignment/hypothecation or creation of security interest present and future of

    a) All rights, titles, interest, benefits, claims and demands whatsoever of the company in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;

    b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects

    c) All rights, title, interest, benefits, claims and demands whatsoever of the company in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document and

    d) All insurances proceeds either the bank or security trustee holding security interest of the bank to be the loss payee in the insurance policy.

3) A First and pari-passu charge on letter of credit, Escrow account/ Trust & Retention account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.

4) A First and pari- passu charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of the company, present and future.

5) Pledge of 51% of the equity share capital of the Company.

G) Sterlite Power Grid Ventures Limited (SPGVL):

(i) Term loan from banks (Secured)

During the year, SPGVL has availed term loan from bank amounting to ₹ 6,000 million for the purpose of loan to it's project SPV's to utilise for their respective power transmission projects and for long term working capital requirement of the Company. The said loan is repayable in four structured annual instalments starting from July 2018. The loan carries an interest rate of 9% p.a. payable monthly, calculated as 1 year GSEC as on date of initial drawdown plus spread.

All amount together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and obligations payable to secured parties shall be secured by :-

1) A First exclusive charge on all the right, title, interest, benefits, claim and demands whatsoever of the borrower in, to and under all the loan and advances provided by the borrower to project SPV's (including, but not limited to all loans and advances provided, utilizing the proceeds of the facility) Odisha Generation Phase II Transmission Ltd (OGPTL), Khargone Transmission Ltd (KTL), Gurgaon Palwal Transmission Ltd. (GPTL).

2) First charge on loans & advances provided by the Borrower to the project SPVs NER II Transmission Ltd (including, but not limited to all loans and advances provided, utilizing the proceeds of the facility)

3) Second Charge on all current assets of the Borrower, present and future.

(ii) Term loan from financial institution (Secured)

During the year, the SPGVL has availed term loan from Financial institution amounting to ₹ 3,000 million for the purpose of repayment of existing

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lenders, capital expenditure for the Brazil/India business and general corporate purposes. The said loan is repayable in June 2018. The loan carries an interest rate of 10.90% p.a. payable monthly, and shall be linked to 1 year MCLR of ICICI Bank with annual MCLR reset.

All amount together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and obligations payable to secured parties shall be secured by :-

1) Pledge of 49% shares of the Borrower on fully diluted basis (excluding 6 physical shares held by Nominees) at all times

2) Pledge of 51% shares of Sterlite Grid 3 Limited (SGL3) , Sterlite grid 4 limited (SGL4) & Sterlite grid 5 limited (SGL5) on fully diluted basis at all times

3) Non- Disposal Undertaking along with Power of Attorney for balance 49% shares of SGL 3, SGL 4 & SGL 5;

4) First pari-passu charge on all the loans/advances from the Borrower to SGL 4 (pertaining to NER II Transmission limited only & subject to priority to IndusInd loan repayment) & SGL 5, including but not limited to dividends, loans and advances, other receivables from these loans/advances, present & future.
The receivables mentioned above exclude all receivables charged to working capital lenders.

5) Second Charge on all the loans/advances from the Borrower to SGL 3 & SGL 4 (Except relating to NER II Transmission limited), for which the facility has a first pari-passu charge), including but not limited to dividends, loans and advances, other receivables from these loans/advances, present & future.
The receivables mentioned above exclude all receivables charged to working capital lenders

6) Pledge of 49% shares of East North Interconnection Company Limited, NER II Transmission Limited & Goa Tamnar Transmission Limited (excluding 6 physical shares held by Nominees) on fully diluted basis at all times.

7) Charge over Interest service reserve account

Loan Covenants

Bank loans and non convertible debentures contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower annually. For the financial year ended 31 March 2019, the Group has satisfied all debt covenants prescribed in the terms of loan from banks and financial institutions, where applicable except in case of Sterlite Power Transmission Limited ('SPTL') where the debt covenants related to limitation on indebtedness and debt service coverage was not satisfied by SPTL. The Group has recorded liability towards penal charges for breach of covenant.

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III. Redeemable Preference Shares

(₹ in million)

	31 March 2019	31 March 2018
Authorised shares (nos. million)		
36.40 (31 March 2018: 36.40) redeemable preference shares of ₹ 2 each	72.80	72.80
Issued, subscribed and fully paid-up shares (nos. million)*		
18.00 (31 March 2018: 18.00) non cumulative redeemable preference shares of ₹ 2 each		
- Nominal Value	36.00	36.00

Terms/rights attached to preference shares

*The redeemable preference shares carry preference dividend at 0.01% per annum. Holders of preference shares have a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. These shares of face value of ₹ 2 per share were issued at par and will be redeemed on 28 December 2020 at a premium of 8% compounded annually.

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

(₹ in million)

	Nos. in million	Face value
At 1 April 2017	17.90	35.80
Less: Redeemed during the year	(17.90)	(35.80)
Add: Issued during the year	18.00	36.00
At 31 March 2018	18.00	36.00
At 31 March 2019	18.00	36.00

Detail of preference shareholders holding more than 5 % of shares in the company

	31 March 2019		31 March 2018	
	No. in million	% holding	No. in million	% holding
Clix Finance India Private Limited	18.00	100.00%	18.00	100.00%

NOTE 18 : SHORT TERM BORROWINGS (SECURED)

(₹ in million)

	31 March 2019	31 March 2018
Cash credit from banks	443.58	1,954.73
Working capital demand loans from banks	2,072.85	2,988.09
Bridge loan from bank	4,409.49	-
Packing credit	2,118.03	1,272.06
Factoring bill payable	1,611.83	-
Suppliers credit	377.66	282.61
Receivables discounted	-	897.24
Other loan from banks	208.54	764.14
Total	**11,241.98**	**8,158.87**

Note:

(i) Cash credit is secured by hypothecation of raw materials , work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 9.20% -12.50% p.a.

(ii) Working capital demand loans from banks are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Working capital demand loan is generally taken for a period of 30-180 days and carries interest @ 8.10%-9.75%. p.a.

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(iii) Bridge Loan taken in Brazil is secured by pledge of shares of SE Vineyards Transmission De Energia S.A and Arcoverde Transmissão De Energia S.A. & hypothecation of receivables along with advance insurance guarantees and performance insurance guarantees received from vendors, both present and future. The loan is repayable within a period of 12-18 months and carries a rate of interest of CDI + (1.9%-2.85%), to a range between 8%-10%.

(iv) Export packing credits are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables and is generally taken for a period of 180 days. It carries interest @ 8.85-9.70% p.a.

(v) Factoring bill payable carries an interest in the range of 8.80% to 9.60% p.a. The same is repayable as per the invoice terms or maximum 36 months from the date of financing which ever is earlier. Since the invoices were payable before 12 months, the loan is classified as short term. Factoring Terms are as follows:

- Up to ₹ 1500 million : 3 months Yes Bank Limited MCLR,
- Above ₹ 1500 million : 3 months Yes bank Limited MCLR + spread of 0.85% p.a.).

(vi) Suppliers' credit arrangements are secured by hypothecation of raw materials , work in progress, finished goods and trade receivables. Suppliers' credit is repaid after a period of six months where foreign currency suppliers credit carry interest @ 3.1% - 3.9% p.a. in (excluding hedging premium) and domestic suppliers credit carry interest '@7.80-10.00%

(vii) Trade receivables are generally discounted for a period of 180 days and carries interest @ 8.10% to 9.50% p.a.

(viii) Other loans from banks mainly include discounting of letter of credit which are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Other loans are repaid after a period of six months and carry interest @ 8.10 - 9.50% p.a.

NOTE 19 : TRADE PAYABLES

(₹ in million)

	31 March 2019	31 March 2018
Current		
Trade payables (including acceptances)	7,771.89	3,568.56
Bills payables	-	2.76
Trade payables to related parties (Refer note 56)	569.81	3,994.63
Total	**8,341.70**	**7,565.95**

Trade payables are non-interest bearing and are normally settled on 60-90 days terms. However, there were some creditors who have given a credit period of 180 days.

NOTE 20 : OTHER FINANCIAL LIABILITIES

(₹ in million)

	31 March 2019	31 March 2018
Non Current		
Other financial liabilities at amortised cost		
Payable for employee stock appreciation rights	45.89	19.25
Payables for property, plant and equipment	-	194.04
Total non-current financial liabilities	**45.89**	**213.29**
Current		
Derivative instruments		
Commodity futures	869.18	583.76
Forward contracts	-	294.62
	869.18	**878.38**
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings (Refer note 17)	4,520.63	4,113.79
Current maturities of finance lease obligations (Refer note 17)	0.41	2.92
Interest accrued on borrowings	50.67	6.34
Interest free deposit from customers	1.47	1.00

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(₹ in million)

	31 March 2019	31 March 2018
Employee benefit payable	80.54	53.98
Earnest money deposit from vendors	2.02	7.85
Payables for Employee Stock Appreciation Rights (Refer note 47)	39.56	101.48
Payables for property plant & equipment*	10,371.58	4,112.43
Others	70.13	352.48
Total	**16,006.19**	**9,630.65**

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

Derivative instruments at fair value through OCI reflect the change in fair value of foreign exchange forward contracts designated as cash flow hedges to hedge highly probable forecasts/firm commitments for sales and purchases in US Dollars (USD) and Euros (EUR). Derivative instruments at fair value through OCI also include the change in fair value of commodity forward contracts. The group is exposed to changes in the price of aluminium and copper on its forecast aluminium and copper purchases. The forward contracts do not result in physical delivery of aluminium and copper, but are designated as cash flow hedges to offset the effect of price changes. The group hedges 100% of its expected aluminium and copper purchases.

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

Other payables are non-interest bearing and have an average term of 30 -60 days

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

For explanations on the group's credit risk management processes, refer to Note 52.

NOTE 21 : PROVISIONS

(₹ in million)

	31 March 2019	31 March 2018
Non-Current		
Provision for onerous contracts	278.83	-
Total	**278.83**	**-**

Provision for onerous contracts represents estimated loss on construction concession contracts where it is probable that total contract expenses will exceed total revenues from a contract. The expected loss is recognised immediately as an expense in the statement of profit and loss.

Movement of provision

(₹ in million)

	31 March 2019	31 March 2018
Opening balance	-	-
Add: Created during the year	278.83	-
Less: utilised/ (reversed) during the year	-	-
Add: Unwinding of discount	-	-
Closing balance	**278.83**	**-**

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NOTE 22 : EMPLOYEE BENEFIT OBLIGATIONS

(₹ in million)

	31 March 2019	31 March 2018
Non current		
Provision for leave benefit	22.59	-
Provision for gratuity (Refer note 39)	71.49	52.95
Total	**94.08**	**52.95**
Current		
Provision for gratuity (Refer note 39)	8.88	4.78
Provision for leave benefit	38.75	42.21
Total	**47.63**	**46.99**

NOTE 23: DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in million)

		31 March 2019	31 March 2018
I.	**Deferred tax liability**		
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	139.53	613.22
	Fair valuation of Land on transition date	38.86	38.86
	Related to construction of concession assets	922.12	-
	Others	-	51.22
	Gross deferred tax liability	**1,100.51**	**703.30**
	Less: Netted off against deferred tax assets	925.22	463.71
	Net deferred tax liability	**175.29**	**239.59**
II.	**Deferred tax assets**		
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	160.82	-
	Unabsorbed tax depreciation	1,807.35	1,228.30
	Business loss	375.57	304.38
	Provision for doubtful debts and advances	127.12	112.55
	MAT Credit entitlement	-	269.17
	Impairment of investment in associate	222.47	-
	Impairment of property, plant and equipment	477.31	-
	Impact of capital loss incurred during current year	293.60	-
	On adjustments in consolidated financial statements	2.66	451.74
	Others	341.24	176.10
	Gross deferred tax assets	**3,808.14**	**2,542.23**
	Less: Netted off against deferred tax liabilities	925.22	463.71
	Net deferred tax asset	**2,882.92**	**2,078.52**

Reconciliation of deferred tax asset

(₹ in million)

	31 March 2019	31 March 2018
Opening deferred tax asset, net [Refer note 50(d)]	1,838.93	783.46
Deferred tax credit recorded in statement of profit and loss (including MAT credit availed)	765.42	852.72
Net deferred tax credit recorded in OCI not to be reclassified to profit and loss in the subsequent period	52.78	145.09
Deferred tax credit recorded in cash flow hedge reserve	(112.95)	124.61
Deferred tax credit / (charge) on transition impact of Ind AS 115 (Refer note 48)	(12.16)	-
Deferred tax asset/ (liability) classified as asset held for sale (Refer note 11)	187.18	-
Others	(11.57)	(66.95)
Closing deferred tax asset, net	**2,707.63**	**1,838.93**

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The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(₹ in million)

	31 March 2019	31 March 2018
Profit or loss section		
Current income tax	1,198.92	1,270.03
MAT credit entitlement	(154.23)	(216.54)
Adjustment of tax relating to earlier periods	(21.50)	5.49
Deferred tax		
Relating to origination and reversal of temporary differences	(611.19)	(636.19)
Income tax expenses reported in the statement of profit or loss	**412.00**	**422.79**
OCI section		
Exchange differences on translation of foreign operations	(183.25)	
Net (gain)/loss on revaluation of cash flow hedges	131.16	(146.13)
Re-measurement loss defined benefit plans	(0.68)	1.04
Income tax credited through OCI	**(52.77)**	**(145.09)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

(₹ in million)

	31 March 2019	31 March 2018
Accounting profit before income tax	**(4,825.06)**	**2,806.45**
At India's statutory income tax rate of 34.94% (31 March 2018: 34.61%)	(1,685.87)	828.29
Disallowance of amortisation of goodwill	166.30	166.30
Deferred tax asset not recognised on fair valuation loss of OCRPS	-	52.41
Effect of income chargeable at different rate of tax	41.39	(434.66)
Deferred tax asset recognised on capital losses	-	(330.86)
Adjustments in respect of deferred tax of previous years	57.45	-
Deferred tax not recognised on income not chargeable to tax	-	(71.98)
Deferred tax asset not recognised in relation to associate (net)	133.92	-
MAT expense	-	(18.50)
Dividend distribution tax	466.75	-
Deferred tax asset not recognised on loss for the year	1,128.41	22.99
Income tax of earlier years	(21.50)	-
Other non-deductible expenses	125.15	208.81
At the effective income tax rate of -8.54% (31 March 2018: 15.07%)	**412.00**	**422.79**
Income tax expense reported in the statement of profit and loss	**412.00**	**422.79**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Considerable management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has recognised deferred tax assets of ₹ 298.11 million (31 March 2018: 312.69 million) on tax losses and unabsorbed depreciation carried forward considering the proposed merger with it's subsidiary, Sterlite Power Grid Ventures Limited which had adequate taxable income against which the DTA can be utilised.

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NOTE 24: OTHER LIABILITIES

(₹ in million)

	31 March 2019	31 March 2018
Current Liabilities		
Advance from customers	194.99	1,053.70
Service tax payable	-	1.66
TDS payable	159.84	140.74
Contract liabilities for EPC contracts	326.12	97.18
GST payables	552.39	932.15
Other statutory dues payable to central/state government	958.24	9.40
Others	605.91	350.98
Total	**2,797.49**	**2,585.81**

NOTE 25: REVENUE FROM OPERATIONS

(₹ in million)

	31 March 2019	31 March 2018
Revenue from contracts with customers		
Revenue from sale of conductors and power cables	16,021.39	17,444.11
Revenue from Engineering, Procurement and Construction (EPC) contracts	7,176.96	2,852.06
Revenue from power transmission services	4,606.53	4,376.89
Revenue from service concession assets	-	230.29
Revenue from construction of concession assets	6,800.91	-
Remuneration of concession assets	422.27	-
Revenue from sale of traded goods	171.69	204.31
Revenue from job work services	-	24.48
Total revenue from contracts with customers	**35,199.75**	**25,132.15**
Other operating revenue		
Scrap sales	113.66	96.93
Export incentive	92.52	60.56
Management fees (Refer note 56)	144.12	135.27
Total revenue from operations	**35,550.06**	**25,424.91**

(a) Performance obligations

Sale of conductors and power cables

The performance obligation is normally satisfied upon delivery of goods and payment is generally due within 60 to 180 days from delivery. Some contracts provide the Group the right to receive price variation from customers which are based on market metal prices and mutual agreement. Payment in such cases is generally due within 60 to 180 days from the agreement.

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

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

Power transmission services

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

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

Construction of concession assets

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered.

Remuneration of concession assets

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

(b) Disaggregated revenue information

(₹ in million)

		Within India		Outside India	
		31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
(i)	Revenue from sale of conductors and power cables recognised at a point in time	10,789.63	14,080.55	5,231.76	3,363.56
(ii)	Revenue from Engineering, Procurement and Construction (EPC) contracts recognised over time	7,176.96	2,852.06	-	-
(iii)	Revenue from power transmission services recognised at a point in time	4,606.53	4,376.89	-	-
(iv)	Revenue from service concession assets recognised over time	-	-	-	230.29
(v)	Revenue from construction of concession assets recognised over time	-	-	6,800.91	-
(vi)	Remuneration of concession assets recognised over time	-	-	422.27	-
(vii)	Revenue from sale of traded goods recognised at a point of time	171.69	204.31	-	-
(viii)	Revenue from job work services recognised at a point of time	-	24.48	-	-
	Total	**22,744.82**	**21,538.30**	**12,454.93**	**3,593.85**

(c) Assets and liabilities related to contracts with customers

(₹ in million)

	31 March 2019	31 March 2018
Balances at the beginning of the year		
Trade receivables	8,016.12	4,546.17
Contract assets	372.97	3.38
Contract liabilities (including advances from customers)	97.18	26.06
Balances at the end of the year		
Trade receivables	6,911.57	8,016.12
Contract assets*	10,466.91	372.97
Contract liabilities (including advances from customers)	326.12	97.18

* Also includes contract assets related to construction of concession assets

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

Set out below is the amount of revenue recognised from:

(₹ in million)

	31 March 2019	31 March 2018
Amounts included in contract liabilities at the beginning of the year	97.18	26.06
Performance obligations satisfied in previous years	-	-

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

(₹ in million)

	31 March 2019	31 March 2018
Revenue as per contracted price	**35,100.00**	**25,016.06**
Adjustments:		
Incentives earned for higher asset availabilities	125.97	132.15
Surcharges received for late payments	10.14	13.47
Rebates given for early payments	(36.35)	(29.52)
Total revenue from contracts with customers	**35,199.75**	**25,132.15**

(e) Terms of service concession contracts

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

Characteristics of service concession arrangement

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

Periodic revision to annual permitted revenue ('RAP')

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

The periodic rate revision recipe comprises repositioning by determining:

a) the change of third-party capital costs in the concession agreement;

b) receipts from reinforcements and improvements;

c) identifying the amount to be considered as reducing rate - Other Income

Variable consideration

In accordance with the service concession agreement, the Group is liable to pay penalty for unavailability of transmission facilities to the Grantor. Further, the Group is eligible for additional RAP as an incentive for improving the availability of transmission facilities. These variable considerations are recognised as revenue from transmission infrastructure and/or Operation & maintenance revenue in the period in which they occur.

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Details of revenue from construction of service concession assets and related construction costs

(₹ in million)

	31 March 2019	31 March 2018
Revenue from construction of service concession assets	6,800.91	-
Cost of construction of service concession assets	5,907.26	-

(f) Remuneration of concession assets

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

(g) Transaction price allocated to the remaining performance obligations

(₹ in million)

	31 March 2019	31 March 2018
Expected to be recognised as revenue over the next one year	5,511.79	4,861.33
Expected to be recognised as revenue beyond next one year	-	2,029.25
Total	**5,511.79**	**6,890.58**

NOTE 26: FINANCE INCOME

(₹ in million)

	31 March 2019	31 March 2018
Interest income on		
Bank deposits	73.17	49.83
Loan to related parties (Refer note 56)	11.05	20.77
Dividend/Fair value gain on mutual fund investments measured at fair value through profit or loss	72.14	73.72
Gain on sale of mutual funds	9.18	1.28
Dividend on current investments	-	2.16
Interest on income tax refund	0.37	-
Others	19.09	25.17
Total	**185.00**	**172.93**

NOTE 27: OTHER INCOME

(₹ in million)

	31 March 2019	31 March 2018
Net gain on sale of power transmission assets (Refer note 56)#	156.72	4,250.16
Gain on sale of property, plant and equipment (net)	-	43.42
Miscellaneous income	7.82	5.81
Total	**164.54**	**4,299.39**

During the previous year ended March 31, 2018, investment of the Group in net assets of subsidiaries, Bhopal Dhule Transmission Company Limited ('BDTCL'), Jabalpur Transmission Company Limited ('JTCL') and Sterlite Grid 1 Limited ('SGL') had been transferred to India Grid Trust on 30 May 2017. Further, investment of the Group in net assets of the subsidiaries, RAPP Transmission Company Limited ('RTCL'), Purulia & Kharagpur Transmission Company Limited ('PKTCL') and Maheshwaram Transmission Limited ('MTL') had also been transferred to India Grid Trust on 15 February 2018. The amount of ₹ 4,250.16 million in the previous year represents the gain on transfer of such net investments by the Group. (also refer note 11)

Further during the year, the Group has received additional consideration of ₹ 156.72 million from India Grid Trust in respect of the sale of BDTCL project pursuant to the Project Implementation and Management Agreement dated November 10, 2016, as amended, in connection with the additional tariff allowed by CERC for BDTCL project.

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NOTE 28: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in million)

	31 March 2019	31 March 2018
Inventory at the beginning of the year	1,486.02	794.58
Add: Purchases	12,787.51	14,769.85
	14,273.53	**15,564.43**
Less: Inventory at the end of the year	1,001.96	1,486.02
Cost of raw material and components consumed	**13,271.57**	**14,078.41**

NOTE 29: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

(₹ in million)

	31 March 2019	31 March 2018
Construction material purchased	10,366.99	1,071.56
Subcontracting charges*	875.26	666.27
Total	**11,242.25**	**1,737.83**

*These charges pertains to services rendered in relation to construction contracts

NOTE 30: (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in million)

	31 March 2019	31 March 2018
Opening inventories:		
Traded goods	38.59	14.69
Work-in-progress	287.63	482.68
Finished goods	201.03	373.27
	527.25	**870.64**
Closing inventories:		
Traded goods	7.46	38.50
Work-in-progress	391.96	287.67
Finished goods	391.98	201.07
	791.40	**527.24**
(Increase) / decrease in inventories	**(264.15)**	**343.40**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31 March 2019	31 March 2018
Salaries, wages and bonus	1,444.60	723.53
Contribution to provident fund	37.06	39.78
Employees stock appreciation rights (Refer note 47)	50.60	63.62
Gratuity expenses (Refer note 39)	10.69	15.47
Staff welfare expenses	111.90	43.32
Total	**1,654.85**	**885.72**

Employee benefit expense above is net of the amounts capitalised to property, plant and equipment. Refer note 40 for details.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
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NOTE 32: OTHER EXPENSES

(₹ in million)

	31 March 2019	31 March 2018
Decrease of excise duty on inventory	-	21.81
Consumption of stores and spares	93.58	104.51
Power, fuel and water	274.89	250.76
Repairs and maintenance		
- Building	1.66	12.97
- Machinery	86.19	88.66
Service expenses and labour charges	347.50	294.62
Business promotion	28.20	55.31
Transmission infrastructure maintenance charges	64.23	84.12
Carriage inwards	454.37	-
Consumption of packing materials	389.73	527.25
Sales commission (other than sole selling agent)	251.67	96.91
Sales promotion	19.70	24.91
Carriage outwards	-	516.54
Rent	170.73	63.71
Insurance	124.65	102.17
Insurance claim written off	65.44	-
Rates and taxes	181.54	93.31
Travelling and conveyance	365.04	234.44
Loss on sale of property, plant and equipment (net)	43.77	-
Provision for doubtful debts and advances	41.71	4.61
Legal and professional fees	684.11	679.97
Provision for diminution in value of investment in an associate (Refer note 6A)	624.27	-
Provision for onerous contracts (Refer note 21)	278.83	-
Directors sitting fee and commission	23.72	9.66
Foreign exchange difference	67.51	1.46
Miscellaneous expenses	626.07	695.99
	5,309.11	**3,963.69**

Other expenses above are net of the amounts capitalised to property, plant and equipment. Refer note 40 for details.

NOTE 33: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in million)

	31 March 2019	31 March 2018
Depreciation of tangible assets*	1,331.06	1,352.67
Amortisation of intangible assets	20.62	6.93
Amortisation of goodwill (Refer note 51)	600.22	596.27
Total	**1,951.90**	**1,955.87**

* Includes depreciation amounting to ₹ 466.75 million pertaining to disposal group classified as held for sale (Refer note 11).

NOTE 34: IMPAIRMENT EXPENSE

(₹ in million)

	31 March 2019	31 March 2018
Impairment of property, plant and equipment classified as asset held for sale (Refer note 11)	388.43	-
Impairment of property, plant and equipment (including capital work in progress) [Refer note 46]	1,485.22	-
Total	**1,873.65**	**-**

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NOTE 35: FINANCE COST

(₹ in million)

	31 March 2019	31 March 2018
Interest on financial liabilities measured at amortised cost	5,454.40	3,943.85
Bill discounting / Factoring charges	181.11	106.47
Interest others	106.89	-
Loss on fair valuation of OCRPS measured at fair value through profit and loss	-	150.00
Finance charges payable under finance leases	0.21	0.42
Bank charges	266.48	132.89
Exchange difference to the extent considered as an adjustment to borrowing costs	2.38	9.20
Total	**6,011.47**	**4,342.83**

Finance cost above is net of the amounts capitalised to property, plant and equipment. Refer note 40 for details.

NOTE 36: EARNINGS PER SHARE

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

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

The following reflects the profit/ (loss) and share data used in the basic and diluted EPS computation

(₹ in million)

	31 March 2019	31 March 2018
Profit/ (Loss) for the year attributable to equity holders for basic EPS	(5,237.06)	2,383.66
Weighted average number of equity shares in calculating basic EPS (Nos. million)	61.18	61.18
Earnings per share		
Basic and Diluted (on nominal value of ₹ 2 per share) Rupees/share	**(85.60)**	**38.96**

NOTE 37: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

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

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

Disposal group classified as held for sale

As at 31 March 2019, the investment of the Group in net assets of Sterlite Grid 2 Limited, NRSS XXIX Transmission

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Limited, Sterlite Grid 3 Limited, Odisha Generation Phase-II Transmission Limited and Sterlite Investment Managers Limited (together referred as 'disposal groups') are proposed to be transferred as explained in Note 11. Further, the investment in units of India Grid Trust is also proposed to be transferred as explained in Note 11.

The management has classified these assets and associated liabilities as held for sale since the carrying amounts of such assets and liabilities will be recovered principally through sale transaction rather than through continuing use. Management has concluded that these assets and liabilities were available for immediate sale and the sale was highly probable. Refer Note 11 for further details.

- Estimates and assumptions

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

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

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

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

Impairment of non-financial assets including investment in associate and goodwill

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

Defined benefit plans (gratuity benefits)

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

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.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF

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model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 54 and 55 for further disclosures.

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

NOTE 38: LIST OF SUBSIDIARIES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE COMPANY'S EFFECTIVE EQUITY SHAREHOLDINGS THEREIN ARE AS UNDER:

Name of the Entity	**Effective equity shareholding as on 31 March 2019**	Effective equity shareholding as on 31 March 2018	Country of incorporation
List of subsidiaries			
Sterlite Power Grid Ventures Limited	100.00%	99.99%	India
Sterlite Investment Managers Limited	100.00%	100.00%	India
Sterlite Convergence Limited	100.00%	100.00%	India
RAPP Transmission Company Limited (RTCL)*	26.00%	51.00%	India
Maheshwaram Transmission Limited (MTL)*	51.00%	51.00%	India
Sterlite Grid 2 Limited (SG2L)	100.00%	99.99%	India
Sterlite Grid 3 Limited (SG3L)	100.00%	99.99%	India
Sterlite Grid 4 Limited (SG4L)	100.00%	99.99%	India
Sterlite Grid 5 Limited (SG5L)	100.00%	99.99%	India
Sterlite Grid 6 Limited (SG6L)	100.00%	99.99%	India
Sterlite Grid 7 Limited (SG7L)	100.00%	99.99%	India
Sterlite Grid 8 Limited (SG8L)	100.00%	99.99%	India
Sterlite Grid 9 Limited (SG9L)	100.00%	99.99%	India
Sterlite Grid 10 Limited (SG10L)	100.00%	99.99%	India
Sterlite Grid 11 Limited (SG11L)	100.00%	99.99%	India
Sterlite Grid 12 Limited (SG12L)	100.00%	99.99%	India
Sterlite Grid 13 Limited (SG13L)**	100.00%	NA	India
Sterlite Grid 14 Limited (SG14L)**	100.00%	NA	India
Sterlite Grid 15 Limited (SG15L)**	100.00%	NA	India
Sterlite Grid 16 Limited (SG16L)**	100.00%	NA	India
Sterlite Grid 17 Limited (SG17L)**	100.00%	NA	India
Sterlite Grid 18 Limited (SG18L)**	100.00%	NA	India
Sterlite Grid 19 Limited (SG19L)**	100.00%	NA	India
Sterlite Grid 20 Limited (SG20L)**	100.00%	NA	India
Sterlite Grid 21 Limited (SG21L)**	100.00%	NA	India
Sterlite Grid 22 Limited (SG22L)**	100.00%	NA	India
Sterlite Grid 23 Limited (SG23L)**	100.00%	NA	India
Sterlite Grid 24 Limited (SG24L)**	100.00%	NA	India
Sterlite Grid 25 Limited (SG25L)**	100.00%	NA	India
Sterlite Grid 26 Limited (SG26L)**	100.00%	NA	India
Sterlite Grid 27 Limited (SG27L)**	100.00%	NA	India
Sterlite Grid 29 Limited (SG29L)**	100.00%	NA	India
East-North Interconnection Company Limited (ENICL)	100.00%	99.99%	India

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Name of the Entity	Effective equity shareholding as on 31 March 2019	Effective equity shareholding as on 31 March 2018	Country of incorporation
NRSS XXIX Transmission Limited (NRSS 29)	100.00%	99.99%	India
NRSS XXIX (JS) Transmission Limited (NRSS-JS)	100.00%	99.99%	India
Odisha Generation Phase-II Transmission Limited (OGPTL)	100.00%	99.99%	India
Gurgaon-Palwal Transmission Limited (GPTL)	100.00%	99.99%	India
Khargone Transmission Limited (KTL)	100.00%	99.99%	India
NER-II Transmission Limited (NER-II)	100.00%	99.99%	India
Goa-Tamnar Transmission Project Limited	100.00%	99.99%	India
Sterlite Brazil Participacoes S.A	100.00%	99.99%	Brazil
Se Vineyards Power Transmission S.A.	100.00%	99.99%	Brazil
Arcoverde Transmissão De Energia S.A.	100.00%	99.99%	Brazil
Sterlite Novo Estado Energia S.A, Brazil**	100.00%	NA	Brazil
Dunas Transmissão de Energia S.A**	100.00%	NA	Brazil
Borborema Transmissão de Energia S.A.**	100.00%	NA	Brazil
São Francisco Transmissão de Energia S.A.**	100.00%	NA	Brazil
Goyas Transmissão de Energia S.A.**	100.00%	NA	Brazil
Marituba Transmissão de Energia S.A.**	100.00%	NA	Brazil
Solaris Transmissão de Energia S.A.**	100.00%	NA	Brazil
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)**	100.00%	NA	Brazil
Castelo Transmissao de Energia S.A.**	100.00%	NA	Brazil
List of associate			
India Grid Trust	21.18%	20.72%	India

** Subsidiary incorporated / acquired during the year.

"* The Group had entered into share purchase agreements and shareholders' agreements dated February 14, 2018 ("the Agreements") with Sterlite Grid 1 Limited ("the buying shareholder") for sale of equity stake in RAPP Transmission Company Limited and Maheshwaram Transmission Company Limited. (together referred as "the SPVs"). Pursuant to the Agreements, the Group sold 74% and 49% of equity in the SPVs respectively and for acquisition of the remaining 51% equity stake, the Group has received full consideration in advance on a non-refundable basis. The remaining stake will be transferred to the Buying Shareholder on expiry of the respective mandatory shareholding periods in the SPVs. Under the Agreements, the buying shareholder has the following rights:

a. Right to nominate all directors on the Board of directors of the SPVs;

b. Right to direct the Group to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;

c. Irrevocable and unconditional call option to acquire the remaining equity stake in the SPVs at later dates;

d. Pledge on the remaining equity stake in the SPVs;

e. Non-disposal undertaking from the Group for the remaining equity stake in the SPVs.

Basis the above rights and the fact that full non-refundable consideration has been received by the Group in advance, the Group has considered the above transaction as sale of entire 100% stake in the SPVs and accordingly these SPVs have not been consolidated.

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NOTE 39: EMPLOYEE BENEFIT OBLIGATION

The group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at the beginning of the year	57.73	50.18
Interest Cost	4.48	11.56
Current service cost	14.22	3.60
Benefit paid directly by the employer	(4.74)	(3.28)
Actuarial (gain)/loss due to change in financial assumptions	10.19	(2.59)
Actuarial (gain)/loss on obligation due to experience	2.40	(2.04)
Actuarial (gain)/loss on obligation due to demographic assumptions	(3.91)	0.31
Present Value of Benefit Obligation at the end of the period	80.37	57.73

Details of defined benefit obligation

(₹ in million)

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation	80.37	57.73
Fair value of plan assets	-	-
Defined benefit liability	**80.37**	**57.73**

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
Current service cost	4.48	11.56
Interest cost on benefit obligation	14.22	3.60
Past service cost	-	0.31
Net benefit expense	**18.70**	**15.47**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

(₹ in million)

Particulars	31 March 2019	31 March 2018
Actuarial Gains/(Losses) on Obligation for the period	8.68	(4.63)
Net (Income)/Expense for the period recognized in OCI	8.68	(4.63)

Amounts for the current and previous periods are as follows:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation	80.37	57.73
Plan assets	-	-
Deficit	80.37	57.73
Experience adjustments on plan liabilities	2.40	(2.04)

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

Particulars	31 March 2019	31 March 2018
Discount rate	7.22%	7.70% - 7.80%
Expected rate of return on plan asset	NA	NA
Employee turnover	14.00%	10.00%
Expected rate of salary increase	9.50%	8.00%
Actual rate of return on plan assets	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

Sensitivity Analysis

(₹ in million)

Particulars	31 March 2019	31 March 2018
Projected Benefit obligation on Current Assumptions	80.37	57.73
Delta Effect of +1% Change in Rate of Discounting	(4.49)	(4.23)
Delta Effect of -1% Change in Rate of Discounting	5.01	4.24
Delta Effect of +1% Change in Rate of Salary Increase	4.27	3.86
Delta Effect of -1% Change in Rate of Salary Increase	(4.01)	(3.85)
Delta Effect of +1% Change in Rate of Employee Turnover	(3.36)	(0.93)
Delta Effect of -1% Change in Rate of Employee Turnover	5.18	0.91

Maturity Analysis of Projected Benefit Obligation: From the Employer

(₹ in million)

Particulars	31 March 2019	31 March 2018
Projected Benefits Payable in Future Years from the date of Reporting		
1st year	8.88	4.79
2-5 years	38.98	24.18
6-10 years	38.22	27.59
More than 10 years	48.36	61.59

NOTE 40: CAPITALISATION OF EXPENDITURE

During the year, the Group has capitalised the following expenses to the cost of fixed assets/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in million)

Particulars	31 March 2019	31 March 2018
A. Opening balance of expenditure included in CWIP	7,447.47	2,852.58
B. Additions to CWIP during the year		
Employee benefits expense (including gratuity)	791.37	681.77
Finance costs	2,915.18	3,529.18
Travelling and conveyance	149.70	167.50
Professional and consultancy fee	376.45	377.56
Other expenses	358.10	364.59
Total	**4,590.80**	**5,120.59**
C. Transferred to property, plant and equipment during the year	2,472.44	525.71
D. Closing balance of expenditure in CWIP (A+B-C)	9,565.83	7,447.47

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NOTE 41: LEASES

Operating lease

Group as lessee :

The Group has taken office buildings on operating lease. The lease term is for periods of three to nine years and renewable at the option of the Group.

(a) Lease payments recognised in the statement of profit and loss for the year is ₹ 170.73 million (net of amount capitalised to property plant and equipment of ₹ 52.61 million) [31 March 2018: ₹ 63.19 million (net of amount capitalised to property plant and equipment of ₹ 110.50 million)].

(b) The future minimum lease payments payable under non-cancellable operating lease over the next one year is ₹ 85.29 million (31 March 2018: ₹ 86.91 million).

(c) The future minimum lease payments payable under non-cancellable operating lease later than one year but not later than five year is ₹ 97.95 million (31 March 2018: ₹ 133.24 million).

Finance lease

Group as lessee :

The Group has taken laptops on finance lease. The lease term is for periods of three years.
Future minimum lease payments under finance lease with the present value of the net minimum lease payments are as follows:

Particulars	31 March 2019		31 March 2018	
	Minimum payment	Present value of MLP	Minimum payment	Present value of MLP
Within one year	1.60	1.44	6.15	4.90
After one year but not more than five years	-	-	1.60	1.68
Total minimum lease payments	1.60	1.44	7.75	6.59
Less: amounts representing finance charges	0.17	-	1.16	-
Present value of minimum lease payments	1.44	1.44	6.59	6.59

NOTE 42: CAPITAL AND OTHER COMMITMENTS

a] Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are ₹ 46,341.43 million (31 March 2018: ₹ 53,522.91 million).

b] Entities in power transmission grid business have entered into transmission service agreements (TSAs) with long term transmission customers pursuant to which these entities have committed to transmit power of contracted capacity and have also committed minimum availability of transmission line over the period of respective TSAs. The TSAs contain provision for disincentives and penalties in case of certain defaults.

c] The Group has entered into agreements with the lenders of following subsidiaries wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital of below mentioned subsidiaries and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

1. Odisha Generation Phase-II Transmission Limited (OGPTL)
2. Gurgaon-Palwal Transmission Limited (GPTL)
3. Khargone Transmission Limited (KTL)
4. NER-II Transmission Limited (NER-II)
5. Goa Tamnar Transmission Project limited (GTTPL)

d] For commitments relating to lease arrangements, refer note 41.

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NOTE 43: CONTINGENT LIABILITIES

(₹ in million)

Particulars		31 March 2019	31 March 2018
1	Disputed liabilities in appeal		
	a) Entry tax demand	-	13.30
	b) Excise duty	127.18	123.45
	c) VAT demand	82.90	129.94
	d) Service tax	3.24	3.03
	e) Customs duty	-	60.34
	f) Sales Tax	40.94	-
2	Corporate guarantees given to Sterlite Grid 1 Limited (subsidiary of India Grid Trust) against indemnification as per share purchase agreement	280.00	-

The Group has not provided for disputed service tax, excise duty and customs duty arising from disallowances made in assessments which are pending with appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group financial position and results of operations.

Further, pursuant to share purchase agreements with India Grid Trust, the Group is to indemnify India Grid Trust for entry tax demand of ₹ 410.20 million and sales tax demands of ₹ 104.34 million in relation to the entities sold to the Trust.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

NOTE 44: HEDGING ACTIVITIES AND DERIVATIVES

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD and EUR. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions/firm commitments. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

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

The cash flow hedges during the year ended 31 March 2019 were assessed to be highly effective and a net unrealised loss of ₹ 475.83 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended 31 March 2018 were assessed to be highly effective and an unrealised loss of ₹ 520.47 million was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2019 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2020.

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NOTE 45: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the group, for hedge purpose, as on March 31, 2019:

Purpose	Foreign currency (In million)	Amount (₹ in million)	Buy/Sell	No. of contracts (Quantity)
31 March 2019				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 278.93	19,317.32	Buy	288
Hedge of trade receivables and highly probable foreign currency sale	US $ 67.05	4,637.80	Sell	67
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 2.43	188.43	Buy	1
Hedge of trade receivables and highly probable foreign currency sale	EUR 5.48	426.09	Sell	15
Hedge of trade receivables and highly probable foreign currency sale	BRL 52.31	924.73	Sell	11
31 March 2018				
Hedge of payables, buyers credit and highly probable foreign currency purchases	US $ 246.69	16,045.71	Buy	414
Hedge of trade receivables and highly probable foreign Currency Sale	US $ 77.54	5,043.06	Sell	189
Hedge of payables, buyers credit and highly probable foreign currency purchases	EUR 3.07	247.11	Buy	2
Hedge of trade receivables and highly probable foreign Currency Sale	EUR 1.41	113.81	Sell	9

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

(₹ in million)

Category	Currency type	31 March 2019		31 March 2018	
		Foreign currency	**Amount**	Foreign currency	Amount
Import of goods and services	US $	0.46	32.52	0.74	48.12

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

The following are the outstanding future contracts entered into by the group as on 31 March 2019:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2019	Aluminium	256	106,294	Buy
31 March 2019	Aluminium	37	12,561	Sell
31 March 2019	Copper	10	795	Buy
31 March 2019	Copper	2	354	Sell
31 March 2018	Aluminium	372	93,795	Buy
31 March 2018	Aluminium	120	15,002	Sell
31 March 2018	Copper	10	586	Buy
31 March 2018	Copper	4	100	Sell

NOTE 46: KEY ASSUMPTIONS IN IMPAIRMENT TESTING

As required by Ind AS 36 - Impairment of Assets, the Group has determined the recoverable amounts of the transmission assets in Khargone Transmission Limited ('KTL') and Gurgaon-Palwal Transmission Limited ('GPTL') as at 31 March 2019 on the basis of the value in use by estimating the future cash flows over the period of transmission services agreements ('TSA') of the respective transmission assets. For such estimation, management has used certain key assumptions which are as follows:

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i. Cost of equity:
As at 31 March 2019- KTL: 13.70% and GPTL: 12.50%

ii. Cost of debt:
As at 31 March 2019- KTL & GPTL: 9.00%

iii. Availability of transmission lines at 99.75% throughout the TSA period;

vi. Escalable tariff inflation rate:
As at 31 March 2019- KTL & GPTL: 5.73%

v. Normal tax rate:
As at 31 March 2019 KTL and GPTL: 29.12%

vi. MAT rate:
As at 31 March 2019 KTL and GPTL: 21.55%

Based on management evaluation, these assumptions are considered reasonable as at 31 March 2019.
The entities have obtained valuation reports from external valuers in order to arrive at the recoverable amounts as at 31 March 2019. The recoverable amount for the transmission assets in KTL was lower than the carrying value as at 31 March 2019 by ₹ 1,131.72 million and accordingly impairment charge of ₹ 1,131.72 million was recorded in the books. The recoverable amount of GPTL was lower than the carrying value as at 31 March 2019 by ₹ 353.50 million and accordingly impairment charge of ₹ 353.50 million was recorded in the books. These assumptions are reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the transmission assets. Any change in key assumptions can have a material effect on the recoverable amounts of the respective transmission asset.

NOTE 47: EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR)

ESAR scheme 2015

During the year ended March 31, 2016, Sterlite Power Grid Ventures Limited ('SPGVL') granted 12.78 million Employee Stock Appreciation Rights (ESARs) to eligible employees under the Employee Stock Appreciation Rights 2015 ("ESAR 2015") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated 16 May 2015. Following is the reconciliation of provision for ESAR outstanding -

Particulars	31 March 2019		31 March 2018	
	Numbers (in million)	Amount (₹ in million)	Numbers (in million)	Amount (₹ in million)
Opening balance as at the beginning of the year	4.95	101.48	3.25	35.70
ESAR granted during the period	-	-	4.94	54.32
ESAR Cancelled	-	-	(0.02)	(0.27)
Payment towards ESARs vested	(4.95)	(101.48)	(3.22)	(35.43)
Balance	-	-	4.95	54.32
Provision for increase in FMV of equity share		-		47.16
Closing balance as at the end of the year	**-**	**-**	**4.95**	**101.48**

ESAR scheme 2017

During the year ended 31 March 2019, Sterlite Power Transmission Limited granted 218,625 (31 March 2018 : 2,97,000) Employee Stock Appreciation Rights (ESARs) to eligible employees and cancelled 155,700 (31 March 2018: Nil) ESARs due to separation or otherwise, under the Employee Stock Appreciation Rights 2017 ("ESAR 2017") Plan ("Plan") as approved by the Committee formed under the Plan vide Board Resolution dated 8 October 2017.

Particulars	31 March 2019		31 March 2018	
	Numbers (in million)	Amount (₹ in million)	Numbers (in million)	Amount (₹ in million)
Opening balance as at the beginning of the year	**0.30**	**9.86**	**-**	**-**
ESAR granted during the period	0.22	7.23	0.30	-
ESAR Cancelled	(0.16)	(5.15)	-	-
Payment towards ESARs vested			-	-
Balance	**0.36**	**11.94**	**0.30**	**-**
Accrual for the year at previous years FMV		23.88		
Impact of increase in FMV of equity share		10.07	-	9.86
Closing balance as at the end of the year	**0.36**	**45.89**	**0.30**	**9.86**

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Vesting of ESARs is subject to continued employment with the Company. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the SAR price (i.e the base price defined on the grant date of SAR) specified in the Scheme. The FMV is determined by the Committee based on the discounted cash flow valuation and other relevant factors. As at 31 March 2019, excess of FMV over SAR price specified in the ESAR Scheme 2017 is ₹ 91.84 million (31 March 2018: 59.15 million) and accordingly an expense of ₹ 36.03 million (31 March 2018: ₹ 9.86 million) has been recorded in the statement of profit and loss.

ESAR scheme 2017

Sterlite Power Grid Ventures Limited (SPGVL) has granted 0.31 million Employee Stock Appreciation Rights (ESARs) to eligible employees under the Employee Stock Appreciation Rights plan 2017 ("ESAR 2017") Scheme ("Scheme") as approved by the Committee formed under the Scheme vide Board Resolution dated 8 October 2017. The group's management has made provision of ₹ 39.57 million (previous year ₹ 9.39 million) for ESARs granted and outstanding under this scheme.

Particulars	31 March 2019		31 March 2018	
	Numbers (in million)	Amount (₹ in million)	Numbers (in million)	Amount (₹ in million)
Opening balance as at the beginning of the year	**0.28**	**9.39**	-	-
ESAR granted during the period	0.12	17.86	0.28	9.39
ESAR Cancelled	(0.09)	(3.00)	-	-
Payment towards ESARs vested	-	-	-	-
Balance	**0.31**	**24.25**	**0.28**	**9.39**
Provision for increase in FMV of equity share		15.31		-
Closing balance as at the end of the year	**0.31**	**39.56**	**0.28**	**9.39**

Vesting of ESARs is subject to continued employment with SPGVL. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of SPGVL as on the date of vesting over the SAR price (i.e the base price defined on the grant date of SAR) specified in the Scheme. During the year, under ESAR scheme 2015, ₹ 101.48 million (previous year: ₹ 35.43 million) SARs have been vested and paid. The FMV is determined by the Committee based on the discounted cash flow valuation and other relevant factors. As at March 31, 2019, in ESAR scheme 2017, it is ₹ 125.75 (31 March 2018: ₹ 33.09) and accordingly an expense of ₹ 30.17 million (31 March 2018: ₹ 9.39 million) has been recorded in the statement of profit and loss.

NOTE 48: ADOPTION OF IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group adopted Ind AS 115 "Revenue from contracts with customers" ('Ind AS 115') from 1 April 2018. Ind AS 115 provides a five-step model to account for revenues from contracts with customers. As per Ind AS 115, revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services to a customer.

The Group evaluated its operations for impact of adoption of Ind AS 115, as described below:

(a) **Impact of Ind AS 115 on the Indian operations of the Group**

The adoption of Ind AS 115 does not have any material impact on the revenue from power transmission services and revenue from Engineering, procurement and construction contracts within India.

(b) **Impact of Ind AS 115 on the Brazil operations of the Group**

The Group has subsidiaries in Brazil which are engaged in construction of power transmission lines and substations ('concession infrastructure') as per concession agreements. The Group has performance obligations to construct concession infrastructure as well as to operate and maintain it over the period of concession which were accounted as ""Service Concession Arrangements"" per Appendix A of Ind AS 11 ""Construction Contracts"" (Appendix A) till previous year. As per Appendix A, concession assets were considered as financial assets which were recognised by discounting cash flows related to the respective projects at internal rate of return ('IRR').

In the current year, pursuant to adoption of Ind AS 115, such contracts for construction of concession assets gives rise to contract assets till the transmission services are rendered. The contract asset refers to the Group’s right

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to the consideration as a result of the investments made in the construction of transmission line infrastructure. Such contract assets are recognised by discounting future cash flows from the respective concession arrangements at the discount rates which represent a market rate that considers the risks and premiums specific to the service concession transmission asset. The discount rates are fixed over the concession period and reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. Therefore, the revenue from construction of concession infrastructure is recognised during the construction period and revenue from operation & maintenance is recognised post commercial date of operation. Further, remuneration for service concession infrastructure ('finance income') is recognised over the concession period.

Impact of adoption of Ind AS 115 is summarised below:

(₹ in million)

Particulars	As at 1 April 2018	Adjustment on account of adoption of Ind AS 115	As at 1 April 2018
Retained earnings	(5,281.65)	18.22	(5,263.43)
Deferred tax liability		12.16	12.16
Financial assets			
Service concession assets - Current	-		
Service concession assets - Non-current	247.83	(247.83)	-
Other assets			
Current concession contract assets			
Non current concession assets	-	278.21	278.21

Had the Group not adopted Ind AS 115, revenue from construction of concession asset would have been lower by ₹ 901.17 million and loss before tax would have been higher by ₹ 901.17 million.

The Group has applied Ind AS 115 "Revenue from contracts with customers" for the first time in the financial year with effect from 1 April 2018 with modified retrospective approach.

NOTE 49 (A) : STATUTORY GROUP INFORMATION (SHARE IN NET ASSETS)

Name of entity	Net assets, i.e., total assets minus total liabilities (31 March 2019)		Net assets, i.e., total assets minus total liabilities (31 March 2018) [Also Refer Note 50 (d)]	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Parent				
Sterlite Power Transmission Limited	47.41%	(3,202.52)	3102.23%	(17,277.28)
Subsidiaries				
- Indian				
Sterlite Investment Managers Limited	-2.51%	169.28	-29.00%	161.52
Sterlite Convergence Limited	-2.89%	194.91	-0.06%	0.32
Sterlite Power Grid Ventures Limited	247.44%	(16,715.85)	-116.16%	646.94
Sterlite Grid 2 Limited	42.72%	(2,885.83)	-4.76%	26.53
Sterlite Grid 3 Limited	-0.55%	37.34	0.03%	(0.19)
Sterlite Grid 4 Limited	-0.01%	0.93	-0.07%	0.41
Sterlite Grid 5 Limited	-0.09%	5.92	-3.29%	18.32
Sterlite Grid 6 Limited	0.00%	(0.14)	-0.07%	0.38
Sterlite Grid 7 Limited	0.00%	0.12	-0.03%	0.17
Sterlite Grid 8 Limited	-	-	-0.03%	0.17
Sterlite Grid 9 Limited	-	-	-0.03%	0.17

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Name of entity	Net assets, i.e., total assets minus total liabilities (31 March 2019)		Net assets, i.e., total assets minus total liabilities (31 March 2018) [Also Refer Note 50 (d)]	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Sterlite Grid 10 Limited	0.00%	0.30	-0.03%	0.17
Sterlite Grid 11 Limited	0.00%	(0.14)	-0.05%	0.27
Sterlite Grid 12 Limited	0.00%	0.10	-0.05%	0.27
Sterlite Grid 13 Limited **	0.00%	(0.16)	NA	NA
Sterlite Grid 14 Limited **	0.00%	(0.14)	NA	NA
Sterlite Grid 15 Limited**	0.00%	(0.15)	NA	NA
Sterlite Grid 16 Limited**	-	-	NA	NA
Sterlite Grid 17 Limited**	-	-	NA	NA
Sterlite Grid 18 Limited**	-	-	NA	NA
Sterlite Grid 19 Limited**	-	-	NA	NA
Sterlite Grid 20 Limited**	-0.01%	0.50	NA	NA
Sterlite Grid 21 Limited**	-0.01%	0.41	NA	NA
Sterlite Grid 22 Limited**	-0.01%	1.00	NA	NA
Sterlite Grid 23 Limited**	-0.01%	1.00	NA	NA
Sterlite Grid 24 Limited**	-0.01%	1.00	NA	NA
Sterlite Grid 25 Limited**	-0.01%	1.00	NA	NA
Sterlite Grid 26 Limited**	-0.01%	1.00	NA	NA
Sterlite Grid 27 Limited**	-0.01%	1.00	NA	NA
Sterlite Grid 29 Limited**	-0.01%	1.00	NA	NA
East North Interconnection Company Limited	-28.01%	1,891.92	-405.39%	2,257.76
NRSS XXIX Transmission Limited	85.97%	(5,807.86)	-269.99%	1,503.65
NRSS XXIX (JS) Transmission Limited	0.00%	0.24	-0.09%	0.50
Odisha Generation Phase-II Transmission Limited (OGPTL)	-38.01%	2,567.81	-665.32%	3,705.37
Gurgaon-Palwal Transmission Limited	-25.82%	1,744.51	-81.67%	454.85
Khargone Transmission Limited	-29.94%	2,022.61	-416.86%	2,321.61
NER-II Transmission Limited	-48.22%	3,257.63	237.53%	(1,322.90)
Goa-Tamnar Transmission Project Limited	15.12%	(1,021.41)	-44.41%	247.33
- Foreign				
Sterlite Brazil Participacoes S.A	-9.94%	671.58	-29.70%	165.38
Se Vineyards Power Transmission S.A.	-19.01%	1,284.05	-60.90%	339.15
Arcoverde Transmissão De Energia S.A.	-21.29%	1,437.95	-46.60%	259.54
Sterlite Novo Estado Energia S.A, Brazil	-26.37%	1,781.73	0.00%	0.00
Dunas Transmissão de Energia S.A**	-1.45%	98.15	NA	NA
Borborema Transmissão de Energia S.A.**	-0.30%	20.49	NA	NA
São Francisco Transmissão de Energia S.A.**	1.73%	(117.12)	NA	NA
Goyas Transmissão de Energia S.A.**	-0.51%	34.13	NA	NA
Marituba Transmissão de Energia S.A.**	-0.87%	58.46	NA	NA
Solaris Transmissão de Energia S.A.**	-0.53%	35.59	NA	NA
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)**	-0.06%	3.78	NA	NA
Castelo Transmissao de Energia S.A.**	-	-	NA	NA
Associates				
- Indian				
India Grid Trust	-83.91%	5,668.42	(27.22)	5,932.66
Total	**100.00%**	**(6,755.47)**	**100.00%**	**(556.93)**

** Company incorporated during the year

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NOTE 49 (B): STATUTORY GROUP INFORMATION (SHARE IN PROFIT OR LOSS)

Name of entity	Share in profit or loss (Year ended 31 March 2019)		Share in profit or loss (Year ended 31 March 2018) [Also Refer Note 50 (d)]	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Parent				
Sterlite Power Transmission Limited	29.94%	(1,567.88)	-37.90%	(903.47)
Subsidiaries				
- Indian				
Sterlite Investment Managers Limited	0.12%	(6.12)	0.01%	0.31
Sterlite Convergence Limited	0.08%	(3.95)	-0.01%	(0.18)
Sterlite Power Grid Ventures Limited	51.29%	(2,685.93)	7.40%	176.28
Sterlite Grid 1 Limited		-	-0.08%	(1.90)
Sterlite Grid 2 Limited	6.70%	(350.71)	69.15%	1,648.41
Sterlite Grid 3 Limited	-0.68%	35.42	21.09%	502.63
Sterlite Grid 4 Limited	0.01%	(0.43)	-0.01%	(0.33)
Sterlite Grid 5 Limited	0.02%	(0.98)	-0.08%	(1.79)
Sterlite Grid 6 Limited	0.03%	(1.36)	-0.01%	(0.12)
Sterlite Grid 7 Limited	0.01%	(0.65)	-0.01%	(0.33)
Sterlite Grid 8 Limited	0.01%	(0.67)	-0.01%	(0.33)
Sterlite Grid 9 Limited	0.01%	(0.67)	-0.01%	(0.33)
Sterlite Grid 10 Limited	0.01%	(0.67)	-0.01%	(0.33)
Sterlite Grid 11 Limited	0.03%	(1.48)	-0.01%	(0.23)
Sterlite Grid 12 Limited	0.00%	(0.26)	-0.01%	(0.23)
Sterlite Grid 13 Limited	0.01%	(0.73)	NA	NA
Sterlite Grid 14 Limited	0.01%	(0.72)	NA	NA
Sterlite Grid 15 Limited	0.01%	(0.71)	NA	NA
Sterlite Grid 16 Limited	0.01%	(0.59)	NA	NA
Sterlite Grid 17 Limited	0.01%	(0.59)	NA	NA
Sterlite Grid 18 Limited	0.01%	(0.59)	NA	NA
Sterlite Grid 19 Limited	0.01%	(0.59)	NA	NA
Sterlite Grid 20 Limited	-	-	NA	NA
Sterlite Grid 21 Limited	0.01%	(0.59)	NA	NA
Sterlite Grid 22 Limited	-	-	NA	NA
Sterlite Grid 23 Limited	-	-	NA	NA
Sterlite Grid 24 Limited	-	-	NA	NA
Sterlite Grid 25 Limited	-	-	NA	NA
Sterlite Grid 26 Limited	-	-	NA	NA
Sterlite Grid 27 Limited	-	-	NA	NA
Sterlite Grid 29 Limited	-	-	NA	NA
East North Interconnection Company Limited	-0.92%	48.35	5.57%	132.71
Bhopal Dhule Transmission Company Limited	-	-	2.92%	69.63
Jabalpur Transmission Company Limited	-	-	-2.54%	(60.54)
Purulia & Kharagpur Transmission Company Limited	-	-	-3.26%	(77.66)
RAPP Transmission Company Limited	-	-	-2.11%	(50.41)
Maheshwaram Transmission Limited	-	-	0.25%	6.04
NRSS XXIX transmission Limited	-4.88%	255.43	23.91%	569.89

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Name of entity	Share in profit or loss (Year ended 31 March 2019)		Share in profit or loss (Year ended 31 March 2018) [Also Refer Note 50 (d)]	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
NRSS XXIX (JS) Transmission Limited	0.00%	(0.14)	NA	NA
Odisha Generation Phase-II Transmission Limited (OGPTL)	6.59%	(345.30)	-2.65%	(63.11)
Gurgaon-Palwal Transmission Limited	5.35%	(280.02)	-0.02%	(0.59)
Khargone Transmission Limited	17.06%	(893.46)	-0.03%	(0.81)
NER-II Transmission Limited	0.67%	(34.99)	-0.01%	(0.18)
Goa-Tamnar Transmission Project Limited	0.00%	(0.17)	-	-
- Foreign				
Sterlite Brazil Participacoes S.A	3.79%	(198.46)	-0.09%	(2.26)
Se Vineyards Power Transmission S.A.	-3.25%	170.15	0.14%	3.42
Arcoverde Transmissão De Energia S.A.	-6.09%	319.17	0.15%	3.61
Sterlite Novo Estado Energia S.A, Brazil	-3.47%	181.68	0.00%	0.00
Dunas Transmissão de Energia S.A	0.08%	(4.08)	NA	NA
Borborema Transmissão de Energia S.A.	0.27%	(14.37)	NA	NA
São Francisco Transmissão de Energia S.A.	3.49%	(182.88)	NA	NA
Goyas Transmissão de Energia S.A.	0.01%	(0.38)	NA	NA
Marituba Transmissão de Energia S.A.	-0.10%	5.13	NA	NA
Solaris Transmissão de Energia S.A.	-0.06%	3.01	NA	NA
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)	0.01%	(0.27)	NA	NA
Castelo Transmissao de Energia S.A.	-	-	NA	NA
Associates				
- Indian				
India Grid Trust	-6.22%	325.99	16.01%	435.85
Total	**100.00%**	**(5,237.06)**	**100.00%**	**2,383.66**

NOTE 49(C): STATUTORY GROUP INFORMATION (SHARE IN OTHER COMPREHENSIVE INCOME)

Name of entity	Share in other comprehensive income (Year ended 31 March 2019)		Share in other comprehensive income (Year ended 31 March 2018)	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)
Parent				
Sterlite Power Transmission Limited	87.48%	(835.78)	111.34%	(412.75)
Subsidiaries				
- Indian				
Sterlite Power Grid Ventures Limited	-23.11%	220.79	-11.33%	41.99
- Foreign				
Sterlite Brazil Participacoes S.A	35.63%	(340.42)	-0.01%	0.04
Total	**100.00%**	**(955.41)**	**100.00%**	**(370.71)**

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NOTE 50: OTHER NOTES

(a) On August 23, 2016, the Purnia – Biharsharif 400kv DC transmission line ('PB Line') of ENICL was rendered inoperable due to unprecedented flood in the Ganga river. Due to severe flood situation and reported abnormal flow of flood water certain towers of the transmission line were damaged. The restoration work for the same was completed on June 23, 2017. ENICL had claimed this event as a force majeure event under the Transmission Services Agreement ('TSA'). The Eastern Regional Power Committee ('ERPC') accepted the event as force majeure and accordingly ENICL received availability certificates considering deemed availability of PB line which recognise the incident as force majeure. Further, ENICL received transmission charges post the incident based on the availability certificates considering deemed availability of PB Line.

The carrying amounts of assets destroyed of ₹ 94.64 million had been derecognised and charged to the statement of profit and loss. ENICL had a valid insurance policy which covers the reinstatement cost for the above loss and accordingly it had filed an insurance claim with the insurer and recognised an insurance claim receivable of ₹ 250 million in earlier year. During the current year, management has assessed recoverability of the claim based on the assessment report of insurance surveyor resulting in a write off of insurance claim receivable of ₹ 45.80 million.

(b) On August 10, 2018, a tower of Purnia – Biharsharif transmission line ('PB Line') collapsed due to change of course of river Ganga and water flow with very high velocity. The restoration work for the same is in progress. ENICL has claimed this event as a force majeure event under the Transmission Services Agreement ('TSA').

The Eastern Regional Power Committee ('ERPC') through 148th operation co-ordination committee meeting held on September 03, 2018 accepted the event as force majeure event. ENICL has informed ERPC that the line would be restored by June 2019. Accordingly, ENICL has recognised tariff revenue for PB Line from August 10, 2018 till March 31, 2019 of ₹ 404.97 million as per the TSA.

Based on the assessment, management has recognized loss of ₹ 49.00 million on the net book value of assets destroyed/damaged and no other adjustments have been made in the books in respect of this event.

(c) The Group has entered into a Framework agreement with India Grid Trust for selling its entire stake in Khargone Transmission Limited, Gurgaon Palwal Transmission Limited and NER-II Transmission Limited after these projects are commissioned, at values as agreed in the Framework agreement subject to certain adjustments and the requisite approvals.

(d) During the previous year the Group inadvertently recognised deferred tax asset of ₹ 339.16 million on accumulated tax losses which has been rectified by the management in current year by restating previous year's figures. As a result profit after tax for the year ended 31 March 2018 is lower by ₹ 339.16 million and retained earnings as at 31 March 2018 are lower by ₹ 339.16 million.

NOTE 51 : GOODWILL ON CONSOLIDATION

The Board of directors of the Sterlite Technologies Limited on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Sterlite Technologies Limited ('STL' or 'Demerged company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of 1 April, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated 22 April 2016 and it became effective from 23 May 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. 1 April 2015. This goodwill is being amortised over a period of five years as required under the Scheme. The amortisation charge for the current year is ₹ 600.20 million (31 March 2018: ₹ 596.27 million). Under Ind AS, the differential amount would have been adjusted to reserves and no goodwill would have been recognised since the business combination was a common control transaction.

NOTE 52: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(a) Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31,2018.

Interest rate risk

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

The Group is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At 31 March 2019, approximately 26.75% of the Group's borrowings are at a fixed rate of interest (31 March 2018: 18.53%).

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

Interest rate sensitivity

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

(in ₹ million)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity*
31 March 2019		
Base Rate	+50	(42.28)
Base Rate	-50	42.28
31 March 2018		
Base Rate	+50	(138.86)
Base Rate	-50	138.86

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

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Foreign currency risk

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

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

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

Out of total foreign currency exposure the Group has hedged the exposure of 99.87% as at 31 March 2019 and 99.66% as at 31 March 2018.

Foreign currency sensitivity

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

(₹ in million)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
31 March 2019*	+5%	(0.04)/(0.03)	5%	0.00#/0.00#
	-5%	0.04/0.03	-5%	0.00#/0.00#
31 March 2018	+5%	2.40/98.45	5%	0.00#/7.10
	-5%	(2.40)/(98.45)	-5%	0.00#/(7.10)

* Does not include sensitivity with respect to interest on borrowings associated with assets classified as held for sale. Refer Note 11.

Amount below ₹ 0.01 million

Commodity price risk

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

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

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

Commodity price sensitivity

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

Equity price risk

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

At the reporting date, the exposure to non-listed equity shares at fair value was ₹ 112.45 million (31 March 2018: ₹ 112.45 million).

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Credit risk

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

Trade receivables

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

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

The Group is also engaged in transmission infrastructure development business under BOOM (Build, Own, Operate and Maintain) and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). The Group being transmission licensee receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables of transmission business. During the various periods presented, there has been no change in the credit risk of trade receivables of transmission business. However, this assessment may need a review if there is any change in the Pooling Regulations.

Factoring

The group has entered into an arrangement with HDFC Bank for non recourse factoring pursuant to which the group has derecognised trade receivables of ₹ 750.43 million (31 March 2018: 1,043.09 million)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the bank deposits which are made with AAA rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 45 and the liquidity table below.

(c) Liquidity risk

Liquidity risk is the risk that the group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial

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asset. The group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

(₹ in million)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2019						
Borrowings	443.58	5,753.90	9,437.36	23,118.47	23,977.08	62,730.39
Other financial liabilities	-	137.88	181.57	45.90	-	365.34
Trade payables	-	8,341.70	-	-	-	8,341.70
Payables for Property, plant and equipment	-	194.77	10,176.81	-	-	10,371.58
Derivatives	-	112.53	756.65	-	-	869.18
	443.58	**14,540.76**	**20,552.38**	**23,164.37**	**23,977.08**	**82,678.19**
As at March 31, 2018						
Borrowings	3,704.70	2,237.12	2,217.04	20,739.91	32,532.20	61,430.97
Other financial liabilities	-	2,505.09	2,134.74	19.25	-	4,659.08
Trade payables	-	7,565.96	-	-	-	7,565.96
Payables for Property, plant and equipment	-	81.05	4,031.38	194.04	-	4,306.47
Derivatives	-	-	878.38	-	-	878.38
	3,704.70	**12,389.23**	**9,261.54**	**20,953.20**	**32,532.20**	**78,840.85**

NOTE 53: CAPITAL MANAGEMENT

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

The group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group's policy is to keep the gearing ratio optimum. The group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

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(₹ In million)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Bearing Loans and borrowings	58,199.14	61,430.96
Trade Payables	8,341.70	7,565.95
Other Financial Liabilities	16,052.08	9,843.94
Less: cash and short-term deposits and current Investments	(5,620.96)	(1,884.21)
Net debt (A) *	**76,971.96**	**76,956.65**
Equity share capital	122.36	122.36
Other equity	(6,877.81)	(679.29)
Total capital (B)	**(6,755.45)**	**(556.93)**
Capital and net debt [C = (A+B)]	**70,216.50**	**76,399.72**
Gearing ratio	109.62%	100.73%

* Does not include amounts associated with disposal groups classified as held for sale (Refer note 11).

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

NOTE 54: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

Particulars	Carrying value		Fair value	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets				
Investments	914.70	668.26	914.70	668.26
Derivative instruments	241.24	-	241.24	-
Total	**1,155.93**	**668.26**	**1,155.93**	**668.26**
Financial liabilities				
Derivative instruments	869.18	878.38	869.18	878.38
Total	**869.18**	**878.38**	**869.18**	**878.38**

Fair values of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities and borrowings are considered to approximate their carrying amounts.

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

- The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown below:

A. FVTOCI assets - Unquoted equity instruments of Sharper Shape Group Inc.
Valuation technique: Discounted Cash Flow (DCF) method

Sr No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/decrease in fair value as of 31 March 2019/31 March 2018
(i)	Long-term growth rate for cash flows for subsequent years	31 March 2019: 3% 31 March 2018: 3%	2% increase 2% decrease	2% increase in the growth rate would result in increase in fair value by ₹ 3.51 million and 2% decrease would result decrease in fair value by ₹ 3.51 million
(ii)	Long-term operating margin	31 March 2019: 10.48 % 31 March 2018: 10.48%	1% increase 1% decrease	1% increase would result in increase in fair value by ₹ 4.01 million and 1% decrease would result decrease in fair value by ₹ 4.01 million
(iii)	WACC (pre-tax)	31 March 2019: 22.92% 31 March 2018: 22.92%	1% increase 1% decrease	1% increase in the WACC would result in decrease in fair value by ₹ 8.25 million and 1% decrease in fair value would result in increase in fair value by ₹ 8.25 million
(iv)	Discount for lack of marketability	31 March 2019 : 10% 31 March 2018: 10%	5% increase 5% decrease	Increase in the discount by 5% would result in decrease in fair value by ₹ 6.25 million and decrease in discount by 5% would result in increase in the fair value by ₹ 6.25 million

NOTE 55: FAIR VALUES HIERACHY

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2019 and 31 March 2018

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(liabilities) measured at fair value through profit and loss				
Mutual fund investments				
As at 31 March 2019	802.25	802.25	-	-
As at 31 March 2018	555.81	555.81	-	-
Assets/(liabilities) measured at fair value through other comprehensive income				
Investment in equity instruments				
As at 31 March 2019	112.45	-	-	112.45
As at 31 March 2018	112.45	-	-	112.45
Derivative assets				
As at 31 March 2019	241.24	-	241.24	-
As at 31 March 2018	-	-	-	-
Derivative liabilities				
As at 31 March 2019	(869.18)	-	(869.18)	-
As at 31 March 2018	(878.38)	-	(878.38)	-

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

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NOTE 56: RELATED PARTY DISCLOSURES

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

(a) Related parties where control exists

Holding company
Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

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

(i) Associates
India Grid Trust (from 30 May 2017)

(ii) Subsidiaries of associate
Sterlite Grid 1 Limited (from 30 May 2017)
Jabalpur Transmission Company Limited (from 30 May 2017)
Bhopal Dhule Transmission Company Limited (from 30 May 2017)
Purulia & Kharagpur Transmission Company Limited (from 15 February 2018)
RAPP Transmission Company Limited (from 15 February 2018)
Maheshwaram Transmission Limited (from 15 February 2018)
Patran Transmission Company Limited (from 30 August 2018)

(iii) Key Management Personnel (KMP)
Mr. Pravin Agarwal (Chairman)
Mr. Pratik Agarwal (CEO & Managing Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Ms. Avaantika Kakkar (Non executive & Independent Director)
Mr. Lalit Tondon (Non executive & Independent Director)

(iv) Fellow subsidiaries
Vedanta Limited
Fujairah Gold FZE
Bharat Aluminium Company Limited
Hindustan Zinc Limited
Twinstar Technologies Limited
Sterlite Technologies Limited
Sterlite Power Technologies Private Limited
Maharashtra Transmission Communication Infrastructure Limited

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

(i) Key Management Personnel (KMP)
Mr. Anuraag Srivastava (Chief financial officer) (from 15 June 2018)
Mr. Harsh Shah (Chief Financial Officer) (up to 14 June 2018)
Mr. Ashok Ganesan (Company Secretary) (from 1 October 2017)
Mr. Swapnil Patil (Company Secretary) (up to 29 May 2017)

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

(₹ in million)

S. No.	Particulars	Associate/Subsidiaries of Associate		KMP		Fellow subsidiaries	
		2018-19	2017-18	**2018-19**	2017-18	**2018-19**	2017-18
	Transactions						
1	Purchase of goods	-	-	-	-	11,127.25	11,755.41
2	Sale of services		-	-	-	-	23.72
3	Sale of goods (net of excise duty)	6.58	-	-	-	30.15	185.73
4	Interest paid	-	-	-	-	-	2.25
5	Interest income	-	-	-	-	11.05	10.97
6	Loans and advances given	-	-			75.00	
7	Project management fees received	33.50	27.08	-	-	-	34.00
8	Management fees paid					30.00	
9	Investment management fees received	110.62	74.19				
10	Reimbursement of expenses	28.76	-			6.92	22.39
11	Purchase of power	-	-			16.83	18.10
12	Remuneration	-	-	71.21	53.81	-	-
13	Sitting fees	-	-	3.70	1.03	-	-
14	Capital advance paid	-	-	-	-	2.00	-
15	Corporate guarantee given	280.00	-				
16	Purchase consideration received	156.72	-				
17	Indemnification as per Share Purchase Agreement	53.47	-				
18	ESAR pay-outs			-	18.11	-	-
19	Dividend income from investment in associate	709.20	373.46	-	-	-	-
20	Subscription to units of associate ^	-	5,880.36	-	-	-	-
21	Sale of Non-Convertible debentures of Sterlite Grid 1 Limited ^	-	5,880.36	-	-	-	-
22	Sale of equity shares of RAPP Transmission Company Limited and Purulia & Kharagpur Transmission Company Limited	-	2,870.52	-	-	-	-
23	Sale of equity shares of Maheshwaram Transmission Limited	-	961.84	-	-	-	-
24	Reimbursement of Expenses (Received or Receivable)	-	18.32	-	-	-	-
25	Redemption of NCDs / loans in the SPVs sold	-	8,702.14	-	-	-	-
26	Repayment of dues paid	-	15.56	-	-	-	-
	Outstanding balances						
1	Loans/advance receivables		-	-	-	260.65	180.22
2	Capital advance recoverable	-	-	-	-	2.00	
3	Trade receivables	66.40	56.40	-	-	55.22	
4	Trade payables	-	-	-	-	569.81	626.75
5	Others receivables	156.72	-	-	-	43.13	
6	Investment in Associates	5,044.24	5,932.66	-	-		-
7	Management fees receivable	-	-	-	-		70.13
8	Corporate and bank guarantees given and outstanding	280.00	293.80	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

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

	Particulars	Relationship	31 March 2019	31 March 2018
1	**Purchase of goods**			
	Vedanta Limited	Fellow subsidiary	10,297.27	9,932.28
2	**Sale of services**			
	Vedanta Limited	Fellow subsidiary	-	23.72
3	**Sale of goods (net of excise duty)**			
	Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	-	83.07
	Vedanta Limited	Fellow subsidiary	-	10.96
	Hindustan Zinc Limited	Fellow subsidiary	13.77	86.36
	Sterlite Technologies Limited	Fellow subsidiary	16.38	5.34
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	6.58	-
4	**Interest paid**			
	Hindustan Zinc Limited	Fellow subsidiary	-	0.33
	Sterlite Technologies Limited	Fellow subsidiary	-	1.92
5	**Interest income**			
	Sterlite Power Technologies Private Limited	Fellow subsidiary	11.05	10.97
6	**Loans and advances given**			
	Sterlite Technologies Limited	Fellow subsidiary	75.00	-
7	**Project management fees received**			
	Sterlite Technologies Limited	Fellow subsidiary	-	34.00
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	16.74	14.40
	Jabalpur Transmission Company Limited	Subsidiary of associate	8.01	6.76
8	**Management fees paid**			
	Sterlite Technologies Limited	Fellow Subsidiary	30.00	-
9	**Investment management fees received**			
	Bhopal Dhule Transmission Company Limited	Subsidiary of associate	41.95	35.57
	Jabalpur Transmission Company Limited	Subsidiary of associate	36.05	35.78
	Purulia & Kharagpur Transmission Company Limited	Subsidiary of associate	12.52	1.00
10	**Reimbursement of expenses**			
	Sterlite Technologies Limited	Fellow subsidiary	6.92	22.39
	India Grid Trust	Associate	28.76	-
11	**Purchase of power**			
	Vedanta Limited	Fellow subsidiary	16.83	18.10
12	**Remuneration**			
	Mr. Anuraag Srivastava	KMP	15.97	12.10
	Mr. Pratik Agarwal	KMP	48.69	35.99
	Mr. Ashok Ganesan	KMP	6.55	5.34
13	**Sitting fees**			
	Mr. Arun Todarwal	KMP	1.53	0.51
	Ms. Avaantika Kakkar	KMP	0.60	-
	Mr. Lalit Tondon	KMP	1.58	0.52
14	**Capital advance paid**			
	Sterlite Grid 1 limited	Subsidiary of associate	2.00	
15	**Corporate guarantee given**			
	Sterlite Grid 1 limited	Subsidiary of associate	280.00	-
16	**Purchase consideration received**			
	India Grid Trust	Associate	156.72	-
17	**Indemnification as per Share Purchase Agreement**			
	India Grid Trust	Associate	53.47	-
18	**ESAR pay-outs**			
	Mr. Pratik Agarwal	KMP	-	18.11

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Particulars		Relationship	31 March 2019	31 March 2018
19	**Dividend income from investment in associate**			
	India Grid Trust	Associate	709.20	373.46
20	**Subscription to units of associate ^**			
	India Grid Trust	Associate	-	5,880.36
21	**Sale of Non-Convertible debentures of Sterlite Grid 1 Limited ^**			
	India Grid Trust	Associate	-	5,880.36
22	**Sale of equity shares of RAPP Transmission Company Limited and Purulia & Kharagpur Transmission Company Limited**			
	Sterlite Grid 1 Limited #	Subsidiary of associate	-	2,870.52
23	**Sale of equity shares of Maheshwaram Transmission Limited**			
	Sterlite Grid 1 Limited #	Subsidiary of associate	-	961.84
24	**Reimbursement of Expenses (Received or Receivable)**			
	Maheshwaram Transmission Limited'	Subsidiary of associate	-	18.32
25	**Redemption of NCDs / loans in the SPVs sold**			
	Sterlite Grid 1 Limited	Subsidiary of associate	-	7,121.03
26	**Repayment of dues paid**			
	India Grid Trust	Associate	-	15.56

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

Particulars	31 March 2019	31 March 2018
Short term employee benefits	71.21	53.81
Post employment benefits#	-	-
ESAR pay-outs	-	18.11

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

^ During the previous year, the Group sold investment in equity share capital of Sterlite Grid 1 Limited of ₹ 573.86 million and part of the Non-Convertible Debentures of Sterlite Grid 1 Limited of ₹ 6,658.24 million to India Grid Trust in exchange of units of India Grid Trust of ₹ 5,880 million.

Note

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

NOTE 57: SEGMENT INFORMATION

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

-Power product and solutions
-Power transmission grid business
-Others

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating segments are mutually agreed between the segments taking into account the market prices and other relevant factors.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Particulars	31 March 2019					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Segment revenue (Gross)						
External customer	23,128.92	12,234.56	186.58	-		35,550.06
Inter-segment	1,340.64	-	-	-	(1,340.64)	-
Total Revenue	**24,469.57**	**12,234.56**	**186.58**	**-**	**(1,340.64)**	**35,550.06**
Segment results (PBIT)	**492.03**	**550.11**	**18.66**	**-**	**(59.33)**	**1,001.47**
Less: Finance cost (net)	2,983.38	2,867.97	-	3.22	(28.11)	5,826.47
Profit/(loss) before tax	**(2,491.35)**	**(2,317.86)**	**18.66**	**(3.22)**	**(31.22)**	**(4,825.00)**
Less: Tax expense	(324.36)	678.79	-	(2.14)	59.71	412.00
Profit/(loss) for the year	**(2,166.99)**	**(2,996.65)**	**18.66**	**(1.08)**	**(90.93)**	**(5,237.00)**
Segment assets	28,563.90	120,532.99	464.90	-	(30,618.98)	118,942.80
Common assets	-	-	-	3,551.80	-	3,551.80
Total assets	**28,563.90**	**120,532.99**	**464.90**	**3,551.80**	**(30,618.98)**	**122,494.60**
Segment liabilities	39,035.71	119,398.14	438.36	-	(29,944.87)	128,927.33
Common liabilities	-	-	-	322.71	-	322.71
Total liabilities	**39,035.71**	**119,398.14**	**438.36**	**322.71**	**(29,944.87)**	**129,250.04**
Additions to non-current assets*	187.55	5,324.71	-	-	-	5,512.26
Depreciation and amortization	780.09	1,050.17	-	-	121.65	1,951.90
Impairment of property, plant and equipment (including capital work in progress)	-	1,485.22	-	-	-	1,485.22
Impairment of property, plant and equipment held for sale	-	388.43	-	-	-	388.43

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

Particulars	31 March 2018					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
Segment revenue						
External customer	20,624.72	4,720.43	79.75	-		25,424.91
Inter-segment	3,421.62	-	-	-	(3,421.62)	0.00
Total Revenue	**24,046.34**	**4,720.43**	**79.75**	**-**	**(3,421.62)**	**25,424.91**
Segment results (PBIT)	**614.30**	**6,583.94**	**9.60**	**-**	**(231.49)**	**6,976.34**
Less: Finance cost (net)	1,937.41	2,294.02		5.88	(67.42)	4,169.89
Profit / (Loss) before tax	**(1,323.11)**	**4,289.92**	**9.60**	**(5.88)**	**(164.08)**	**2,806.45**
Less: Tax expense	78.58	743.60		(2.75)	(396.64)	422.79
Profit / (Loss) for the year	**(1,401.69)**	**3,546.33**		**(3.13)**	**232.56**	**2,383.66**
Segment assets	29,151.13	70,512.31	177.51	-	(20,702.65)	79,138.30
Common assets	-	-	-	2,078.54	-	2,078.54
Total assets	**29,151.13**	**70,512.31**		**2,078.54**	**(20,702.65)**	**81,216.83**
Segment liabilities	37,264.90	64,438.80	156.19	-	(20,333.29)	81,526.60
Common liabilities	-	-	-	247.16	-	247.16
Total liabilities	**37,264.90**	**64,438.80**	**156.19**	**247.16**	**(20,333.29)**	**81,773.76**
Additions to non-current assets*	249.74	12,420.26	-	-	-	12,670.00
Depreciation and Amortization	766.24	1,070.02	-	-	119.59	1,955.85

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2019
(All amounts in ₹ million unless otherwise stated)

Geographical Information

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
(1) Segment revenue - external turnover		
- Within India	23,095.13	21,831.06
- Outside India	12,454.93	3,593.85
Total	**35,550.06**	**25,424.91**
The revenue information above is based on the locations of the customers		
(2) Non-current assets*		
- Within India	35,911.94	52,778.85
- Outside India	7,886.65	328.41
Total	**43,798.59**	**53,107.26**

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

Information about major customers

For Power product and solutions segment, there are one customer in respect of which the revenues recognised during the year was ₹ 3,338.38 million (31 March 2018: ₹ 5,822.43 million)

For Power transmission grid segment, under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of revenue of ₹ 4,606.53 (31 March 2018: ₹ 4,376.89) from power transmission projects in India is receivable from PGCIL.

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754
Place: Mumbai
Date : 14 May 2019

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

Pravin Agarwal
Chairman
DIN : 00022096
Place: Mumbai
Date : 14 May 2019

Pratik Agarwal
CEO & Managing Director
DIN : 03040062
Place: Mumbai
Date : 14 May 2019

Anuraag Srivastava
Chief Financial Officer
Place: Mumbai
Date : 14 May 2019

Ashok Ganesan
Company Secretary
Place: New Delhi
Date : 14 May 2019

List of Acronyms for the Annual Report

ACCC	Aluminium Conductor Composite Core
ACSS	Aluminium Conductor Steel Supported
AI	Artificial Intelligence
ANEEL	Agência Nacional de Energia Elétrica (Brazilian Electricity Regulatory Agency)
ARC	Annual Rate Contract
BDTCL	Bhopal Dhule Transmission Limited
BSE	Bombay Stock Exchange
Bn	Billion
CAM	Cyril Amarchand Mangaldas
CAPEX	Capital Expenditure
CCD	Charged Coupled Device
CCI	Cabinet Committee on Infrastructure
CII	Confederation of Indian Industry
CKM	Circuit Kilo Meters
CSR	Corporate Social Responsibility
Cr	Crore
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EHV	Extra High Voltage
ENICL	East-North Interconnection Company Limited
EPC	Engineering Procurement Construction
FY	Financial Year
GE	General Electronics
GETCO	Gujarat Energy Transmission Corporation Limited
GHG	Greenhouse Gas
GIC	Government of Singapore Investment Corporation
GIS	Geographic Information System
GMDA	Gurugram Metropolitan Development Authority
GPTL	Gurgaon Palwal Transmission Limited
HPC	High Performance Conductor
IndiGrid	India Grid Trust
INR	Indian Rupee
InvIT	Infrastructure Investment Trust
IRU	Indefeasible Rights of Use
ISP	Internet Service Provider
JTCL	Jabalpur Transmission Limited
KKR	Kohlberg Kravis Roberts & Co.
KTL	Khargone Transmission Project
kV	Kilo Volt
LIDAR	Light Detection and Ranging
LLP	Limited Liability Partnership
M&A	Mergers & Acquisitions

MSI	Master System Integration
MSO	Multiple System Operator
MTCIL	Maharashtra Transmission Communication Infrastructure Limited
MTCL	Maheshwaram Transmission Company Limited
MTL	Maheshwaram Transmission Limited
MVA	Mega Volt Amp
Mn	Million
NABL	National Accreditation Board for Testing and Calibration Laboratories
NDCP	National Digital Communication Policy
NER	North-eastern Region
NERSS	North-Eastern Region Strengthening Scheme
NRSS	Northern Region Strengthening Scheme
NSE	National Stock Exchange
OGPTL	Odisha Generation Phase – I Transmission Limited
OPGW	Optical Ground Wire
PGCIL	Power Grid Corporation of India Limited
PKTCL	Purulia & Kharagpur Transmission Limited
POSH	Prevention of Sexual Harassment
PPP	Public Private Partnerships
QHSE	Quality, Health, Safety and Environment
RAPP	Rajasthan Atomic Power Project
ROSPA	Royal Society for the Prevention of Accidents
RTCL	RAPP Transmission Company Limited
SANQALP	Safety and Quality Association of Leading Partner
SIML	Sterlite Investment Managers Limited
SOPs	Standard Operating Procedures
SPEX	Sterlite Planning and Execution Excellence
STL	Sterlite Technologies Limited
TBCB	Tariff Based Competitive Bidding
TSTRANSCO	Transmission Corporation of Telangana Limited
UAV	Unmanned Aerial Vehicle
UPPTCL	Uttar Pradesh Power Transmission Corporation Limited
WRSS	Western Region Strengthening Scheme

Notes

Notes

/Concept, content and design at AICL (hello@aicl.in)

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